Syllabus and Schedule: Business 290
Strategic Thinking

Instructor: Prof. Robert Chapman WOOD
Spring 2015

School of Management
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Office hours: Tuesday and Wednesday, 4:50-5:40 pm, Thursday 4:25-5:00 pm.

The School of Management’s office is in Business Tower 650, phone 924-3550. Department FAX 408 924-3555. (If sending material to me by fax, please also send an email letting me know it is coming.)

This class takes an integrative approach to creating and managing whole enterprises. It aims to show how to think strategically – how to think about decisions and make them, how to create new businesses that customers will support, and how to position existing businesses for success. Creating business success calls for both sensing what needs to be done and leading others to make it happen. We will examine how to put the two together. Each of you, either individually or in two-person teams, will either start a business or produce a business or strategic plan. Your job is to listen to customers and suppliers and think through a business idea. You will show how you can make a business idea work either by actually seeking sales or by writing a written report that addresses the key tasks involved. Your business or plan should draw on everything you’ve learned during your MBA program and your career.

The hard work – talking to customers, thinking about, analyzing, and writing a plan – falls squarely on you. I will provide guidance and a checklist that indicates what sort of work or information is needed. I will give you access to some model plans from other classes.

However, every business and every plan is different. Your critical intelligence will be key to determining what issues you need to address. This work represents the culminating experience of your MBA education and is the equivalent of the graduation thesis required in other masters programs.

**How We Work Together.** The course involves a significant amount of reading. You are responsible for understanding the material in the texts and especially preparing the cases. I will lecture on decision-making, strategy concepts, and leadership. We will discuss both the applicability of the theory to businesses that you and I have been
involved with and the cases. We will work together to decide how the concepts and techniques discussed in class apply to your business and/or plan. You, however, are responsible for the final products.

**Student learning objectives:** The class has two kinds of learning objectives. First, students will learn to analyze what makes firms (and initiatives within firms) successful and to make decisions to make their own businesses and their contributions to others’ businesses truly valuable. Second, they will learn to present and launch business ideas in a way that will persuade others to support them and provide needed resources.

**Course Grading:**
- Classroom participation - 22%
- Long-term competitive advantage paper (Due session 4) – 6%
- Quiz on strategic thinking – 14%
- Comprehensive project - 50% of which
  - Progress of your project at milestones indicated in the schedule - 8%
  - Oral presentation – 14%
  - Written report and/or business progress – 28%
- Comments on others’ projects – 3%
- Educational Testing Service MBA learning assessment – 5%

People who work on plans in two-person teams must each be principally responsible for at least eight pages of a report and must each show they contributed to the financial analysis.

Students creating a lean start-up will be judged by different criteria, which we will work out in the course of project.

**Important note:** Since the comprehensive project for Business 290 is the culminating experience of your M.B.A. program, all students must complete the project with a grade of “B” or better in order to obtain a degree. A student who receives good grades on class participation and quiz but does not complete a project that earns a B will not be permitted to graduate.

Moreover, your oral presentation is your “oral exam.” You must persuasively present and defend your business or strategic plan. A student who does not receive a “B” or better in presentation to the class may be required to present the plan again to the instructor privately.

If you or your employer believe your project should not be displayed to the public, you may request that the professor not discuss it except with you. Please notify the professor if you wish to keep your project from public discussion. You will have to present the project orally to the instructor in lieu of a class presentation.

Public domain: Steven G. Blank, *Four Steps to Epiphany*. The free version available on the web is fine: [http://web.stanford.edu/group/e145/cgi-bin/winter/drupal/upload/handouts/Four_Steps.pdf](http://web.stanford.edu/group/e145/cgi-bin/winter/drupal/upload/handouts/Four_Steps.pdf)


Robert M. Grant, *Contemporary Strategy Analysis*. The 8th edition (2013, Wiley, ISBN 9781119941897) is recommended, and we will use some cases from this edition. But **earlier editions (5th or later, including editions published by the British publisher Blackwell) are acceptable.**


Course packet containing cases and supplementary readings. (Available for purchase at Maple Press. The pickup location is on 10th Street not far south of BBC.)

Students will also be required to use the Harvard Business School multimedia case, “Terror at the Taj Bombay.”

**Note:** Because businesses vary so much, no book on business plans is assigned. If you want to buy a book on business planning, I can suggest one. **Do not buy business planning software.** It tends to force all business plans into the same shape, producing plans that are not useful.

**Other Reading materials:**

It is assumed that all students own a **college-level** dictionary and will consult it in addition to using such online resources as dictionary.com.

