

The University of Western Ontario
Management and Organizational Studies

**Management and Organizational Studies 410b (Sec 650 – distance studies)
Strategic Management**

Course Outline (January – April 2008)

COURSE OBJECTIVES

MOS 410 is designed to be a challenging and exciting capstone course for students completing their BMOS degree. It centres around the theme that a company can achieve sustained success if and only if managers:

- have an astute, timely game plan for running the company
- execute the plan effectively

In an ever-changing environment, businesses need to have and maintain a strategy for sustainable, long-term performance. Through a combination of readings, case studies, and discussion, participants will be introduced to current business strategy theory and techniques. These theories and techniques will be applied to develop analytical skills, which in turn will allow a better understanding of business strategy and will enable participants to analyze, develop, and implement strategic plans.

The course integrates much of what has been studied throughout the BMOS degree and applies it to the study of the firm as a whole.

TEXTBOOK AND CASEBOOK REQUIREMENTS

Strategic Management: Creating Competitive Advantages
Canadian Edition
Dess, Lumpkin, Peredis
McGraw Hill (ISBN 0-07-092291-8)
Textbook website: www.mcgrawhill.ca/college/dess

Strategic Management (Business Strategy Case Package) for MOS410 online and Continuing Studies
McGraw Hill (ISBN 0-07-074033-X)

Note: Make certain that you **do not purchase** the Case-package which contains the pre-paid access to the Business Strategy Game. (The business strategy game is not used in the distance studies course)
The course is also being offered at King's University College and Huron University College. Make certain you purchase the correct text and case package.

PREREQUISITES

Enrolment in the 4th year of the BMOS program.

EVALUATION

Midterm Examination	30%
Final Examination	40%
Business Case Write-up	20%
Participation	<u>10%</u>
	<u>100%</u>

BUSINESS CASE WRITEUP

Students will be required to hand in a detailed report on a 'case analysis'. This will be done as a group exercise. Virtual-teams are a growing phenomenon in successful global companies. The group case will give the students an opportunity to learn to collaborate and work as a team on-line. The write up will be due by **3.00 PM on March 20, 2008**. Details of this will be communicated in the week of Jan 7, 2008.

PARTICIPATION

Participation marks will be assessed based on weekly access to the course and weekly postings to answer the questions at the end of the chapters and those posted in this outline (or advised through the discussion board) for each week.

EXAMINATIONS

Midterm Exam will assess the comprehension and knowledge gained by reading the textbook. The Final Examination will assess the knowledge as well as the effective application of these theories, methods and techniques to analyze a case and to develop and implement strategic plans.

Students who fail to appear for an examination at the time set in the timetable will not be allowed to write the examination thus missed. Students should report this irregularity immediately to their Dean's office. They may, with the approval of the Chair of the Department concerned, petition the Dean for standing or permission to write a special examination. Petitions will be entertained only when they are submitted on compassionate grounds with supporting documents. See the current Western Academic Calendar.

POLICY ON SPECIAL EXAMINATIONS

1. Students with conflicts or students who are unable to write an exam based on compassionate grounds (supported by appropriate documents), may apply in writing prior to the exam to the course coordinator to be excused.
2. Students involved with approved out-of-town university activities during the scheduled mid-term exam may apply to the course coordinator for special proctoring privileges to write the mid-term exam.
3. Students who are excused from the writing of the mid-term exam will have the appropriate percentage of marks transferred to the weighting of the marks for the final exam.

NOTES

1. It is the student's responsibility to submit his or her own original written material in courses in this program. See the current Western Academic Calendar, "Scholastic Offences".
2. For a description of the process to be followed for mark/grade appeals see your professor.
3. The use of personal computers during examinations will not be permitted. However, financial calculators are permitted and are recommended for the course.

ADD/DROP DEADLINES

Check Calendar/Registrar

Course Outline

Session 1 (Jan 7 - 11)

Course Overview – review the course outline and evaluation system

Introductions

Group Case Hand in Information

Reading: Chapter 1 – Strategic Management - Overview

Session 2 (Jan 14 - 18)

Form groups for case analysis and report write-up (by 4.00 PM on Jan 18)

Reading: Chapters 2 and 3
Case Analysis Techniques – See course notes
Review of Financial Analysis – See course notes

Assignment

Questions:

Select a company of your choice (or use the Wal-Mart 2004 statements in course notes)
And perform financial analyses, which you consider important

Session 3 (Jan 21 - 25)

Select Industry and Company for the Group Case analysis and write-up (by 4.00 PM on Jan 25)

Reading: Chapters 4 and 5

Case: Wal-Mart Stores Inc. Dominating global retailing

Assignment

Questions

1. What are the company's resources / sources of competitive advantage? How have they delivered value? Are these sources sustainable?
2. What are the important principles that the company uses in managing its relationships with its suppliers? What alternative strategies might the suppliers be able to employ to ensure their continued viability as a Wal-Mart supplier?

Session 4 (Jan 28 – Feb 1)

Reading: Chapter 6 and 7

Case: Wal-Mart Stores Inc. Dominating global retailing (continued)

Assignment

Questions:

3. What are the best practices that the company has been able to transfer from its home operations to its ventures abroad? What are the practices that have not worked?
4. What is your prognosis for the future success of Wal-Mart in the US and abroad? What changes does the company have to make to ensure continued success?

