



Victoria Management School

MMMS 514 STRATEGIC MANAGEMENT

Trimester 1 2005

COURSE OUTLINE

COURSE COORDINATOR

Urs Daellenbach

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Website: www.vuw.ac.nz/vms

Whenever possible, I undertake to respond to your messages within one business day.

Appointments should be made at any time that is mutually convenient, and a regular office hour will be held Thursday morning (9-10 am).

CLASS TIMES AND ROOM NUMBERS

Start Date: 22 February 2005

Format: One 3-hour session each week.

Lecture Times: Tuesdays, 1:40 – 4:30pm

Location: RLWY 221 (2nd floor of Railway Station)

COURSE OBJECTIVES

Strategic Management examines the management issues involved in directing an entire organisation over the longer term within a complex and dynamic environment. Its focus is on the range of decisions that are strategic to the enterprise as well as the forces that influence the evolution of strategy over time. Both formulation and implementation of strategies and strategic change are thus central to this course.

At the conclusion of the course, you will have improved your ability to:

- isolate strategic decisions from the many decisions taken by an organisation;
- assess the goals of the organisation and address the impact of changing goals;
- construct an agenda of strategic issues facing the organisation, and prioritise their relative importance, as well as assess the sustainability of the strategy/performance levels;
- identify forces in the environment of the organisation that are important to its strategy, and assess their relative importance;
- assess the resource/internal consistency of the components of an organisation's strategy;

- analyse the extent to which key aspects of the organisation's structure, systems, skills, ... support or impede the implementation of the strategic agenda; and
- suggest changes to these design elements as well as the current strategy to enhance their consistency, consonance, advantage, and configuration.

COURSE CONTENT

A schedule of topics considered in the course is attached and includes the dates at which they will be covered in class.

Detailed agendas indicating study questions for class discussion as well as any readings will be issued at least one week in advance. If you are unable to attend a class, you should make arrangements to collect any handouts or readings distributed. Any handouts remaining after class will be left in a box at Tricia Lapham's office (RH919).

Session content will vary during the semester, including discussion of case histories, readings, lectures, and video material. Guest speakers may also be used to provide a practicing manager's perspective on key issues covered in class. The typical pattern will be to devote half the class to discussion of issues/readings and the remainder to a case discussion or video. Your active contribution to these sessions is an important element of the learning experience.

The twelve sessions are devoted to introducing some of the main questions and frameworks within the discipline of strategic management. The sessions are conducted in the understanding that you have done the required reading before the lecture and prepared to discuss the topic. Each session will also involve a discussion based on a case study or video. The latter are drawn from the Troubleshooter series featuring Sir John Harvey-Jones.

READINGS

Readings and cases will be made available at least a week in advance. Many sessions will include extended discussion of a case history of an organisation that illustrates the issues being studied being studied that week. Other material from the academic and professional literatures on strategic management will also be covered such as Sloan Management Review, Strategic Management Journal, New Zealand Strategic Management, journals published by the Academy of Management, and Long Range Planning.

It is also expected that you will apply ideas from the course to one or more New Zealand or international enterprises and so you will need to be familiar with the current business press (e.g., Unlimited, NZ Business, National Business Review, Export News, Management, Fortune, Business Week, The Economist, ...).

Previous participants in the course indicate that they required approximately 6-8 hours per week, in addition to class time.

MATERIALS AND EQUIPMENT

No other materials or equipments are required. Your assignments will require the collection of secondary data from media and internet sources. There is no final examination.

ASSESSMENT REQUIREMENTS

The course will be assessed as follows:

Contributions to Class Discussion	15%
Case analysis	25%
Analysing a strategy – Report A	25%
Analysing a strategy – Report B	<u>35%</u>
Total	100%

1. Contributions to Class Discussion (15%)

As is appropriate for a Masters course, classes will be conducted on the basis that course members have as much to learn from each other as from the course director. To make an effective contribution will require careful reading of materials and case studies prior to the class, analysis and synthesis of these readings, and organising your ideas into a structured form that will allow you to make a material contribution to the discussion. Relevant examples that draw on your experiences are welcomed.

Contributions will be assessed on the quality of the insights offered by the course member into strategic management concepts/theory and other issues raised by the reading material and case histories. Assessment of this component will be based on your eight best contributions to class and workshop discussions.

