COURSE OBJECTIVE

The overall theme of our course is to understand: why are some firms more successful than others, and what can managers do about it? Our course analyzes the sources of performance differences among firms and develops knowledge and skills necessary to understand, evaluate, and create strategies to improve performance.

This course has three main goals:

1. To provide you with tools to think systematically about the factors affecting firm performance: industry conditions, firms’ resources and capabilities, and opportunities for securing sustainable competitive advantage.
2. To help you develop and practice diagnostic reasoning skills relevant to problems of strategic management.
3. To integrate knowledge gained in other management courses, showing how the various pieces of a business fit together, and demonstrating why the different parts of a business need to be managed in strategic consistency for a firm to operate in a winning fashion.
OVERVIEW OF THE COURSE

One of the important questions in business is: why are some firms more successful than others? This course introduces concepts and tools that help identify the key drivers of performance superiority. It also provides an opportunity for you to apply these instruments to a simulated business setting.

The first part of the course is designed to cover the fundamentals of business and corporate level strategy. We start by looking at the competitive forces that determine the overall attractiveness of an industry and the profit potential of a typical business firm operating in the industry. We then move on to explore how, given an industry environment, a business firm can outperform competitors by making particular strategic choices, thereby creating and sustaining its competitive edges. We will extend the logics behind business-level strategies to address questions related to corporate-level strategies such as the scope of the firm and the deployment of existing resources and capabilities to new business units. We will also have a module for thinking about strategic issues specifically related to the management of technology and innovation.

The second part of the course is a business simulation. In this module, you will have a chance to apply some of the concepts and tools covered in the first half of the course to a simulated business setting, competing in a team with your classmates. In this, you will need to incorporate the knowledge and skills from other core courses such as marketing, finance, human resources and operations. This exercise will thus give you hands-on experience though simulated of crafting strategies that encompass all functional level decisions with one overarching goal to excel in the business arena, not just to get a decent grade in the course.

Required Texts/Readings:

- Glo-Bus Simulation (www.Glo-bus.com)
- Additional readings: Harvard Business Review articles (www.library.sjsu.edu)

I also recommend that you keep up with current business news. Good sources are The Wall Street Journal, The Economist, and Fortune Magazine.
Class Requirements and Grading:

1. **Exams (40%)**. There will be one mid-term exam (worth 20%) and one final exam (worth 20%).
   - No make-up exam will be allowed except a medical or family emergency.

2. **Class Participation (10%)**
   - Students should actively participate in class discussions.
   - Cold calls: The instructor will cold call students to answer questions. Your response to such calls will be factored into your class contribution grade.
   - Absence from class will affect your class contribution grade.
   - No disruptive behavior in class.
   - Students will be evaluated based on their ability to understand and apply assigned reading materials to class discussion.
   - **All students start the semester with 5 points – out of 10 points** - for participation. Contribution to class discussion will raise this grade. Habitual absence from class and disrupting class (i.e., coming late, leaving early, talking, text-messaging, checking the Internet, etc.) will reduce this grade, possibly to 0.
   - Each student is expected to provide opinions and comments in a respectful manner.

3. **Case Analysis (15%)**

During the course, you will write 2 individual case analyses and present 1 group case analysis - on the cases indicated in the course schedule detail.

- **Individual Minicase analysis (8%)**:
  - **For the individual assignment**, each write-ups should succinctly address the discussion questions at the end of each minicase. Your comment should **address discussion questions** in each case. Case write-up should be **two pages long (maximum three pages)**, typed and double-spaced with 12-point fonts (Times New Roman) and one-inch margins throughout. The page limit is, however, for text only. You may attach as many appendixes as you find necessary, including calculations, tables, or graphs. You may discuss the case with your team members, but the actual analysis and write-up should be an independent work. For all assignments, be prepared to present your work in front of the class when asked (individuals and groups will be selected randomly).
  - **Each write-up (one hard copy) is due at the beginning of the class session in which the case is discussed. No electronic or late submissions will be accepted.** If you have to miss the class, make an arrangement in advance so that your work can be submitted timely. Request for a deadline extension may be considered only if the situation is due to unforeseeable causes—e.g. natural disaster or accidents—and if the petition is accompanied by an official note from a qualified person such as a doctor or a police officer.
  - Submit the choice on the first day of the class.
Team case analysis (7%):

- For the team assignments, form a team of 3 or 4 members. For all team assignments, be prepared to present your work in front of the class. All members should participate in the presentation.

