Course Outline 2018
BUSINESS 304: STRATEGIC MANAGEMENT (15 POINTS)
Semester 2, (1185)

Course Prescription
A case-based course that focuses on analysing and responding to complex organizational situations from a general manager’s perspective. The processes of strategizing, the impact of organizational contexts and the subsequent strategic tensions are explored so as to understand the adoption of various strategic practices.

Programme and Course Advice
Before enrolling in this course you must complete these courses:

Prerequisite: At least 30 points at Stage II and at least 15 points at Stage II in Management, International Business or Innovation and Entrepreneurship.

You cannot enrol in this course if you have taken or intend to take the following courses:

Restriction: MGMT 302

Note
A substantial amount of a student’s marks come from participating in class discussions. If you have any concerns about your ability to do that, then this is probably not the class for you.

Goals of the Course
The overarching purpose of this course is to help pull together the different theories and skills you have acquired on your management-based educational journey. The course adopts the perspectives of the general manager, as they tend to be acquainted with all of the functional areas within an organisation. Thus, the general manager’s approach is predicated on a holistic view of the organisation. In line with the views of de Wit & Meyer, this course seeks to develop your understanding of strategy in three key areas:

Knowledge To encourage the understanding of the many, often conflicting, schools of thought and to facilitate the gaining of insight into the assumptions, possibilities and limitations of each set of theories.

Skills To develop the ability to define strategic issues, to critically reflect on existing theories, to creatively combine or develop theories where necessary and to flexibly employ theories where useful, to clearly articulate their analysis and its implications.
**Attitude** To install a critical, analytical, flexible and creative mindset which challenges organisational, industry and national paradigms and problem solving recipes.

This course requires you to prepare and discuss the assigned cases in class. Many of the cases used in this course have either financial or operational data. You are expected to have sufficient numerical and financial ability to make sense of such information. Case analysis is only part of a case-based course. In order to do well in this class you need to participate in the class discussions, revealing the depth and quality of your analysis. If you are reluctant to participate, you need to ask yourself “Should I be taking this course?”

**Learning Outcomes**

<table>
<thead>
<tr>
<th>Learning outcome</th>
<th>Graduate profile capability</th>
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<tbody>
<tr>
<td>LO1 To do the work of strategy, and present that work in the typical context of strategy work (e.g., group discussions), in a manner that others, working in the field of strategy, will regard it as being competently done.</td>
<td>Disciplinary knowledge and practice, Independence, Critical thinking, Engagement (collaboration)</td>
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**Content Outline**

This course gives a broad overview of the essential aspects of strategic management at a local, national, and international level. The most fundamental distinction made in the field of strategy is between strategy process, strategy content, and strategy context. These are the three dimensions of strategy that can be recognized in every real-life strategic problem.

- **Strategy Process**: The manner in which strategies come about is referred to as the strategy process. Stated in terms of a number of questions, strategy process is concerned with the how, who and when of strategy — how is, and should, strategy be made, analysed, dreamt-up, formulated, implemented, changed and controlled; who is involved; and when do the necessary activities take place?

- **Strategy Content**: The product of a strategy process is referred to as the strategy content. Stated in terms of a question, strategy content is concerned with the “what” of strategy — what is, and should be, the strategy for the organization and each of its constituent units?

- **Strategy Context**: The set of circumstances under which both the strategy process and the strategy content are determined is referred to as the strategy context. Stated in terms of a question, strategy context is concerned with the where of strategy — where, that is in which organization and which environment, are the strategy process and strategy content embedded (de Wit & Meyer, 2005, p. 5).

