

RSM1201 2020: Foundations of Strategic Management

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Course Description

Why do some companies consistently outperform their rivals? Understanding the causes of persistent performance differences between firms is the central objective of scholarly research in strategic management. Maximizing the performance of your firm is the central objective of the strategic manager. RSM1201 is designed to bring these objectives together by equipping you with the most sophisticated and up-to-date research-based explanations on the causes of superior firm performance and empowering you to apply this knowledge to make better strategic decisions in your careers.

The field of strategy was spawned by a paradox. On one hand, long-held economic intuition predicted that firms earning above-normal profits would invite entry and imitation, which eventually would drive all firms' economic profits to zero. On the other hand, both casual and formal empiricism indicated that some industries consistently outperformed others and, within industries, some firms consistently outperformed their rivals. The field of strategy arose to explain this paradox: why are some firms apparently able to withstand the forces of competition and earn above normal profits over an extended period of time? Integrating lectures, case discussions, and group exercises, RSM1201 introduces you to the leading theories of strategy and develops your skills in applying these theories to a wide range of strategic problems. Our ultimate goal is to equip you with practical strategy skills built upon a foundation of rigorous, evidence-based theories of the causal determinants of firm performance. The emphasis in the course, and particularly class discussion, is on critical thinking and the development of precise and persuasive arguments rather than identifying a single right answer to a business problem.

Course Learning Outcomes

In this course, you will gain fluency in fundamental concepts, frameworks and methodologies useful to managers in crafting and executing business strategy. You will develop the ability to generate and evaluate strategic decisions in terms of positioning a company relative to external and internal factors to create sustainable value for shareholders and other constituents. Multi-business companies must also develop a corporate strategy for determining the level of the firm's diversification across business units. Corporate strategies deliver value by focusing on interdependencies among the business units within a firm.

As part of this journey, you will also understand what persistent performance differences are, why the field of strategy is focused on understanding them, and how they relate to the firm-level objective of maximizing profits. And you will become literate in the field of strategic management, including a grasp of its intellectual history, a solid understanding of its central ideas including the most up-to-date theories of strategy, and a good sense of how research

insights are ultimately “commercialized” by strategy practitioners – a crucial skill to enable you to gain personal competitive advantage through evaluation and early adoption of new scholarly ideas throughout your career.

Course Grade Components

The final course grade reflects your level of demonstrated achievement of the Course Learning Outcomes listed above. Deliverables provide feedback on your progress towards the course grade. For each assignment you will receive a raw score that will be mapped to the A+ to FZ scale based on the difficulty of the assignment. Note: Deliverables that are to be submitted in class are due at the beginning of class unless otherwise noted.

For situations in which students are not granted an academic accommodation for a missed or late deliverable, the missed or late deliverable will not be accepted.

Item	Wt %	Due Date /Time	Delivery
Class participation	10%	Ongoing	In class
Mid-course quiz	15%	Nov 18, 8:30-10:30am	Online submission
Take-home assignment	15%	Nov 25, 2:00pm	Online submission
Term deliverable [Team project]	30%	Dec 6, 2:00pm	Online submission
Final exam	30%	Dec 8	Online submission

Deliverables Descriptions

1. Class Participation (10%)

A willingness to participate and to test new ideas is not only an important component of the course but, in fact, is central to what strategy is about. It is important to appreciate that every student is a co-producer of the class discussion, and thus it is crucial that every class member listens carefully to others and attempts to build on or constructively critique prior comments. Please resist the temptation to jump to topics that are not specifically open for discussion. It is our hope that the classroom can serve as a “riskless” environment in which we all feel comfortable testing new ideas and pushing the boundaries of our thinking. Please bring your best self to the class discussion: illuminating the conversation with your analysis and seeking to engage others. A hallmark of a successful comment is that others refer back to it; an impressive

contribution is one that refers to prior remarks and demonstrates, how the conversation has missed an important insight.

It is crucial that you prepare fully by reading and reflecting on the material assigned for each class. Please apply the frameworks from class and the assigned readings to the cases. It is essential to consider the case exhibits comprehensively. Much of the learning experience of this course depends upon your ability to integrate the reading material with our class discussions and exercises in a "real time" setting. Please come to class with prepared comments, and also be willing to adjust in real time as conversations evolve. It is insufficient only to read the case. You also must prepare an analysis, develop a point of view, and think in advance about when you will seek to be called upon to make the points that are most important to you. Discussion questions to assist in your preparation of the cases and/or readings will be posted on the portal.

