Learning Objectives
Why do some firms succeed and others fail? What can managers do about this? In this course, we address these questions, focusing on the role that managers play in determining the performance of the organizations they lead. An organization’s strategy is its plan to win, i.e. how it will create and appropriate value. Formulating and implementing strategy is the primary responsibility of top management, so for much of the course, we will take the perspective of top managers as they make decisions about what businesses they are in, how to compete, and how to structure your organization to support your strategy.

The objective of this course is to help you develop skills to analyze and address issues of firm performance and how managers affect it through strategy. As part of your skill development, you will learn strategic analysis tools, including models and frameworks to help you diagnose organizational issues and make recommendations to improve or sustain performance. Some of the work required for this course is independent and some will be performed in groups. Because top managers must typically coordinate and integrate their activities and strategies as part of a top management team, the ability to work in teams is a critical part of their work. Therefore, it is also a part of your learning in this course.

By the end of the course, I expect that you will be more knowledgeable about the sources of superior firm performance, and will be more conscious of strategic choices and their consequences.

Course Materials
1. Organizational Structure and Strategy Course Syllabus. You are responsible for the information contained in this syllabus.
2. Course Packet; Selected Readings and Cases
3. (Optional) Contemporary Strategic Analysis, Robert M. Grant, 7th ed., 2010. Note: some of the readings in the course packet are from this classic strategy textbook. Some students may want to have the whole textbook for reference, but it is not required.

Requirements and Grading
In-class contribution to discussion 25%
Midterm exam 25%
Homework 10%
Interim team paper - industry analysis 10%
Final team project paper 30%
Course Format and Administration
Learning occurs both through preparing readings and cases and through in-class interaction. Therefore, it is critical that you attend class and come prepared to discuss the assigned material.

Please let me know in advance if you are unable to attend a class.

If you must miss the class with the midterm, you will receive a 0 on the exam. It may be possible to make up the exam in very rare cases (business travel is not a rare case). In-class contributions to discussion cannot be made up.

There are no set office hours for this course, but I am available to meet with you by appointment, or via email or phone. I understand that many of you work during the day and I will make every effort to accommodate your schedules. I encourage you to contact me if you have any questions or problems.

Submitting Written Work
1. Use Times New Roman, 12-point font, double-spaced with standard margins for all written assignments you submit.
2. The following information must be included in the assignment header:
   a. Your section
   b. Team name (if applicable)
   c. Your name (all names for team assignments)
   d. Word count.
3. Length limits are upper limits. Do not exceed the limit, and do not feel obligated to write more than you feel is needed, just to approach a length limit.
4. To be fair to all students, I do not accept late assignments. Submit a hard copy of your assignments at the beginning of class on the due date.

Preparing for case discussions and in-class contribution
To prepare for case discussions, read the assigned reading(s) for the week, and keep the concepts in mind as you read the case. The readings were selected to accompany the case, because they provide theoretical guidance for analyzing the case. Become familiar with the main characters in the case: their roles, actions and problems. Learn their names.

In-class contribution is an important part of our shared pedagogical experience. Your active participation helps me to evaluate your overall performance as a student. More importantly, the quality of the class itself is largely dependent on the quality of your collective discussion. Sections where the discussion is thoughtful and lively and where students engage with each other tend to have a better understanding of the course material and a better experience of the course than sections where students simply answer questions I ask. A high quality discussion requires hard work on your part. Before coming to class, read the case carefully enough to be fully conversant with the facts and have developed an informed opinion about what the firm or person should do. In class, pay attention to what others say. A good case discussion is a guided conversation, and responding to a classmate’s comment enhances the conversation. Repeating what others say or weighing in on a topic we have already left is not productive and shows that you are not following the discussion.
The quality of your participation is more important than the quantity. Given our limited amount of time together, talking without positively contributing to the discussion will result in a lower grade for in-class contributions. However, I want to stress that positive contributions are not necessarily “right” answers. I encourage you to experiment and take risks. “Wrong” answers can also be instructive and debate is often a good way to learn. Positive contributions are those that advance the discussion by presenting new ideas or insights, or building on others’ comments, or presenting a counterpoint to others’ comments in a respectful way.