In practice, these three ‘threads’ of strategy are tightly interwoven, and to some extent the course seeks to unravel them so they might be better understood. Nevertheless, strategic management is an integrative activity (see, for example, Ohmae, 1982). It is somewhat illusionary to split up the course into “bite-sized pieces” in the hope that they will come together and form a coherent whole at the end of the course. Thus, whilst a list of topics is provided, they cannot be simply mapped on to individual weeks. The approach adopted in the course is to develop your understanding of the topics (albeit at different rates and by different amounts) each week.
Learning and Teaching

Strategy isn’t something an organisation has, it is something people do (Jarzabkowski, 2005). Thus, we centre our approach to teaching strategic management on ‘doing strategy’ by spending most of our time together discussing strategy as it applies to a number of cases. However, it is important that you know the theory that supports many of the ideas upon which strategic management is build. Consequently, this course has two facets—a weekly quiz (to ensure that you have studied the assigned readings) and a weekly case discussion period (to develop your ability to apply the ideas about which you have read). This means that you should have studied the assigned readings before taking the quiz. The purpose of the quiz is to help you stay up to date with the readings, to obtain regular and rapid feedback on how you are doing in the course, and to lay the theoretical basis for the subsequent case discussion. After the quiz, there will be a discussion of the ideas and issues raised by you regarding the readings.

The focus of the second class session will be the exploration of the issues raised by the readings in relation to a given case. Since participation accounts for a significant percentage of the final mark, attendance at these discussion sessions is highly recommended. Achieving a high grade for the course is only possible by high quality participation during the discussions.

Managers typically have little time to read, and even less time to write. They accomplish most of their communication orally. You have to learn how to do analysis effectively and communicate it efficiently. The case discussions are chances for you to practice convincing your peers that your approach has insight and value for the in regards to the managerial challenges you identify.

Teaching Staff

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Time management

It is expected that the average student will need to spend approximately 12½ hours per week on work relating to this course. Of that time, about three hours take the form of classwork. The remaining 9½ hours should be split between (a) completing the week’s readings, and (b) preparing your position on the case.

Learning Resources

The textbook upon which this course is based is:


This book is available either as an printed version or as an eBook. The printed edition is available through UBS. To purchase the eBook, please do the following:

- Visit http://www.cengagebrain.co.nz
- Enter the print book ISBN in the “search” bar at the top of the page: 9780170366564
- Select the VitalSource eBook on the right of the page, and “add to cart”
Then simply follow the prompts to purchase.

Note: This text book contains all of the readings required for the course, together with the majority of the cases that you will discuss.

**Assessment**

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Approximate weighting</th>
<th>Learning outcomes</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly quiz</td>
<td>40%</td>
<td>All</td>
<td>In-class; Weeks 1–12; best 10</td>
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<tr>
<td>Class participation</td>
<td>60%</td>
<td>All</td>
<td>In-class; Weeks 1–12</td>
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**Pass requirement**

An overall grade of C- or better is required in order to pass this course.

**Weekly topics**

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Readings</th>
<th>Case</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Introduction to the course</td>
<td>Course outline</td>
<td>Pfizer NZ (on Canvas)</td>
</tr>
<tr>
<td>2</td>
<td>Introduction to strategy</td>
<td>Chapter 1, Readings</td>
<td>Honda</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.2 and 1.3</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Strategic thinking</td>
<td>Chapter 2, Readings</td>
<td>Cartier (on Canvas)</td>
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<tr>
<td></td>
<td></td>
<td>2.1 and 2.2</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Strategy formation</td>
<td>Chapter 3, Readings</td>
<td>United Parcel Service</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.1, 3.2, and 3.4</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Strategic change</td>
<td>Chapter 4, Readings</td>
<td>PEP Stores Inc</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.3 and 4.4</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Organisational purpose</td>
<td>Chapter 11, Readings</td>
<td>PHARMAC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.1 and 11.2</td>
<td></td>
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</table>

Mid-semester break

| 7    | Business level strategy      | Chapter 5, Readings| Fonterra (on Canvas)               |
|      |                              | 5.1 and 5.4        |                                    |
| 8    | Corporate level strategy     | Chapter 6, Readings| Fletcher Challenge                  |
|      |                              | 6.1 and 6.2        |                                    |
| 9    | Industry context             | Chapter 8, Readings| Bottled water industry             |
|      |                              | 8.1 and 8.2        |                                    |
| 10   | Organisational context       | Chapter 9, Reading | HP                                  |
|      |                              | 9.1, 9.2, and 9.3  |                                    |
| 11   | Strategic innovation         | Chapter 9, Reading | Right Hemisphere                    |
|      |                              | 9.2 and 8.3        |                                    |
| 12   | (No quiz this week)          |                    | Pfizer NZ (again)                   |

Note: There are two different versions of ‘Chapter 9’ in the textbook. Also, reading 8.3 comes after Reading 9.2 (from the ‘second’ Chapter 9).

