20750 – GLOBAL STRATEGY

COURSE SYLLABUS A.Y. 2023-2024

Class 7
Instructors: Profs Giada Di Stefano (giada.distefano@unibocconi.it) & Claudia Frosi (claudia.frosi@unibocconi.it)

Dates | Hours | Room
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Sept 6 – Nov 18 | 8:45-12:00 (Wed) | D

For topics, readings, questions, and assignments see: http://blackboard.unibocconi.it.

Course objectives
Global Strategy is concerned with the formulation and implementation of corporate strategy within large, complex companies—multi-business companies in particular. The objectives of the course are:

- To acquire competence in applying concepts, frameworks and tools required for analyzing corporate strategy.
- To recognize and understand the relationships between strategy, competitive context, organizational structure, management systems, and leadership style within the large corporation and appreciate the tasks involved in implementing strategy.
- To be more aware of the broader forces currently impacting large corporations and the ways in which companies are responding to these challenges.
- To develop your skills in strategic analysis as well as oral and written communication.

Course format and style
The course is divided in two parts – we will first learn about corporate strategy decisions, and then put the learning in practice.

To accomplish the former objective, we will go through a number of sessions in which we will discuss real business cases with emphasis on different strategic choices. As is recommended with the case teaching method, all discussions, and presentations will occur in the first part of class, with a debrief in the second half. We lead most in-class discussions in this course using the Socratic Method. Consistently, we will mostly act as moderators, and you should feel comfortable responding to in-class questions (aka “cold calls”). Such an interactive, hands-on approach is used to reveal the complexity and ambiguity of real-world situations.

Once we have discussed the main concepts associated to the formulation and implementation of strategy within large companies, we will put our learning in practice through a business simulation that will take place over an intense two-day schedule. The aim of this simulation is to allow you to experience first-hand the concepts learned in class in an environment where each of you will be part of the board of directors of a company operating within a tech industry. In this role, you will be crafting and implementing your company’s corporate strategy by analyzing data and taking decisions pertaining to scope and growth modes, while interacting with other board members and negotiating with other companies.
Course materials
All course materials will be distributed through Blackboard, except for the cases identified in the schedule below as "distributed in class". Readings that are copyright protected are available through the Library's reserve service. The business game will be run using a the GlobStrat simulation, a comprehensive strategic management simulation that enables participants to learn, understand and handle the responsibilities and tasks of a corporate executive committee.

Schedule / Course Content
The instructors reserve the right to change readings and schedule at any time during the course. Cases are to be read and prepared at home in advance before class, except for those identified in the schedule below as “distributed in class.”

<table>
<thead>
<tr>
<th>Session</th>
<th>Topic</th>
<th>Case/Readings</th>
<th>Instructor</th>
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<tr>
<td><strong>Block 1: Scope</strong></td>
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<tr>
<td>1: Wed 06/09</td>
<td>Introduction. Scope Decisions</td>
<td>Atelier des Chefs (distributed in class)</td>
<td>Di Stefano</td>
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<td>2: Wed 13/09</td>
<td>Horizontal Scope</td>
<td>Ristorante D’O</td>
<td>Di Stefano</td>
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<tr>
<td>3: Wed 20/09</td>
<td>Vertical Scope</td>
<td>Re-awakening the magic: Bob Iger and the Walt Disney Company</td>
<td>Di Stefano</td>
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<tr>
<td>4: Wed 27/09</td>
<td>Geographic scope</td>
<td>L’Oréal: Attracting the Next Billion Consumers</td>
<td>Di Stefano</td>
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<td>5: Wed 04/10</td>
<td>Social scope</td>
<td>Combining Business and Societal Objectives at Danone</td>
<td>Di Stefano</td>
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<td><strong>Block 2: Growth</strong></td>
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<tr>
<td>7: Wed 18/10</td>
<td>Contracts, Licensing, Alliances</td>
<td>Tiffany &amp; Swatch</td>
<td>Frosi</td>
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<td>8: Mon 30/10 13:00 – 16:15</td>
<td>Acquisitions</td>
<td>$19B 4 txt app WhatsApp… omg!</td>
<td>Frosi</td>
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<td>9: Wed 8/11</td>
<td>Exit</td>
<td>Slalom to finish: Carlyle’s Exit from Moncler</td>
<td>Frosi</td>
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<td><strong>Block 3: Implementation</strong></td>
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<td>10: Wed 15/11 Fri 17/11 (10:15-19:30) Sat 18/11 (08:45-18:30)</td>
<td>Implementation Business Game</td>
<td>Material distributed in class</td>
<td>Di Stefano</td>
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Grading
Your final grade will be determined as follows:
A. Business Game 50%
B. Final Exam 50%
C. Class Participation up to 2 bonus points

Points earned for each grade component will be weighted and summed to obtain a total score for the course. Below is an overview of each grade component.