**Strongly recommended:**

- A grammar guide such as *The Bedford Handbook* (Bedford/St. Martin's). Many students find this helpful in writing. Some students have found helpful the web pages created by Prof. Charles Darling of Capital Community College in Connecticut: [http://grammar.ccc.commnet.edu/grammar/index.htm](http://grammar.ccc.commnet.edu/grammar/index.htm).

Regular reading of at least one or two major business publications or web pages - *The Wall Street Journal*, *New York Times*, *Financial Times* and/or *Fortune* magazine are recommended. (Discounted subscriptions are available.) Business publications should play a significant role in your strategic career. It’s essential to keep up to date on how global changes are affecting your business.
**Schedule**

**Session 1. January 27, 2015.**
*Introduction to the course.*
*Business planning and lean entrepreneurship.*
*Decision-making I: Framing, intuition*

Discussion to be based on Chaps. 1 and 2 of Russo and Schoemaker, *Decision Traps* and a preview of the other books we will read. It is not necessary to read *Decision Traps* before the class, but it may be helpful.

**Session 2. February 3, 2015.**
*Decision-making II: Gathering intelligence, making the decision.*

Russo and Schoemaker, *Decision Traps*, Chaps. 1-3, pp. 67-76 in Chap. 4, pp. 95-102 in Chap. 5 (look at the section titles in the rest of the chapter), and pp. 119-137 in Chapter 6.

**Case:** “Decision Making at the Top: The All-Star Sports Catalog Division” *(in packet)*

**Study question:** What do you think of the way decisions are made at All-Star Sports? Can the concepts in *Decision Traps* be used there?

*Think about what business or strategic initiative might be your term project. Discuss informally with the instructor.*

*Formation of groups of 2 or 3 for competitive advantage paper due in Week 4.*

**Session 3. February 10, 2015**
*Introduction to Strategic Management*

Grant, Contemporary Strategy Analysis, Ch. 1.

**Case:** Madonna. Grant 8th Ed. pp. 439-444. If you are using a version of Grant that does not have this case, please obtain it from someone else and read it before class.

*Initial problem statements due.* If the problem statements are sent to the instructor at least 2 days before class, he can provide feedback at the class meeting.
Session 4. February 17, 2015


Hamel & Prahalad, “The Core Competence of the Corporation” (in packet)

*Competitive advantage papers due.*

*Revised problem statements due. Think about whether you will do a business plan, a strategic plan, or a lean startup.*

Session 5. February 24, 2015

**Case:** IKEA (in packet)

**Study question:** What are the most important reasons why IKEA became so successful?

**Lean Entrepreneurship**

**The basic model:** Steven G. Blank, *Four Steps to Epiphany*, pp. v-vi, 15-22. [http://web.stanford.edu/group/e145/cgi-bin/winter/drupal/upload/handouts/Four_Steps.pdf](http://web.stanford.edu/group/e145/cgi-bin/winter/drupal/upload/handouts/Four_Steps.pdf)

**The refined model:** Eric Ries, *The Lean Startup*, Introduction, Ch. 1, Ch. 3.

*Decide at least tentatively your basic approach to your project. You should be talking to customers and suppliers and collecting other data.*


**Educational Testing Service MBA learning assessment**


**Lean Entrepreneurship II – Learn, Pivot, Batch, Grow, Adapt**

Ries, *The Lean Startup*, pages to be announced.

**Case:** Dropbox: It Just Works (in packet)

**Study question:** Few of us have Drew Houston’s ability to write software code. What lessons can we draw from our own careers from his experience?

*Draft of resource inventory and gap analysis based on customer and supplier conversations to be handed in for those writing plans.*
Report on whether initial customer conversations validated your concept to be handed in by those creating a lean startup.

Leadership and Strategic Thinking  
Goleman et al, Primal Leadership, pages to be announced

Meetings on projects

MARCH 23-27 SPRING RECESS  
MARCH 31 is Cesar Chavez Day  
ENJOY SOME TIME OFF!!!

Leadership and Business Purpose  
Goleman et al, pages to be announced

Multimedia case: “Terror at the Taj Bombay.” Link to be available from the instructor.

Competitor and industry analysis due, with market size calculations, for those writing business plans.  
Phase 2 of lean startup process due for those doing startups.

Session 10. April 14, 2015.  
Technology Strategy  
Grant, 8th ed., Chap. 9 (or the technology chapter in another edition)

Meetings on projects

Session 11. April 21, 2015.

Discussion of current technology battles.  
More on Technology Strategy – a word on the long term

Quiz

Corporate Strategy  
Optional reading – the rest of Chapter 14.
Meetings on projects  


Additional topics of student interest?

Presentations may begin today

Presentations