

The University of Western Ontario
Dan Management and Organizational Studies

Management and Organizational Studies 4410A
(Sec 650, 651, 652 – Distance Studies)
Strategic Management

Course Outline (May 2012 – July 2012)

FACULTY **John White** email: john.white@uwo.ca Office Hours by appointment

COURSE OBJECTIVES

MOS 4410 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

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. The approach taken is a combination of readings, case analysis, online participation, and an industry analysis project. 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.

TEXTBOOK AND CASEBOOK REQUIREMENTS

Pearson Custom Business Resources
University of Western Ontario
Strategic Management
MOS 4410
ISBN 0558-72501-5

MOS4410A/B Casebook
ISBN 9781259015410

Casebook – This package contains 6 cases: Circuit City, PepsiCo, Southwest Airlines, Krispy Kreme Doughnuts, The Quaker Oats Company (including Gatorade and Snapple Beverage) and Google.

The course will not be using the business strategy game therefore you don't need to buy the casebook that's bundled with the strategy game registration card – you just need the casebook.

Note: King's University College and Huron University College are also offering this course. Make certain that you purchase the correct text and case package.

PREREQUISITES

Enrolment in the 4th year of the BMOS program.

EVALUATION

Midterm Examination	15%
Final Examination	40%
Industry Note Group Project*	30%
Participation**	<u>15%</u>
	<u>100%</u>

INDUSTRY NOTE GROUP PROJECT

Students will be required to hand in a detailed industry note analyzing the key strategic factors that shape the industry, as well as an analysis of a particular company within that industry. This will be done as a group exercise and the team lists, made up of 3 – 4 students randomly assigned, will be made available during the second week of class. Virtual-teams are a growing phenomenon in successful global companies and the group project 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 p.m. on Friday July 20, 2011**. Details of the assignment including group composition, format of the report, length, late penalties, etc will be provided during the second week of the course.

*** The grade for the Industry Note Group Project will be a group mark. That is, everyone will receive the same grade. If you feel the work was not equitably shared among group members you may request a peer evaluation in which case an individual's grade may be reduced.**

PARTICIPATION

Participation represents a significant portion of the overall grade and marks will be assessed based upon individual, weekly participation in the online discussion forum. Individual participation marks will be assessed based on weekly postings to answer the questions at the end of the chapters, weekly postings to answer the case questions posted in this outline, meaningful contributions to the case and chapter discussions, discussion topics listed at the start of the week on the course site, etc. Essentially, in order to do well in this area, you have to actively participate and contribute on a regular and meaningful way.

**Regular participation is a key to the success of this course and as a result, it makes up a large part of the overall grade. Participation can take many forms such as:

- answering the assignment questions
- providing relevant background information based upon personal experiences
- relating current events linked to the material being discussed
- asking relevant questions
- providing clarification of points and issues

Participation should be meaningful and not just consist of “me too” postings. If you have any question about what constitutes good participation, you can email me for clarification.

This will represent 15% of your final grade.

EXAMINATIONS

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 or any other electronic devices during examinations will not be permitted. However, financial calculators are permitted and are recommended for the course.
4. It is your responsibility to be familiar with the regulations and requirements as described in the Western Academic Calendar. While some of them have been highlighted in this course outline, it is by no means a complete list and you are bound by all of the rights and responsibilities described in the Western Academic Calendar. The calendar can be found at:

<http://www.westerncalendar.uwo.ca/2011/index.html>

DAN Management and Organizational Studies strives at all times to provide accessibility to all faculty, staff, students and visitors in a way that respects the dignity and independence of people with disabilities. Please contact the course instructor if you require material in an alternate format or if you require any other arrangements to make this course more accessible to you. You may wish to contact Services for Students with Disabilities (SSD) at 661-2111 #82147 for any specific questions regarding an accommodation. More information about "Accessibility at Western" is available at: <http://accessibility.uwo.ca>.

BMOS Grade Distribution Policy

3300-4499 level courses – Mean of between 70-75% for all sections of the same course taught by the same instructor in that semester.

ADD/DROP DEADLINES

Note: You should check with the Academic Calendar on the Registrar's website to confirm the add/drop deadlines.

General Information

If, on medical or compassionate grounds, you are unable to meet your academic responsibilities, i.e., unable to write term tests or final examinations or complete course work by the due date, you should follow the instructions listed below. You should understand that academic accommodation will not be granted automatically on request. You must demonstrate that there are compelling medical or compassionate grounds that can be documented before academic accommodation will be considered. Read the instructions carefully. In all cases, action must be taken at the earliest possible opportunity, preferably prior to the scheduled examination, test or assignment.