In grading class participation, several criteria will be applied, including:

- Analysis: Do the comments include analysis, or do they simply restate the facts?
- Responsiveness: Do the comments relate to, and build upon, the previous discussion or the question being posed?
- Creativity: Do the comments bring a new perspective to the issues?
- Clarity: Are the comments succinct and understandable?
- Quantity: How frequently does the student participate?
- Integration: Does the participant integrate material from past classes?
- Collegiality: Has the participant sought to persuade others, and treated others with respect?
- MOST IMPORTANTLY: Do the participant's comments stimulate productive discussion between you and your peers?

2. Mid-course quiz (15%)

The objective of this assessment is to provide students with an opportunity to demonstrate mastery of the concepts and frameworks of the first half of the course, knowledge of case material, and understanding of the important points and issues that were discussed in class. The quiz will also provide you with feedback so that you can recognize areas where additional investment in course concepts and materials can yield an important return.

3. Take-home assignment (15%)

The objective of this assignment is to provide students with an opportunity to demonstrate mastery of the tools involved in value-capture analysis.

4. Team project (30%)

This project will provide an opportunity to apply strategy frameworks to a real-world situation in teams. The project will be introduced during the first week of class. The assignment is to

apply the business-unit frameworks from the course to an organization, and to make recommendations based on your analysis for improving the organization's strategy. This project is a team-based analysis in which you will work with your assigned project team.

The project is due on December 6 at 2pm via Quercus. This is a hard deadline. Teams that are late will be penalized, and the members of a team that does not submit this project on time may not successfully complete the class.

5. Final exam (30%)

The objective of this assessment is to provide students with an opportunity to demonstrate mastery of the concepts and frameworks of the entire course, knowledge of case material, and understanding of the important points and issues that were discussed in class. The exam will also provide you with feedback so that you can recognize areas where additional investment in course concepts and materials can yield an important return beyond the confines of this course.

Readings and Materials

Additional materials may be posted on Quercus.

Item	Title	Required?	Location
Reading package	RSM1201 Readings and Cases	Required	Posted on Quercus

Schedule

Class	Date	Topics	Case	Reading
1	Oct 26/27	Introduction	Tesla (links on Quercus)	Porter, "What is Strategy?"
2	Oct 29/30	Industry Analysis – Five Forces I	Pfizer and the Challenges of the Pharmaceutical Industry	Porter, "The Five Competitive Forces"
3	Nov 2/3	Industry Analysis – Five Forces II	U.S. Airline Industry (links on Quercus)	
4	Nov 5/6	Competitive Positioning – Low Cost	The Inexorable Rise of Walmart?	Ghemawat & Rivkin, "Creating Competitive Advantage"
5	Nov 9/10	Competitive Positioning - Differentiation	Natura	
6	Nov 12/13	Value Capture Model	Lecture and exercises	Ryall "The New Dynamics of Competition"
7	Nov 16/17	VCM and Competitive Advantage	Husky Injection Molding	
8	Nov 19/20	Industry Change and Competitive Dynamics I	Bitter Competition: HSC vs. NutraSweet	Coughlan, "Competitor Analysis: Anticipating Competitive Actions"
9	Nov 23/24	Industry Change and Competitive Dynamics II	Apple	McGahan, "Moonshots"
10	Nov 26/27	Corporate Strategy – Horizontal Expansion	Walt Disney	Piskorski, "Choosing Corporate and Global Scope"
11	Nov 30 / Dec 1	Corporate Strategy – Vertical Integration	Walt Disney	

Class	Date	Topics	Case	Reading
12	Dec 3/4	Course Conclusion – Putting it all Together	Tesla Revisited	
Final Exam	Exam Period (the Program or Registrar’s Office will communicate)			

You are expected to have read the assigned reading **before** class unless explicitly stated otherwise.

Equity and Diversity for An Online Course

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another’s differences. U of T does not condone discrimination or harassment against any persons or communities.

Class Recordings

Regardless of the statements on recordings below, the instructor may at any time decide to suspend class recording for any reason, including privacy concerns, intellectual property issues, lack of attendance, or pedagogical preference.

All classes are recorded by Rotman and posted to the course page. The recordings are a complement to, not substitute for, attending class. Our purpose in providing the recordings is to enable you to review the material from class at your own pace and as many times as you need. We reserve the right to cease providing class recordings if the recordings appear to be substituting for students’ attendance in class. All recordings of class sessions, and any additional videos or other materials posted to Quercus, are only for the exclusive use of enrolled students, for personal learning, and not to be shared in any way.