



STRATEGIC MANAGEMENT
Full-time MBA
March 2020

Faculty

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Course Overview

This is a first course in Strategy. It is meant to give a foundational knowledge of modern frameworks and concepts in the field. The course will put primary emphasis on the internal strategy formulation, analysis and implementation and is complementary to the Economics of Strategy Elective, which will cover external industry factors and analysis in more depth.

This course focuses on questions like: Where do you want to go with your organisation? What are you trying to achieve? Why? How? We will be exploring different concepts and tools that can help you identify the competitive positioning, the resources the company needs to obtain, and the organisation it needs to build. We will also focus on how you develop and implement a consistent and coherent strategy in today's dynamic and competitive business world.

Strategic analysis assumes that most resource and product markets are fundamentally imperfect and are not necessarily in competitive equilibrium. In fact, they would often seem to be in a state of permanent disequilibrium. Opportunities constantly emerge when industry conditions change, or when innovating firms change these conditions. Firms achieve competitive advantage by understanding these conditions and opportunities, by designing strategies and organizations that match their capabilities to available opportunities and by executing well. We will therefore also discuss your roles as responsible general managers in organizations and how you can manage and implement strategy.

The course covers a number of analytical tools and frameworks that facilitate the implementation of this process.

Class Dynamics and Preparation

This course relies heavily on the case discussion approach and it is therefore important that you read the cases carefully in preparation for each class. We will spend a substantial part of each class discussing the assigned case. This is a very interactive process that seeks to get multiple viewpoints and perspectives on the table and to debate the pros and cons of various alternatives and ideas. I will also present conceptual frameworks that are useful in analysing general strategy issues found in the cases and real business settings.

Learning Objectives

To achieve the grade 12, students should meet the following learning objectives with no or only minor mistakes or errors. At the end of this course, the participant should be able to:

- Discuss the logic of key models, frameworks and analytical approaches from the Strategic Management domain
- Correctly select and apply frameworks, concepts and theories Strategic Management domain in a given case situation
- Present argumentation for the relevance of the selected frameworks, concepts and theories to the given case

Evaluation

Elements of evaluation	Base of evaluation	Weight
Written home assignment	Individual	100%

The exam must be uploaded to CBS digital exam no later than 9AM on Thursday the 26th of March 2020. The paper must not exceed 10 pages and should follow the CBS Standard formatting.

Course Materials

- Readings and cases are specified in the outline below. The cases are available on Canvas. I will also post links to the articles on Canvas, but ultimately it is your own responsibility to find the articles through the CBS Library.
- Electronic copies of slides are posted on CBS learn **after** each class

Textbook

<i>Title</i>	<i>Year</i>	<i>Author</i>	<i>Institution</i>
Contemporary Strategy Analysis John Wiley & Sons, 10 th Edition	2019	Robert M. Grant	Georgetown University, USA

Overview of Cases

<i>Session Number</i>	<i>Case Title</i>	<i>Country Setting</i>	<i>Industry</i>
1,2	Honda A	Japan and United States	Motorcycles
3.	Nespresso	Switzerland	Food & Beverage
4.	The a2 Milk Company	New Zealand / Australia	Food & Beverage
5	Rebirth of the Swiss Watch Industry 1980 - 1992	Switzerland	Watches
6.	Keeping Google 'Googley'	USA	Internet, Online Advertising
7.	Axel Springer in 2016: From Transformation to Acceleration?	Germany	Publishing / News / Digital
8,9.	Harvey Golub: Recharging American Express	USA	Credit Cards / Financial Services
10, 11.	People Express	USA	Airlines

Class Schedule

Monday March 2nd, 2020

Sessions 1 and 2 – Introduction: What is Strategy?

Case: Honda A (HBS 9-384-049)

(Honda B, HBS 9-384-050 to be distributed in class)

1. Why was Honda so successful in invading the US motorcycle market?
2. Based on the case, how do you think that Sochiro Honda spent his time? How did he add value? What kind of person was he?
3. What messages does the Boston Consulting Group's report on Honda (from which this case study is extracted) send to top managers?

Reading:

- Grant, Chapter 1 "The Concept of Strategy"

Optional reading:

- Henry Mintzberg and James A. Waters "Of Strategies, Deliberate and Emergent", *Strategic Management Journal*, 1985, Vol. 6, pp257-272.

Tuesday March 3rd, 2020

Session 3 – Formulating Strategy

Case: Nespresso. No case preparation in advance of this session (BUT NOTE CASE for session 4 BELOW).

Reading:

- Costas Markides, "Put innovation back into strategy", Chapter 1 "All the Right Moves"
- Grant, Chapter 2 "Goals, Values, and Performance"

Optional reading:

- Nathan Furr and Andrew Shipilow, "Digital doesn't have to be Disruptive", *Harvard Business Review*, 2019, July-August, pp 95-103.

Tuesday March 3rd, 2020

Session 4 – Fundamentals of industry analysis – and corporate strategy

Case: The a2 Milk Company (HBS 9-719-424)

1. How attractive is the market for A1 protein free milk in Australia, NZ and China at the time of the case?
2. Will the strategic relationship with Fonterra help The a2 Milk Company to compete against Nestle?