Some people are uncomfortable with presenting viewpoints in a large group setting. However, contributing to discussions is an important part of your development as a manager. I do call on students, so if you are unprepared for class one day, please let me know in advance and I will not call on you. If there is anything that may interfere with your ability to contribute in an effective way on an ongoing basis, please discuss it with me so that we can set mutually satisfactory expectations.

**Midterm**
There will be a midterm exam that will be administered in the first half of class 7. The exam will test your knowledge of course concepts and will contain short applications of these concepts. Any material assigned or discussed before you take the exam is fair game.

**Homework**
The homework assignment consists of answering case preparation questions associated with the case assigned for that week. Please choose one of the following cases to submit a homework assignment for: Cola Wars, Apple 2008, SMA MEPD, or Disney. The assignment is due at the beginning of the class where your selected case is discussed. Do not submit more than one homework assignment. The length limit for this assignment is 500 words.

**Team Project and Interim Team Analysis**
The Team Project is a strategic analysis of a firm. During the first class, you will form teams and choose a firm to analyze. Each team must be matched with two other teams analyzing firms in the same industry, and teams will present their analysis and strategy to their matched teams on the last day of class. This reciprocal presentation format allows for in-depth discussion and feedback. Each team will also formally evaluate the other teams’ work, and I will use these evaluations as input to the final project grade. More details about the final project will be available during the course of the quarter.

To help you prepare for the final project, each team will submit an interim team analysis. The interim analysis will analyze the industry your firm participates in, using the industry analysis tools you learned in weeks 1-3. The analysis should be very short and focused. You will share your industry analysis with the other teams analyzing firms in the same industry, and you will provide feedback to each other. You will be given time in class to develop feedback for the other teams. This interim analysis should become the first section of your final project paper. You may modify it according to feedback you get from me or your peers before integrating it into your final analysis.
The length limit for interim team analyses is 1000 words (about 3-4 pages). For the final paper, the page limit is 4500 words in total (about 15 pages). Do not feel obligated to use all of the pages if you don’t need them

**Code of Academic Conduct**
I expect that all of you take UC Davis’ code of academic conduct as seriously as I do. Cheating is counter-productive to our shared learning goals. It is an academic conduct violation to present others’ ideas or writing as your own, or to discuss cases with students who have already analyzed the case in class. If you are uncertain about what constitutes an academic conduct violation, please see me, or refer to http://sja.ucdavis.edu/cac.html.
<table>
<thead>
<tr>
<th>Class</th>
<th>Readings</th>
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<tbody>
<tr>
<td>1. Introduction</td>
<td>Hambrick &amp; Fredrickson. Are You Sure You Have a Strategy?</td>
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<td>Porter. What is Strategy?</td>
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<td><strong>Competitive Strategy</strong></td>
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<td>2. Competitive advantage from the outside: Industry structure and analysis</td>
<td>Porter. The Five Competitive Forces That Shape Strategy.</td>
<td>Cola Wars</td>
<td>• Homework (choose only one)</td>
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<td>Porter. Generic Strategies (Ch. 1, Competitive Advantage)</td>
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<td>3. Competitive advantage from the inside: Resources, capabilities and competence</td>
<td>Barney. Firm Resources and Sustained Competitive Advantage.</td>
<td>Apple 2006</td>
<td>• Homework (choose only one)</td>
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<td><strong>Corporate Strategy and Organizational Design</strong></td>
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<td>4. Organizational design and structure</td>
<td>Nohria. Note on Organizational Structure.</td>
<td>SMA MEPD</td>
<td>• Homework (choose only one)</td>
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<td>5. Corporate strategy: Diversification and alliances</td>
<td>Grant, Ch. 16 of Contemporary Strategic Analysis.</td>
<td>Disney</td>
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<td>Schilling, Ch. 8 Collaboration Strategies.</td>
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<td>6. Putting it together: Value chain analysis, Vertical integration</td>
<td>Grant, Ch. 14 of Contemporary Strategic Analysis.</td>
<td>Zara</td>
<td>• Interim team analysis due</td>
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<td>Eggers. Memo on Value Chain Analysis (handout) (review)</td>
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<td>Porter. What is Strategy?</td>
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<td><strong>Strategy and Corporate Social Responsibility</strong></td>
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<td>7. Strategy and corporate social responsibility</td>
<td>Porter &amp; Kramer. Strategy and Society:</td>
<td>IKEA</td>
<td>• Midterm in first half of class</td>
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<td>Jackall. Moral Mazes.</td>
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<td><strong>Strategy Implementation</strong></td>
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<td>9. Strategic decision-making</td>
<td>Carter. The Late Shift. (p. 1-18).</td>
<td>The Late Shift (video case, no prep necessary)</td>
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<td>Whyte. Decision Failures. (review)</td>
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<td>Jackall. Moral Mazes.</td>
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<td><strong>Team Projects and Wrapup</strong></td>
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<td>10. Team projects</td>
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<td>• Team project paper</td>
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Thinking through the case preparation questions are the first step in analyzing the case. These questions help you start thinking along the lines of what’s important in the case, but simply answering the questions does not constitute a complete analysis of the case. Use the readings for that week to answer the questions.