1. Check the course outline to see if the instructor has a policy for missed tests, examinations, late assignments or attendance. The course outline should include the preferred method of contact (e-mail, phone, etc.).
2. Inform the instructor prior to the date of the scheduled time of the test or examination or due date of the assignment. If you are unable to contact the instructor, leave a message for him/her at the department office.
3. Bring your request for accommodation to the Academic Counselling Office, Room 2105, Social Science Centre, telephone 519 661-2011 or fax 519 661-3384. Be prepared to submit documentation of your difficulties.
4. If you decide to write a test or an examination you should be prepared to accept the mark you earn. Rewriting tests or examinations or having the value of the test or examination reweighted on a retroactive basis is not permitted.

TERM TESTS and MID-TERM EXAMS

1. If you are unable to write a term test, inform your instructor (preferably prior to the scheduled date of the test). If the instructor is not available, leave a message for him/her at the department office.
2. Be prepared, if requested by the instructor, to provide supporting documentation (see below for information on acceptable forms or documentation). Submit your documentation to the Academic Counselling Office.
3. Make arrangements with your professor to reschedule the test.
4. The Academic Counselling Office will contact your instructor to confirm your documentation.

FINAL EXAMINATIONS

1. You require the permission of the Dean, the instructor, and the Chair of the department in question to write a special final examination.
2. If you are unable to write a final examination, contact the Academic Counselling Office in the first instance to request permission to write a special final examination and to obtain the necessary form. You must also contact your instructor at this time. If your instructor is not available, leave a message for him/her at the department office.
3. Be prepared to provide the Academic Counselling Office and your instructor with supporting documentation (see below for information on documentation).
4. You must ensure that the Special Examination form has been signed by the instructor and Department Chair and that the form is returned to the Academic Counselling Office for approval without delay.

Note: Make sure you know the date, time and location of the special examination. For more information see [Examinations - Common Situations](#).

LATE ASSIGNMENTS

1. Advise the instructor if you are having problems completing the assignment on time (prior to the due date of the assignment).
2. Submit documentation to the Academic Counselling Office.
3. If you are granted an extension, establish a due date.
4. Extensions beyond the end of classes must have the consent of the instructor, the Department Chair and Dean. A Recommendation of Incomplete form must be filled out indicating the work to be completed and the date by which it is due. This form must be signed by the student, the instructor, the Department Chair, and the Dean's representative in the Academic Counselling Office.

SHORT ABSENCES

If you miss a class due to a minor illness or other problems, check your course outlines for information regarding attendance requirements and make sure you are not missing a test or assignment. Cover any readings and arrange to borrow notes from a classmate.

EXTENDED ABSENCES

If you are absent more than approximately two weeks or if you get too far behind to catch up, you should consider reducing your workload by dropping one or more courses. This must be done by the appropriate deadlines. (Refer to the Registrar's website for official dates.) The Academic Counsellors can help you to consider the alternatives. At your request, they can also keep your instructors informed of your difficulties.

DOCUMENTATION

- **Personal Illness:** If you consult Student Health Services regarding your illness or personal problem, you should request a Student Medical Certificate from the physician. Once your documentation has been assessed, the academic counsellor will inform your instructor that academic accommodation is warranted.
- If you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The off-campus medical certificate form must be used. <http://www.uwo.ca/univsec/handbook/appeals/medicalform.pdf>. The doctor must provide verification of the severity of the illness for the period in question. Notes stating "For Medical Reasons" are not considered sufficient.
- **In Case of Serious Illness of a Family Member:** Obtain a medical certificate from the family member's physician.
- **In Case of a Death:** Obtain a copy of the newspaper notice, death certificate or documentation provided by the funeral director.
- **For Other Extenuating Circumstances:** If you are not sure what documentation to provide, ask an Academic Counsellor.

Note: Forged notes and certificates will be dealt with severely. To submit a forged document is a scholastic offense (see below) and you will be subject to academic sanctions.

ACADEMIC CONCERNS

- You need to know if your instructor has a policy on late penalties, missed tests, etc. This information may be included on the course outline. If not, ask your instructor.
- You should also be aware of attendance requirements in courses such as Business and English. You can be debarred from writing the final examination if your attendance is not satisfactory.
- If you are in academic difficulty, check the minimum requirements for progression in your program. If in doubt, see your Academic Counsellor.
- If you are registered in Social Science courses but registered in another faculty (e.g., Arts or Science), you should immediately consult the Academic Counselling Office in your home faculty for instructions.