**Weekly quizzes**

You are expected to do two to four readings every week. To help motivate you to do the readings, your comprehension of the readings will be assessed using multiple-choice questions. The quiz will take 15–20 minutes at the start of the class. Only your best eight of all the quizzes count toward your final mark. In this way, you have a few ‘spare’ quizzes. If, for any reason, you miss a quiz, it will be treated as one of your ‘spares’; there will be no opportunity to make up for a missed quiz.
Our assumption is that by Stage III, you will have developed the skills to read effectively, to ask for help when you need it, and to make sense of a textbook such as that used on this course. You will receive continuous feedback every week on your performance in the quizzes and for class participation. It is up to you to seek the help of your lecturer if you are not achieving the standards you have set for yourself.

**Case analysis: Class discussion and participation**

In the second class of each week, we will discuss the assigned case (as shown above). You need to be prepared for the class discussions. You should prepare a specific ‘position’ on the case—rather than just knowing the details of the case. That is to say, assuming you were in charge of the organisation in the case, you will know what you would want to do; why you want to do it; how you would do it; and the outcomes you would expect. In doing so, you should consider the topics of the course as they relate to the case. Your position on the case must be driven by an application of the theory to which you have been exposed.

As already stated, you are expected to be prepared. If you cannot meet this objective, notify the instructor before class. Do not try and ‘wing it’ if you have little to say; you would be using class time that could be used more effectively by your fellow students, and this will not endear you either to them or to the instructor.

Participation during class discussion is worth 60% of course marks. We award marks for participation based on quality of participation not the quantity. No marks are award for attendance. Each week we record the quality of participation on a three-point scale.

1. Minimal level of participation. Lacks depth in either theoretical or logical support.
2. Acceptable level of participation. Exhibits solid theoretical and logical support.
3. Good level of participation. Uses theory and logic support to demonstrate insights about the material.

Note: The focus of this scale is on the quality of participation, not the quantity. Thus, it is possible to participate once during a discussion and receive a 3. Indeed, you should always assume that you will only get one chance to speak, so you should make sure what you say is worthwhile.

At the end of the semester the mix of 1s, 2s, and 3s that you get will be used to award a mark for participation. It is expected that you are ready to participate each week. The class should manage itself to ensure everyone gets a ‘fair go’.

You may be anxious regarding how the 1s 2s and 3s are translated into your final mark. Alas, there is no simple formula. However, here are some rules of thumb (which means they are a rough guide and not absolute).

- If the majority of your marks are 3s then you will be in the A range (assuming the rest of your marks are 2s).
- If the majority of your marks are 3s and 2s you will be in the B range.
- If you get 2s for all of your participation the highest possible grade you can achieve will be in the C range.
- If you get all 1s then your grade will be D-.
You should see that getting 3s drives your grade for participation; getting 1s has little or no impact on your mark. You should also recognise that no amount of 2s is equivalent to a 3. Also, we will take into account all eleven discussion sessions in deciding the final mark.

Your learning is your responsibility. You should monitor your marks each week to measure your progress. If you have problems with consistently achieving a ‘passing’ mark in the quizzes or in participation, then you should seek assistance from the lecturer. The marks for the quiz and participation will normally be available on Canvas by the end of the week.

**Study groups**

Over the years, it has become apparent to the lecturers that students who study and prepare the cases together get better marks than students who come to class ‘cold’. Discussing the case in study groups is an excellent way of:

- Developing confidence in your analysis; for quiet students this can make a big difference in their willingness to participate, and hence their marks.
- Enhancing your understanding of the case.
- Making links between the case and theory.