A. Business Game (50%)
The final grade for the business game is based on two criteria, namely team performance in the game (60%), and team final report presented at the end of the business game (40%). Further details are provided in appendix A at the end of this syllabus.

B. Final Exam (50%)
The final exam will include a mix of open- and close-ended questions covering the main concepts discussed in class, for a total of 30 points. Sample questions will be discussed in class and posted on Blackboard.
**C. Class Participation (up to 2 bonus points)**

Case analysis and case discussion are a central part of the learning experience! We expect every student to be prepared to answer questions in every class. We will “cold-call” students – this means that you might be asked a question even if you have not raised your hand. Be ready. And you can also gain up to two bonus points for consistent and high-quality participation! We share some tips in appendix B at the end of this syllabus.

**Your Instructors**

**Giada Di Stefano** is Professor of Strategic Management at Bocconi University, which she joined in February 2019. Giada taught previously at HEC Paris. She received her PhD in Strategy from Bocconi University.

**Claudia Frosi** is a PhD Candidate in Strategic Management at Bocconi University. Claudia previously worked for BCG and is now pursuing a PhD in Strategy from Bocconi University.

**Office Hours**

Both professors are available for individual or group meetings by appointment. Please send an email to “book” a slot during the office hours along with the focus of the meeting. Office hours can be attended in groups or individually.

**Norms of Behavior**

In order to have a productive class, we kindly ask you to respect the following:

- Please do not use hand-held devices during class. This policy is draconian, we know, but it is based on research documenting the effect they have on you as well as your classmates. If you are interested, here are some articles on the topic:
  
  https://www.sciencedaily.com/releases/2017/06/170623133039.htm
  
  http://www.nytimes.com/2017/01/02/opinion/leave-your-laptops-at-the-door-to-my-classroom.html?_r=0

- Communicating with the professors: Do not send the same request to each of us separately so that we do double the work to respond to it. Choose the one of us whose class it relates to or cc both of us.

- Please email before arriving for office hours and allow for 24 hours of notice.

- Class rep – Please use your class rep to share points of concern, confusion, and satisfaction – we always find it helpful when they gather feedback from the class or bring our attention to a simmering issue.

- Re-grading Policy: For any regrading request, we expect a written memo explaining why the work earned a high score (exam or project). If we agree there is cause for re-grading, we will re-grade the WHOLE WORK. This may lead to changes in grades of other parts of the work as well.

Università Bocconi conceives of education as an ongoing process that stretches across a person’s entire professional life. The University hopes that the entire Bocconi community will respect the values of fairness and correctness associated with it, values which inspire and guide the conduct of all community members as they pursue common objectives and a shared mission. We encourage all students to read the [Bocconi University Honor Code](http://www.unibocconi.eu/honorcode), published at [http://www.unibocconi.eu/honorcode](http://www.unibocconi.eu/honorcode).
APPENDIX A: BUSINESS GAME
GlobStrat

Overview
GlobStrat is a comprehensive strategic management tool that enables students to explore, understand, and handle the responsibilities of a corporate executive. Over an intense period of 2 days, students work in teams and compete against other groups in a simulated market environment. In particular, GlobStrat focuses on the crucial stages of definition and implementation of a successful corporate strategy. Additionally, GlobStrat is based on triple-bottom line evaluation criteria (Profit, Planet, and People) allowing students to explore the trade-offs behind sustainable strategic choices. In particular, firms not only have to achieve profitability (Profit), they also must ensure it is sustainable, by making the appropriate investments in Corporate Social Responsibility (People) as well as Environmental Management (Planet).