FAILED YEAR

Procedures for completing a [Waiver of the Progression Requirements](#) (DEADLINE IS JUNE 30). [Click here for BMOS Waiver of Progression Requirements.](#)

In your petition letter, you must address all of the following questions:

- What were the extenuating circumstances which contributed most significantly to your poor academic performance.) When did the problem(s) arise? Appropriate supporting documentation (eg. medical note from a doctor to document problems, or a letter from a family member or close personal friend to support compassionate grounds) must be submitted with the petition. If you need more information regarding the submission of appropriate documentation, please contact the Dean's Office.
- Answer the following questions:
 1. What attempts did you make at the time you were encountering problems that affected your academic performance to contact your instructors, Academic Counsellors, the staff in Student Development Centre (Learning Skills Counsellors), the Ombudsperson, or Student Health Services?
 2. What academic accommodation did you request at the time you were experiencing major problems that were affecting your academic performance?
 3. What steps did you take to minimize the impact on your academic work of the difficulties that you were encountering?
 4. Approximately what percentage of classes did you attend in each course?
 5. What assignments/tests/labs/quizzes/exams did you complete in each course?
 6. Please record the grades you received for assignments/labs/tests/quizzes/exams, etc in each course. If you failed to complete all the course requirements, explain and provide reasons.
 7. Please list the final grade earned in each course in which you were registered during the past academic year.
- Why do you think you would be successful in University-level academic studies, if your petition was granted?
- What are your academic goals?
 - What is your long-term degree/program objective?
 - In what specific program do you wish to register during the coming year?
 - What specific courses do you wish to take during the coming year?

NOTE: In (b) and (c), do not list courses or programs for which you are not currently eligible. You must check the prerequisites for the program and courses you wish to take.

Course Outline

Broadly speaking, the course is broken into two sections. For the first half of the course we'll be working with the textbook to become familiar with the techniques for case analysis that we use in the second half. The best part of the course is in fact, the second half – you'll be analyzing business cases and thinking about long term sustainable strategies.

The text examines the various analyses we use in the framework, which is why we start there. The midterm is a multiple choice exam based entirely on the seven chapters in the text. These chapters delve into more detailed techniques than we use in the case analysis framework in the second part of the course, but the idea is to give you exposure to a wide range of analysis you may come across in your career.

There are countless ways to examine a business case – in your career every organization will have their own methodology for company analysis. The outline we're going to use for MOS4410 is posted in the course content section as the "Guide to Case Analysis".

Session 1

Week of May 7 – May 13

Reading: Chapter 1 – The Nature of Strategic Management
Chapter 2 – The Business Vision and Mission

Topics for online discussion:

Chapter 1 Issues for Review & Discussion – Questions 9, 7, 26 (suggest an example for #26 – perhaps look at the two automakers who recently went through bankruptcy to survive the economic downturn. Would you say either of these companies were lacking in strategic management? How about Canada's Research in Motion? Give an example or two).

Chapter 2 Issues for Review & Discussion –

Look at the vision and/or mission statements of any company for which you have worked. Were you motivated by these statements? Why or why not? What are your thoughts on Western's mission statement?

See if you can find examples (try corporate annual reports) of mission & vision statements you consider to be strong, inspiring and motivating, and explain why.

Session 2

Week of May 14 – May 20

Reading: Chapter 3 – The External Assessment

Topics for online discussion:

Chapter 3 Issues for Review & Discussion –

Pick an industry and using Porter's Five Forces, evaluate it (is it an attractive or unattractive industry).

The text talks about performing an audit of external forces – in the Guide to Case Analysis we use in this course, this is essentially looking at the industry driving forces and economic traits. Using the fast food portion of the restaurant industry, suggest some of the key factors you might consider when doing an analysis of the external forces on the industry.

Session 3
Week of May 21 – May 27

Reading: Chapter 4 – The Internal Assessment

Topics for online discussion:

Chapter 4 Issues for Review & Discussion – A big part of what leads to a successful strategy has to do with sustainable competitive advantage. Sometimes it's an obvious one like a patent or a secret recipe – more often it's a bit more subtle. I want you to pick out three firms – do a bit of research and tell me if you think they have a sustainable competitive advantage and what it is.

Session 4
Week of May 28 – June 3

Reading:
Chapter 5 – Strategies in Action

Topics for online discussion:

Chapter 5 Issues for Review & Discussion – Scan the business press and answer questions 18 and 19.

There are a lot of criteria you can use to define a company's strategy – the case analysis framework we use talks about locating the company along two axis - low cost vs. differentiated and broad vs. focused (the text on page 172 has a six part version of this). Using the MOS 4410 version in the course content section, see if you can come up with examples of companies which fall into each quadrant. Identify whether this strategy makes sense.