**Taking a position on a case**

Typically, taking a position on a case means that based on your knowledge of the case and the theory that you have learnt, you exercise your judgement to justify a strategy for the organisation. In other words, you answer the question, “If I was in charge of the company (in the case), what would I do to achieve and sustain an economic advantage?”

As you progress through the course, and as you are exposed to more cases and more theory, it is expected that your analysis, and thus the type of position you advocate, will become increasingly sophisticated. Thus work that gets a 3 in week two might struggle to get a 2 in week nine.

There are many approaches to developing a position on a case. What follows is one relatively robust method. Having said that, it is possible that by the end of the course you will see weaknesses in the method. Thus you should feel free to adopt any method with which you are familiar and experienced. Taking a position can be tackled through by considering (1) the situation of the company, (2) the complication or problem that faces the company, (3) your proposed solution, and (4) the impact that your solution will have. There should be a clear chain of logic from situation, to complication, to solution, to impact. You might find Barbara Minto’s book (2002) helpful in this regard.

It is unlikely that in the class people will adopt identical positions, and there certainly is no single ‘right’ position; but there are many poor positions. The intention is that you develop viable position.

As part of your analysis of the case you need a clear understanding of the situation before developing a strategy. Ohmae (1982, p.91) says, “In the construction of any business strategy, three main players must be taken into account: the corporation itself, the customers, and the competition. Each of these ‘Strategic 3Cs’ is a living entity with its own interests and objectives.” Therefore, you need to know what the corporation/business/organization does, who its customers are, and how the competition in the industry works. Understanding the situation is critical in developing your position—a weak understanding of the situation tends to result in you adopting a weak position.
The Corporation You should consider what does the organisation do? What are its key processes and capabilities? How does it make money (i.e. where does it major revenues come from; likewise, what are its major costs). What is the nature of the relationship with suppliers? What is its existing strategy? What is the businesses culture(s)?

The Customer Who are the customers? How are they segmented? How does the business meet (or not) the needs of the customers? Are the customers locked in?

The Competitors Who are the corporation’s competitors? How ‘good’ are they at competing? What are the ‘rules of the game’ in this industry? How do those rules relate to the industry’s economics? What are the key success factors? Who might be partners? What are the key trends in the industry?

Ultimately, you should understand how the corporation creates value for the customer, and how the competition creates value. At the same time, you should understand the nature of the costs the corporation incurs, and the nature of costs that the competitors incur. This will give you a sense of the relative position of the corporation with regard to the competition.

Some of this information will be in the case. Some will be in the ‘numbers’ and figures that accompany the case. In general you do not need to do any further research on the firm or the industry. However, there may be times when, despite reading the case, you are unsure of some critical aspects—at those times you will need to read more widely.

Policies

Missed classes

Generally, there are no opportunities to make up for missed classes. The structure of the assessment ‘package’ of the course is such that you have some flexibility in this regard; e.g., only 10 out of the 12 quizzes will be counted towards your final grade.

For most people, missing one participation class does not materially impact their grade; after all, it is the pattern of participation that matters.

Inclusive Learning

Students are urged to discuss privately any impairment-related requirements face-to-face and/or in written form with the Peter.

Student feedback

Your feedback is valuable to us. We will use it to improve the course content and our facilitation of the course. Your informal feedback (given directly to me) and formal feedback (through the Staff Student Consultative Committee and through course evaluations) is used to improve the course.

During the last iteration of the course, no particular issues were raised as part of the Staff Student Consultative Committee process.

At the end of the last delivery of BUSINESS 304, course and lecturer evaluations were undertaking. The benchmark question “Overall, I was satisfied with the quality of this course” scored 84, and the questions “Overall, the lecture was an effective teacher”, scored 87. In terms of the University’s evaluation processes these are good outcomes.

Looking through the qualitative feedback from the class a number of themes emerged.
1. The Radio 1 case: A few people felt this video case was rather dated and should be replaced. This case has been replaced with the Fonterra co-op case.