Reading:

- Grant, Chapter 3 “Industry Analysis: The fundamentals”
- Grant, Chapter 14 “External Growth Strategies: Mergers, Acquisitions, and Alliances”
- Michael Porter. “The five competitive forces that shape strategy.” *Harvard Business Review*. 2008, January issue.

Optional readings:

- Anita McGahan and Michael Porter. “How much does industry matter really?”, *Strategic Management Journal*. 1997, Vol 8, pp15-30.
 - Bart Vanneste. “How much do industry, corporation, and business matter, really? A meta-analysis.” *Strategy Science*. 2017, Vol 2, pp121-139.
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Wednesday March 4th, 2020

Session 5 – Sources of Competitive Advantage

Case: Rebirth of the Swiss Watch Industry, 1980 – 1992 (HBS 9-400-087)

1. Skim the case: Why did the Swiss watch industry take so long to respond to the introduction of the quartz watch?

Reading:

- Grant, Chapter 5 “Analyzing Resources and Capabilities”
- Grant, Chapter 7 “The Sources and Dimensions of Competitive Advantage”
- W. Chan Kim and Renee Mauborgne. “Value Innovation: The strategic logic of high growth.” *Harvard Business Review*. 2004. Vol. 82(7/8), pp. 172-180.

Optional readings:

- Ingemar Dierickx and Karel Cool. “Asset stock accumulation and sustainability of competitive advantage.” *Management Science*. 1989.

- Jay Barney, “Looking inside for competitive advantage”, *Academy of Management Executive*, 1995, Vol. 9, Issue 4

Wednesday March 4th, 2020

Session 6 – The Challenges of Strategy Implementation and Growth: Strategy Process

Case: Keeping Google ‘Googley’ (HBS 409-039)

1. Do you think Google has been successful? Why?
2. What is unusual about Google? What practices support the Google business model?
3. What are some challenges Google is facing at the end of the case?

Reading:

- Grant, Chapter 6 “Organization Structure and Management Systems”
- Ranjay Gulati, “Structure that’s not Stifling”, *Harvard Business Review*, 2018, May-June, pp69-79.

Wednesday March 4th, 2020

Session 7 – Industry evolution and strategic change

Case: Axel Springer in 2016: From transformation to acceleration (Stanford E-610)

1. How has Matthias Döpfner managed to transform Axel Springer?
2. What are the strategic challenges that Axel Springer faces in the next three to five years and how should they be addressed?
3. If you were Matthias Döpfner how would you like the digitally transformed publishing industry to look in 2020?

Reading:

- Grant, Chapter 8 “Industry Evolution and Strategic Change”
- Grant, Chapter 9 “Technology-Based Industries and the Management of Innovation”
- Charles O’Reilly III and Michael L. Tushman, “Organizational Ambidexterity in Action: How Managers Explore and Exploit.” *California Management Review*. 2011, Vol 53, pp 5-22.

Optional readings:

- David Teece, Margaret Peteraf, and Sohvi Leih, “Dynamic Capabilities and Organizational Agility”, *California Management Review*. 2016, Vol 58 (4), pp13-35.
- Bjorn Lovas and Sumantra Ghoshal, “Strategy as Guided Evolution”, *Strategic Management Journal*, 2000. Vol. 21, pp. 875-896

- Dorothy Leonard-Barton, “Core Capabilities and Core Rigidities: A paradox in managing new product development”, *Strategic Management Journal*. 1992, Vol. 13, Special Issue
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Thursday March 5th, 2020

Sessions 8 and 9 – Organizational Structure and Fit with Strategy

Case: Harvey Golub: Recharging American Express (HBS 9-396-212)

1. What was Harvey Golub’s inheritance in late 1991?
2. What was Golub trying to accomplish through American Express’ process re-engineering?

Reading:

- Grant, Chapter 6 “Organization Structure and Management Systems”
 - Rafaella Sadun, Nicholas Bloom and John van Reenen, “Why do we Undervalue Competent Management?” *Harvard Business Review*. 2017, Sept-Oct issue, pp 120-127.
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Friday March 6th, 2020

Sessions 10 & 11 – The Challenges of Strategy Implementation: Framing and Decision Making

Case: People Express Simulation (09:00 to 15:00). No case assigned, but skim news clippings on low cost airlines posted on Learn.

1. How attractive is the market for low price airlines?
2. What does it take to succeed in this sector?
3. What competitive threats might you face and how would you address them?

Readings:

- Peter Senge: *The Fifth Discipline*. 2006, Random House, Chapter 5: A shift of mind
- Felix Barber, Jo Whitehead and Julia Bistrova, “Why Giants Stumble”, 2019, *California Management Review*, Vol 62(1), pp 5-30.

Optional Reading:

- D. Lovallo and D. Kahneman, “Delusions of Success: How Optimism Undermines Executives’ Decisions”, *Harvard Business Review*. July 2003.
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