Preparation: Reading, Registration & Training
1. **Reading:** please, read carefully the GlobStrat User Guide. This reading is necessary in order to follow a tight schedule.
2. **Registration:** one week before the business game starts, all participants will need to register at: http://www.globstrat-academy.com/ In the Register tab (please note that you'll need to register before you can login), enter the registration code, which will be communicated to you by your instructors.
   - ID: your Bocconi email address
   - Password: please enter six alphanumeric characters of your choice.
   Select your assigned team (Team A; Team B...), and you are ready to go. When registered, you can go back to the Login tab in the www.globstrat.com menu and take a tour.
3. **Training:** take a tour of the GlobStrat software and understand how it works: from Decisions to Forecast. In the Documentation tab, you may download more detailed information about each corporate function.

Grading
The final grade for the business game is based on 2 criteria:
- Team Performance (60%);
- Team Final Report presented during the final debriefing (40%).

Schedule

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<th>Day 2</th>
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<tr>
<td><strong>Friday 17/11</strong></td>
<td><strong>Saturday 18/11</strong></td>
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<tr>
<td>10.15-11.45</td>
<td>Introduction</td>
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<td>11.45-12.00</td>
<td>Break</td>
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<td>12.00-13.00</td>
<td>Practice Round</td>
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<td>13.00-14.00</td>
<td>Lunch break</td>
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<td>14.00-15.30</td>
<td>Decision Round 1</td>
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<td>15.30-15.45</td>
<td>Break</td>
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<tr>
<td>15.45-16.00</td>
<td>Debrief Round 1</td>
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<tr>
<td>16.00-17.30</td>
<td>Decision Round 2</td>
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<td>17.30-17.45</td>
<td>Break</td>
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<tr>
<td>17.45-18.00</td>
<td>Debrief Round 2</td>
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<tr>
<td>18.00-19.30</td>
<td>Decision Round 3</td>
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APPENDIX B: CLASS PARTICIPATION

Overview
Developing your capabilities in strategic management is about acquiring understanding and insight. Class discussion plays a central role in this process. Please come to class having read the assigned case and having thought about the assignment questions.

Expectations
We thought it would be useful to share our expectations and what we value. In practical terms, you should expect the following:

- Students who talk regularly, engage with their classmates and make sharp contributions will learn and contribute the most to the learning of everyone else – including professors!
- Our baseline expectation is that students attend most classes and contribute frequently to our discussions either by speaking, engaging with the speakers, and asking questions.
- Our minimum expectation is that students attend class and occasionally contribute. We find that students with this approach are not engaging with the active learning necessary for graduate school and do not perform well in other parts of the class.
- If you cannot commit to preparation and engagement, we suggest you opt for non-attending status. This is your choice, a matter of preferences, and, just to be clear, it won’t be “punished” in any way.

Useful tips
- Read the case at least twice. The first reading provides you with a general sense of the "story" and of the types of information available. On the second reading, you should start to carefully take notes, sorting information into categories, and writing down answers to the study questions and asking new questions of your own. You may find it useful to undertake specific analyses (e.g., time-line of events, personnel profiles, funds-flow patterns, cost analysis, analysis of demand, industry analysis, etc.)
- The well-prepared student comes to class with a written outline of how he or she would answer each of the study questions associated with the day’s case. Writing down your responses to the study questions imposes a valuable discipline on one’s own thought processes, as it forces a level of specificity and clarity, and hence of case preparation, that otherwise might be absent. Good case discussions take the group farther than any one individual or study group was able to go on their own.
- For those of you who have not extensively used the case method before, please take a look at the videos available on this website: https://hbsp.harvard.edu/casestudyhandbook/, where professor Ellet provides an overview of case method from the students’ perspective.
- Case discussion requires collaboration between all of us as we try to understand our approach to the case. We aim to create a safe and collaborative environment where each one of you can feel free to express his or her opinions and engage in fruitful (and sometimes spirited) conversation. Standing up for your opinions is a skill that will serve you well in life, personal and professional. And we invite you to start practicing it together with us in class.
- We firmly believe in the importance of peer-to-peer learning. All of you come to this class after having earned a bachelor degree, and most of you have at this point had at least some work experience. You will find it surprising to discover how much you can learn from each other, if only you give it a chance. Third, and this is for those of you whose personality is more on the introverted side: we will sometimes ask for written contributions, so to reduce pressure and give everyone his or her chance to express an opinion. Still, we suggest you give a try to verbal contributions in class. There are simple strategies that can help you feel more at ease with it, such as the ones described in the videos here: https://youtu.be/rxR47dUlKM0 and https://youtu.be/t-WsJ7E4MoE. Speaking up is a skill that can be learned. Use our class to practice it.