**Cola Wars Continue: Coke and Pepsi in 2006**

1. Why, historically, has the soft drink industry been so profitable?
2. Compare the economics of the concentrate business to that of the bottling business. Why is the profitability so different?
3. How has the competition between Coke and Pepsi affected the industry’s profits?

**Apple Computer, 2006**

1. What are Apple’s resources and have they changed over time?
2. Analyze the structure of the personal computer industry over the last 15 years. How have the dynamics of the PC industry changed?

**SMA: Micro-Electronic Products Division (A)**

1. How are MEPD’s environment and strategy different from those of other divisions of SMA, and how are these differences affecting MEPD’s performance?
2. Assess MEPD’s approach to structural differentiation and integration. What linking mechanisms do they use, and how effective are these?
3. Draw a new organization chart that addresses the problems you have identified?

**Walt Disney Co.: The Entertainment King**

1. Why has Disney been successful for so long?
2. What did Michael Eisner do to rejuvenate Disney? Specifically, how did he increase net income in his first four years?
3. Has Disney diversified too far in recent years?

**Zara: Fast Fashion**

1. Which of the international competitors listed in the case is the most interesting to compare to Inditex’s in terms of financial results (see pp. 4-8 and Exhibit 6)? Why? What do comparisons indicate about Inditex’s operating economics and relative working capital efficiency?
2. How do distinctive features of Zara’s business model affect its operating economics?
3. How sustainable is Zara’s competitive advantage versus the kinds of advantage typically pursued by other apparel retailers?
IKEA's Global Sourcing Challenge: Indian Rugs and Child Labor (A)

1. How should Marianne Barner respond to the invitation for IKEA to have a representative appear on the upcoming broadcast of the German video program?
2. What actions should she take regarding the IKEA supply contract with Rangan Exports?
3. What long-term direction should she take regarding IKEA’s continued operation in India? Should the company stay or exit? How would you manage the impact of your recommendation?

Honda (A)

1. What is the strategy that has allowed Honda to be so successful in the motorcycle industry and, in particular, in the United States?
2. What indications do you have that the strategy was planned in advance, or that the company stumbled onto its strategy?

The Late Shift: Letterman, Leno, and the network battle for the night

1. Make a "cheat sheet" to remind you about Johnny Carson, David Letterman, Jay Leno, John Agoglia, Warren Littlefield, Bob Wright, Helen Kushnick, and Robert Morton – who are they, what is their job and how are they related in the structure of NBC?
2. Make a "cheat sheet" of biases and political influences that affect decision making (use the Whyte article and the Jackall article).