- Prepare 10 minute-presentation in front of entire class. The presentation should succinctly address the study questions assigned for each case. Bring the presentation slides in a flash drive to the class. (Laptop is not allowed.) The presentation slides should be uploaded to Canvas by 10:00pm, the day before the presentation.

- Submit the choice on the first day of the class.

4. Fieldwork Team Project (15%)

- Students will be assigned into teams of 3-4 students. Each team will do a case study on a firm headquartered in Silicon Valley. Students are expected to interview the firm’s executives. They also need to use secondary data sources, e.g. newspapers and magazines, to complement their interview data. The grade of the team project is composed of two parts:

  - Project Report (10%). Each team needs to write a project report. Team members will get the same grade.

  - Team presentation (5%). Each team will present their project at the end of this semester. PowerPoint slides are needed. Each presentation will last 10 minutes, with 5 more minutes for questions & answers. Team members will get the same grade.

5. GLO-BUS strategy simulation game (20%)

- We will use Glo-Bus, a strategy simulation game, which measures how well you can integrate and use the knowledge and skills gained from the core courses including this course.

- You will form teams of 3-4 students each, and compete against other teams for business success within an industry. As a team, you will identify and implement a business strategy, make operational adjustments to that strategy to gain competitive edges in the industry. This exercise allows for real-world decision making, strategy formulation, problem-solving, and competitive challenges.

- You are individually responsible for the registration, which can be done online. The registration fee is currently $44.95 and is payable directly to Capstone (www.glo-bus.com). This fee allows you to access the simulation program, download the manual and interface with the customer support.

- 20% of your course grade will depend on your performance on the group simulation exercise. Teams will be evaluated against each other based on Balanced Scorecard. The group performance (10%) will be determined by team final rankings. At the end of simulation, you will report your performance by team final presentation (5%). You will evaluate the
effectiveness of other members of your team. The peer evaluation (5%) is done online and due at the last class session.

- Fire a Team Member
  - In rare cases, if a team member consistently fails to cooperate with other team members, others can fire him/her on the condition that they arrive at a unanimous decision AND the timing is prior to class 13. The fired member has to finish the fieldwork team project on his/her own.
  - A student who misses three Glo-Bus simulation sessions will be expelled from the team. In this case, student’s grade for the two team projects will be ZERO.

### Grades

<table>
<thead>
<tr>
<th>Activity</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Mid-term Exam (Individual)</td>
<td>20%</td>
</tr>
<tr>
<td>Final Exam (Individual)</td>
<td>20%</td>
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<tr>
<td>Class Participation (Individual):</td>
<td></td>
</tr>
<tr>
<td>Class Contribution</td>
<td>10%</td>
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<tr>
<td>Case Analysis:</td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>8%</td>
</tr>
<tr>
<td>Team</td>
<td>7%</td>
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<tr>
<td>Fieldwork Team Project:</td>
<td></td>
</tr>
<tr>
<td>Team Project Report</td>
<td>10%</td>
</tr>
<tr>
<td>Team Project Presentation</td>
<td>5%</td>
</tr>
<tr>
<td>Glo-Bus Simulation:</td>
<td></td>
</tr>
<tr>
<td>Glo-Bus Strategy Simulation Game</td>
<td>10%</td>
</tr>
<tr>
<td>Group Member Peer Evaluation</td>
<td>5%</td>
</tr>
<tr>
<td>Final Presentation</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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</tbody>
</table>