Session 5
Week of June 4 – June 10

Reading: Chapter 6 – Strategy Analysis and Choice
Chapter 7 – Implementing Strategies – Management and Operations Issues

Topics for online discussion:

Chapter 6 Issues for Review & Discussion –
Pick a company you are familiar with – do a SWOT analysis and include implications.
Pick a company with a large **product portfolio** and place some of those products in the BCG Matrix (packaged goods companies are great for this).

Midterm Examination - Date: Saturday June 16
TIME: To be advised (Duration 2 hours)
LOCATION: TBA

The exam will be multiple choice covering the textbook material from Chapters 1 through 7.

Session 6

Week of June 11 – June 17

Reading: Guide to Case Analysis – see course WebCT site

Assignment: Using the Wal-Mart and Target Financial Statements from the course website, calculate the following ratios for each company. Note: for Wal-Mart sales and income growth calculations do the calculation for the 11 year period as well as for the consolidated period. For Target, use the Consolidated Statement of Operations (income statement) and Consolidated Statement of Financial Position (balance sheet) figures found on pages 24 to 26 of the Target Annual Report.

- Sales growth rate
- Income growth rate
- Age of receivables
- Age of payables
- Age of inventory

What conclusions and implications can you draw by looking at the ratios from the individual companies as well as by comparing the results of each company to each other?

Session 7

Week of June 18 – 24

Case: Southwest Airlines 2008

Assignment

Questions:

1. Describe the vision and mission of Southwest Airlines.
 2. What is Southwest's strategy? Does it make sense? Why or why not?
 3. Is the US airline industry attractive? Explain.
 4. Why is Southwest successful?
 5. How easy would it be to imitate this strategy? Why or why not?
 6. Is the strategy sustainable? Why or why not?
 7. Should Southwest become an international airline? Why or why not?
-

Session 8

Week of June 25 – July 1

July 1 – Happy Canada Day!

Case: PepsiCo's Diversification Strategy in 2008 Part I

Assignment

Questions:

1. How well has PepsiCo articulated its vision and strategic objectives?
 2. PepsiCo currently does business in two main categories – beverage & snack foods. Let's look more closely at these industries – use Porter's Five Forces, then really look at the driving forces for beverages & snack foods. You might note differences between these two segments incidentally.
 3. Once you come to the end of the industry analysis above, identify what you think are the most important five KSF and justify these.
 4. What is PepsiCo's overall corporate strategy? Does it make sense? Why or why not?
 5. Have a look at PepsiCo's financials – calculate the CAGR for revenue & net income. You have numbers going back to 1998 in the case – how might you do this in a meaningful way?
 6. Any observations on their financials - revenue growth?
 7. Last but not least, we're going to look at cash flows – I'll post a series of questions in the discussion forum for everyone to work out. What we're looking for, is to come up with some implications here.
-

Session 9

Week of July 2 – July 8

Case: PepsiCo's Diversification Strategy in 2008 Part II

Assignment

Questions:

8. PepsiCo has quite a few different products – I'm going to post a worksheet in the course content section. Using the BCG (Boston Consulting Group) matrix, look through the case and sort out what products are stars, cash cows, question marks and dogs (or cats depending on your point of view). What do you think of the portfolio?
 9. Do a SWOT analysis of PepsiCo.
 10. Sustainable competitive advantage – does Pepsi have one? More than one?
 11. Does PepsiCo's portfolio exhibit good strategic fit? What value chain matchups and opportunities do you see?
 12. Talking about the value chain – on the 4th page of the case it mentions PepsiCo spinning off its restaurant business in the late 90's. Do you agree with the comments in the case regarding the reasons for this? Did it make good strategic sense? Why or why not?
 13. If you were a consultant, what recommendations would you make to PepsiCo?
-

Session 10

Week of July 9 – July 15

Case: Krispy Kreme Donuts

Assignment

Questions:

1. Using the Guide to Case Analysis, summarize Krispy Kreme in terms of the main categories. In particular, you may want to consider the following:
 - What is your assessment of Krispy Kreme's competitive strengths and weaknesses in comparison with key rivals?
 - 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?"
 - What does a SWOT analysis reveal about the company's overall situation?
 - 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%?
 - What major issues do you think that Krispy Kreme management needs to address?
 - What recommendations would you make to Krispy Kreme management to improve upon the strategy or otherwise sustain the company's growth and profitability?
-

Session 11

Week of July 16 – July 22

Case: The Quaker Oats Company, Gatorade, and Snapple

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 12
Week of July 23 – July 29

Case: Circuit City Stores Inc. : Strategic Dilemmas

Assignment
Questions:

As a consultant to Circuit City, prepare a set of recommendations to present to management that address the issues faced by the company. Your recommendations need to be supported by a thorough analysis. You can use the Guide to Case Analysis as a framework for preparing your report.

Final Examination
See Registrar Site for Time and Location