2. Lectures: Four people asked for lectures to be introduced to cover the readings. They often noted that they could not grasp the material without guidance. As noted in the course outline, if you have problems mastering the readings, then please ask for help from your lecturer.

3. The 8 o’clock start: Some people found the early start challenging. With the change in course timing (to 10 o’clock), I hope that this will no longer be an issue.

4. Learning outcomes and directions: There were some request for learning outcomes. However, there was little explanation on this matter, so I am going to assume that what was meant is that learning outcomes for each week are wanted. There are no specific learning outcomes for each week, and this probably needs some explanation. There are a set of learning outcome for the course as a whole, and it is expected that you will incrementally get better at all of the learning outcomes over the duration of the whole course; in other words, there is no particular week in which any one learning outcome is specifically targeted. Rather, in a fashion similar to that noted in the section Content Outline, the more you practice/work-at all of the learning outcomes (each week), the better you are expected to get at achieving them.

5. Discussion structure, and ‘floor hoggers’: Many students find it frustrating when the discussion lacks structure, or when people ‘hog the floor’ (i.e., talk far more than is a reasonable share). These two issues are related. During the first few classes, I normally talk about how the class has to manage the discussion. If people are not prepared—if the do not have a clear position on the case—then it will meander. We will end up “boiling the ocean” and getting no where. Likewise, if people do not have a clear point that is connected to the discussion, then they are likely to talk, and talk, and talk. Class members need to learn to monitor and manager the class conversation. Realistically, I can not do that by myself; you need to intervene when the discussion is not ‘working’. There is a learning objective around this point. As always, if you are not sure how you might constructively intervene, then please seek help from your lecture.

More generally, some students find it challenging to speak in large class. As a significant portion of students’ final grades are based on participation, if you find it hard to engage in discussions with the whole class this may not be the course for you. However, if you want some coaching to improve your participation, I am very willing to help, and I have a track record of success with students who approach me for this type of assistance. Having said that, if you leave asking for help until late in the course it may not be practical to make a significant improvement in the level and quality of your participation.

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**Academic integrity**

The University of Auckland will not tolerate cheating, or assisting others to cheat, and views cheating in coursework as a serious academic offence. The work that a student submits for grading must be the student’s own work, reflecting his or her learning. Where work from
other sources is used, it must be properly acknowledged and referenced. This requirement also applies to sources on the worldwide web. A student’s assessed work may be reviewed against electronic source material using computerised detection to provide an electronic version of their work for computerised review.

**In the event of an unexpected disruption**

We undertake to maintain the continuity and standard of teaching and learning in all your courses throughout the year. If there are unexpected disruptions, the University has contingency plans to ensure that access to your course continues and your assessment is fair, and not compromised. Some adjustments may need to be made in emergencies. In the event of a disruption, the University and your course coordinators will make every effort to provide you with up to date information via Canvas and the University website.

**Graduate profile for Bachelor of Commerce**

The following six themes represent the capabilities that the Business School seeks to foster in all of its graduates. The development of these capabilities does not come all at once, but rather is expected to build from year to year. Each course is not expected to contribute to all capabilities, but each course will have its own goals and learning outcomes that relate to the overall development of this profile.

1. **Disciplinary knowledge and practice**
   Graduates will be able to demonstrate and apply a breadth of knowledge across disciplines, as well as specialist knowledge within one or more of them, while recognising the relevancy of this knowledge within a global context.

2. **Critical thinking**
   Graduates will be able to analyse and critique theory and practice to develop well-reasoned arguments.

3. **Solution seeking**
   Graduates will be able to identify and frame problems using analytical skills to create and evaluate innovative solutions.

4. **Communication and engagement**
   Graduates will be able to collaborate and communicate effectively in diverse contexts using multiple formats.

5. **Independence and integrity**
   Graduates will be able to respond professionally and ethically, demonstrating a capacity for independent thought and learning.

6. **Social and environmental responsibility**
   Graduates will recognise the significance of the principles underpinning the Treaty of Waitangi and consider their obligations in relation to sustainability, whilst displaying constructive approaches to diversity.

**References**