### Grading Scale

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A+</td>
<td>98% and above</td>
</tr>
<tr>
<td>A</td>
<td>93%-97.99%</td>
</tr>
<tr>
<td>A-</td>
<td>90%-92.99%</td>
</tr>
<tr>
<td>B+</td>
<td>88%-89.99%</td>
</tr>
<tr>
<td>B</td>
<td>83%-87.99%</td>
</tr>
<tr>
<td>B-</td>
<td>80%-82.99%</td>
</tr>
<tr>
<td>C+</td>
<td>78%-79.99%</td>
</tr>
<tr>
<td>C</td>
<td>73%-77.99%</td>
</tr>
<tr>
<td>C-</td>
<td>70%-72.99%</td>
</tr>
<tr>
<td>D+</td>
<td>68%-69.99%</td>
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<tr>
<td>D</td>
<td>63%-67.99%</td>
</tr>
<tr>
<td>D-</td>
<td>60%-62.99%</td>
</tr>
<tr>
<td>F</td>
<td>Below 60%</td>
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</tbody>
</table>

**Penalty for late or missed work:** Missed exams and quizzes cannot be made up, except by permission of the instructor, Department Chair or designee.
PROFESSIONAL CONDUCT
The instructor and students of this class, as members of the SJSU community, are bound by the SJSU Academic Integrity Policy. The full text of the policy is available at http://www.sjsu.edu/studentconduct/facultyandstaff/Academic_Integrity/index.html. The Academic Integrity Policy is to prevent any student from gaining unearned advantage over other students through academic misconduct. Be sure to familiarize yourself with what may constitute academic misconduct. All suspected cases of violation will be investigated by the Office of Dean of Students and may lead to such consequences as grade reduction, a failing grade, a transcript notation, delay of graduation, or expulsion from the Institute.

In addition, I will consider the following behaviors in class as unprofessional, though not a violation of the Academic Integrity Policy, and hence will penalize them since they are disruptive to the collective learning.

- **The link to the University Policy about disruptive behavior:**
  http://www.sjsu.edu/studentconduct/facultyandstaff/Managing_Disruptive_Behaviors/index.html
- **Late arrivals.** You will be cold-called to discuss cases before you can even sit down.
- **Side conversations:** In class, you should always talk either to me or to the entire class.
- **Lack of attention:** Read all materials before the class. Using a computer (except for simulation) or any other electronic devices in class is strictly prohibited.
- **Moving around the class:** Do not leave and re-enter the class unless it is an emergency.
- **Disrespect of others:** Try not to interrupt when your classmate is speaking. Personal attacks or insulting comments are not acceptable.
- **Using outside-class resources for preparation:** This includes, but is not limited to, exchanging materials with students who are not concurrently taking this course with you.
- **This course is “unplugged.”** Please turn off all computers, PDA’s, phones, pagers, or other electronic devices during class meetings. Laptops are only allowed when we are doing in-class group work during the simulation phase.

In case you are unsure of whether any behavior conflicts with these rules and principles, ask me for clarification before executing it. Unprofessional behavior may be penalized in the class participation grade.
Tentative course calendar including assignment due dates

*The instructor reserves the right to alter course content and adjust the pace in order to accommodate class progress, current events, and unforeseen developments. Any changes to this schedule will be announced ahead of time in class and on T-Square.

Class 1 (Aug 25)
Reading: How to conduct a case analysis (p.457-462)

Notes:
1. Course Introduction
2. Form a team of 3-4 students for team assignments.
3. Choose 2 individual Minicases and 1 team case analysis project.
4. Fix a seat and use name card from Class 2.

Class 2 (Sep 1)
Case: Facebook: Will Wall Street Hit the “Like” Button?

Note: Seats are fixed from this class on. Choose a preferred seat and use name card.