Session 5 (Feb 4 - 8)

Reading: Chapter 8 and 9

Case: PepsiCo's Acquisition of Quaker Oats

Assignment Questions

1. What is PepsiCo's new corporate strategy? Briefly identify the business strategies that PepsiCo is using in each of its consumer business segments – soft drinks, snack foods, Gatorade/Tropicana, and Quaker Foods North America.
2. What is your assessment of the long-term attractiveness of the industries represented in PepsiCo's business portfolio?
3. What is your assessment of the competitive strength of PepsiCo's different business units?
4. What does a BCG (Boston Consulting Group) matrix displaying PepsiCo's business units look like? Is the acquisition of Quaker Oats likely to result in more rapid growth in revenues and earnings for PepsiCo? Explain.
5. Does PepsiCo's portfolio exhibit good strategic fit? What value chain matchups and opportunities for skills transfer, cost sharing, etc do you see?
6. Does PepsiCo's portfolio exhibit good resource fit? What are the cash flow requirements of each segment? Which businesses are cash hogs and cash cows?
7. Did the spin off of PepsiCo's restaurants make good strategic sense? Why or why not?
8. Based on your analysis, what is your overall evaluation of PepsiCo's business portfolio in 2001?

Session 6 (Feb 11 - 15)

Reading: Chapters 10 and 11

Case: PepsiCo's Acquisition of Quaker Oats (continued)

Assignment Questions

1. What strategic actions should Steve Reinemund take to capitalize on the portfolio restructuring engineered by Roger Enrico? Are any further modifications to the portfolio worthy of consideration?

Midterm Examination - Date: To be advised
TIME: To be advised (Duration 2 hours)
LOCATION: TBA

Session 7 (Feb 19 - 22)

Family Day – February 18

Reading: Chapter 12 and 13

Case: Southwest Airlines 2005

Assignment

Questions

1. Is the US airline industry attractive? Explain.
2. Describe Southwest Airline's strategy.
3. Why is Southwest successful?
4. How easy would it be to imitate this strategy? Why?
5. Is the strategy sustainable? Why?
6. Should southwest become an international airline? Why?

Conference week (Feb 25-29)

Session 8 (March 3 - 7)

Case: Krispy Kreme Donuts

Assignment

Questions

1. What are the chief elements of Krispy Kreme's strategy? What evidence is there to indicate that the strategy is or is not working as well as it might?
2. What is your assessment of Krispy Kreme's financial performance? Is it really as good as it looks on the surface? Why or why not? What is the most profitable part of the business? Do you agree with the statement at the beginning of the case that "the numbers just don't work?"
3. What does a SWOT analysis reveal about the company's overall situation?
4. What is your assessment of Krispy Kreme's competitive strengths and weaknesses in comparison with key rivals?
5. On the basis of your assessment above, what do you think of Krispy Kreme's growth prospects? Just how good are they? What evidence supports your answer? What size growth rates in revenues and earnings do you believe Krispy Kreme can achieve over the next five years? What will have to happen for Krispy Kreme to realize its target of 25% growth in earnings when the revenue growth target is only 20%?
6. What major issues do you think that Krispy Kreme management needs to address?
7. What recommendations would you make to Krispy Kreme management to improve upon the strategy or otherwise sustain the company's growth and profitability?
8. Would you buy this company's stock? Why or why not? What size price-earnings ratio makes sense for a company with Krispy Kreme's potential? If 70 times earnings is too big, as some analysts claim, what p-e multiple does make sense? (Some financial analysts believe that the p-e ratio should be roughly equal to the growth in earnings per share—this is a popular metric that securities analysts use to gauge whether a company's stock price is overvalued or undervalued or reflective of "fair value.")

Session 9 (March 10 - 14)

Case: Quaker Oats

Assignment Questions:

Prepare a report to Quaker Oats giving them your assessment of competitive conditions in the New Age beverage market and include recommendations for strategic actions the company can take to ensure a good return on its investment.

As a guideline to your analysis, you should consider, but not limit your discussion to:

- An industry analysis of the New Age beverage market that discusses its attractiveness and key success factors
- An analysis of possible matchups in the value chains of Snapple and Gatorade (Quaker's only other beverage product). Include any strengths or weaknesses you see in Snapple's resources and comment on what needs improvement.
- Assess whether or not the acquisition makes good strategic sense for Quaker and comment on the price paid. Was it a good deal or did they pay too much?
- In order to earn a reasonable return on the \$1.7 billion acquisition how many cases do they need to sell each year? Is this possible?

Session 10 (March 17 - 20)

Good Friday – March 21

- **Hand in group case report before 3.00 PM on March 20**

Case: Quaker Oats (Continued) – complete your report.

Session 11 (March 24 - 28)

Case: Circuit City Stores Inc. : Strategic Dilemmas

Assignment - Analyze the case and prepare a comprehensive case analysis report in the standard format (Guide to case analysis) you used for your group project report. You need not post the report this week.

Session 12 (March 31- April 4)

Case: Circuit City Stores Inc. : Strategic Dilemmas (Continued)

Assignment - Complete the report and post it on the discussion board.

Session 13 (April 7 - 10)

Review – Any Questions?

Final Examination (April 12 – April 30)

Date: TBA, Time: TBA (duration 4 hours) Location: TBA

Note: See Registrar Site for final Date, Time and Location