PART I: INDUSTRY ANALYSIS
Class 3 (Sep 8)
Reading: Ch. 2 “The Strategic Management Process”
Case: Madonna: Sustaining Success in a Fast-Moving Business
Minicase 3 “Teach For America: Inspiring Future Leaders”

Class 4 (Sep 15)
Readings: Ch. 3 “External Analysis: Industry Structure, Competitive Forces, and Strategic Groups”
Case: Amazon: Will Amazon Kindle Another Fire?
Minicase 5 “The Wonder from Sweden: Is IKEA’s Success Sustainable?”

Class 5 (Sep 22)
Readings: Ch. 4 “Internal Analysis: Resources, Capabilities, and Activities?”
Case: Apple: How to Sustain a Competitive Advantage?
MiniCase 6: “Starbucks: Re-creating Its Uniqueness”

Class 6 (Sep 29)
Readings: Ch. 5 “Competitive Advantage and Firm Performance”
Case: McDonald’s: How to Win Again?
MiniCase 5: “GE under Jack Welch vs. Jeffrey Immelt”

Part II: BUSINESS STRATEGY
Class 7 (Oct 6)
Readings: Ch. 6 “Business Strategy: Differentiation, Cost Leadership, and Integration”
Ch. 7 “Business Strategy: “Innovation and Strategic Entrepreneurship”
Case: Kodak and the Digital Revolution (A) (HBS 9-705-448)
Note: Mid-term exam sample

Class 8 (Oct 13) Mid-Term Exam

PART III: CORPORATE STRATEGY
Class 9 (Oct 20)
Reading: Ch. 8 “Corporate Strategy: Vertical Integration and Diversification”
Glo-Bus Student Guidebook
Case: The Walt Disney Company: The Entertainment King (HBS 9-701-035)
Team Project: Introduction to Team Project
Register Glo-Bus Simulation, if not yet.

Class 10 (Oct 27)
Reading: Ch. 9 “Corporate Strategy: Acquisitions, Alliances, and Networks”
Glo-Bus Student Guidebook (Re-Read)
Case: Responding to the Wii? (HBS 9-709-448)
Team Project: Glo-Bus Simulation Practice Round 1
Fieldwork Team Project
Note: Team decisions must be entered by 3:00pm of the following day. The round will be processed and results will be available by 6:00pm. The same processing schedule applies to all practice rounds.

Class 11 (Nov 3)
Reading: Ch. 10 “Global Strategy: Competing Around the World”
Case: MiniCase 17: Alibaba and China’s E-Commerce: “Open Sesame” Comes True
Team Project: Glo-Bus Simulation Practice Round 2
Fieldwork Team Project

Class 12 (Nov 10)
Reading: Ch. 11 “Organizational Design: Structure, Culture, and Control”
Case: MiniCase 18: The Premature Death of a Google Forerunner at Microsoft
Team Project: Glo-Bus Simulation Competition Round 1
Fieldwork Team Project

Class 13 (Nov 17)
Reading: Ch. 12 “Corporate Governance and Business Ethics”
Case: MiniCase 20: USB’s Billion-Dollar Ethics Scandals
Team Project: Glo-Bus Simulation Competition Round 2
Fieldwork Team Project
Class 14 (Nov 24): Fieldwork Team Presentation I
Team Project: Glo-Bus Simulation Competition Round 3
Notes: Upload team presentation slides to Canvas until 10:00 pm Nov 23, Monday.

Class 15 (Dec 1): Fieldwork Team Presentation II
Team Project: Glo-Bus Simulation Competition Round 4
Notes: Upload team presentation slides to Canvas until 10:00 pm Nov 30, Monday.

Class 16 (Dec 8): Simulation Final Presentation
Notes: Upload team final presentation slides to Canvas until 10:00 pm Dec 7, Monday.
Peer evaluation due Dec 9 3:00 pm (via Glo-Bus.com)

NOTE: FINAL EXAM On Dec. 15, Tuesday, 17:15-19:30
Dropping and Adding

Students are responsible for understanding the policies and procedures about add/drops, academic renewal, etc. Information on add/drops are available at http://info.sjsu.edu/web-dbgen/narr/soc-fall/rec-324.html

Information about late drop is available at http://www.sjsu.edu/sac/advising/latedrops/policy/ Students should be aware of the current deadlines and penalties for adding and dropping classes.

University Policies

Academic Integrity

Students should know the University’s Academic Integrity Policy that is available at http://www.sa.sjsu.edu/download/judicial_affairs/Academic_Integrity_Policy_S07-2.pdf

Your own commitment to learning, as evidenced by your enrollment at San Jose State University and the University’s integrity policy, require you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The website for Student Conduct and Ethical Development is available at http://www.sa.sjsu.edu/judicial_affairs/index.html

Instances of academic dishonesty will not be tolerated. Cheating on exams or plagiarism (presenting the work of another as your own, or the use of another person’s ideas without giving proper credit) will result in a failing grade and sanctions by the University. For this class, all assignments are to be completed by the individual student unless otherwise specified. If you would like to include in your assignment any material you have submitted, or plan to submit for another class, please note that SJSU’s Academic Policy F06-1 requires approval of instructors.

Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 requires that students with disabilities requesting accommodations must register with the DRC (Disability Resource Center) to establish a record of their disability.

Learning Assistance Resource Center

The Learning Assistance Resource Center (LARC) is located in Room 600 in the Student Services Center. It is designed to assist students in the development of their full academic potential and to motivate them to become self-directed learners. The center provides support services, such as skills assessment, individual or group tutorials, subject advising, learning assistance, summer academic preparation and basic skills development. The LARC website is located at http://www.sjsu.edu/larc/

SJSU Writing Center

The SJSU Writing Center is located in Room 126 in Clark Hall. It is staffed by professional instructors and upper-division or graduate-level writing specialists from each of the seven SJSU colleges. Our writing specialists have met a rigorous GPA requirement, and they are well trained to assist all students at all levels within all disciplines to become better writers. The Writing Center website is located at http://www.sjsu.edu/writingcenter/
College of Business Policies:
To ensure that every student, current and future, who takes courses in the Boccardo Business Center has the opportunity to experience an environment that is safe, attractive, and otherwise conducive to learning, the College of Business at San José State has established the following policies:

Eating:
Eating and drinking (except water) are prohibited in the Boccardo Business Center. Students with food will be asked to leave the building. Students who disrupt the course by eating and do not leave the building will be referred to the Judicial Affairs Officer of the University.

Cell Phones:
Students will turn their cell phones off or put them on vibrate mode while in class. They will not answer their phones in class. Students whose phones disrupt the course and do not stop when requested by the instructor will be referred to the Judicial Affairs Officer of the University.

Computer Use:
In the classroom, faculty allow students to use computers only for class-related activities. These include activities such as taking notes on the lecture underway, following the lecture on Web-based PowerPoint slides that the instructor has posted, and finding Web sites to which the instructor directs students at the time of the lecture. Students who use their computers for other activities or who abuse the equipment in any way, at a minimum, will be asked to leave the class and will lose participation points for the day, and, at a maximum, will be referred to the Judicial Affairs Officer of the University for disrupting the course. (Such referral can lead to suspension from the University.) Students are urged to report to their instructors computer use that they regard as inappropriate (i.e., used for activities that are not class related).

Academic Honesty:
Faculty will make every reasonable effort to foster honest academic conduct in their courses. They will secure examinations and their answers so that students cannot have prior access to them and proctor examinations to prevent students from copying or exchanging information. They will be on the alert for plagiarism. Faculty will provide additional information, ideally on the green sheet, about other unacceptable procedures in class work and examinations. Students who are caught cheating will be reported to the Judicial Affairs Officer of the University, as prescribed by Academic Senate Policy S04-12.