I undertake to provide you with feedback on your in-class contributions in Session 6 and I will make every effort to ensure that each student has the opportunity to contribute.

2. Case Analysis (25%)

Based on a case study handed out in class on 15 March, you will analyse the strategic processes of the organization discussed. Your analysis will be guided by the questions handed out with the case and will be submitted in report format. Due 23 March

Word guide: 2000 words

3. Analysing a Strategy

This assignment focuses on describing then evaluating a firm's strategy. Each student will choose a New Zealand organization to examine *from public sources only*. Instructions for the full report are described in the handout on *Analysing a Strategy*. The report is broken up into two stages, A and B:

Analysing a strategy - Report A Due 26 April 25%

This report examines an organisation's scope and its competitive strategy and then assesses the consistency of that strategy with stakeholders' goals.

Word guide:
2000 words

Analysing a strategy - Report B Due 24 May 35%

This report assesses the firm's strategy for consonance with the environment and feasibility with its resources and then sets a strategic agenda and recommendations.

Word guide:
2500 words

PENALTIES

Word limits

Word guidelines for this course set out what is considered an economical style. Some variation may be warranted, depending on the situation being discussed. However, since a style of writing suitable for business reports is required, significant departures from an economical style or inattention to spelling, grammar, punctuation, formatting, ... may reduce the marks awarded to the report by up to 10% of the original mark.

Penalties for lateness

In keeping with standards of professionalism appropriate to this programme, it is expected that deadlines will be honoured. In fairness to students who complete work on time, work submitted after the due date/time will incur penalties for lateness. The penalty is up to 5% of the report's grade per day (or part thereof) late. If the report is over 1 week late, it will not be accepted and will earn a score of 0 marks. Unusual or unforeseeable circumstances (e.g., serious illness, family bereavement) may lead to a waiver of this penalty but need to be discussed with the course director as soon as possible (prior to the due date when feasible).

MANDATORY COURSE REQUIREMENTS

In order to pass the course, a total of 50% of the marks available must be achieved.

VMS Grading Standards:

- **Excellent**
A (80 – 85%) to A+ (above 85%): The quality is performed to a very high level of proficiency, i.e. it is at a standard that makes it exceptional at Master's level.
- **Very Good**
B+ (70 – 74%) to A- (75 – 79%): The quality is performed at a high standard. Students have reached a level which clearly exceeds "competency".
- **Good**
B- (60 – 64%) to B (65 – 69%): The quality is clearly demonstrated without being exceptional in any way. Students can be thought of as competent in respect of this quality.
- **Satisfactory**
C (50 – 54%) to C+ (55 – 59%): The quality is demonstrated to a minimally acceptable level. There may be flaws but these are not serious enough to "fail" the student on this quality.
- **Unsatisfactory**
E (0 – 39%) to D (40 – 49%): The quality is absent or performed to a very low level, or the performance is seriously flawed in this respect.

COMMUNICATION OF ADDITIONAL INFORMATION

An e-mail class list will be created at the beginning of the course. All announcements will be sent to the e-mail address provided. Please inform the course coordinator of any changes to your e-mail. Lecture overheads will also be posted on Blackboard.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

Student Conduct and Staff Conduct

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at:

www.vuw.ac.nz/policy/StudentConduct.

The policy on Staff Conduct can be found on the VUW website at:

www.vuw.ac.nz/policy/StaffConduct.

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website:

www.vuw.ac.nz/policy/AcademicGrievances.

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.

Plagiarism is not worth the risk.

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct (www.vuw.ac.nz/policy/studentconduct) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

Find out more about plagiarism and how to avoid it, on the University's website at: www.vuw.ac.nz/home/studying/plagiarism.html.

Students with Disabilities

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: disability@vuw.ac.nz. The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

Student Support

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/ or email student-services@vuw.ac.nz.

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email education@vuwsa.org.nz.

Session Outline

Session	Topic	Situational Discussion
1: 22 February	Introducing the concept of strategy	Morgan Motor Car Company
2: 1 March	Organisational purposes, goals and planning	<i>Case:</i> Lonely Planet Publications
3: 8 March	Strategy implementation: Structure and systems	<i>Case:</i> Michael Hill Jeweller
4: 15 March	Corporate and Business Strategy	<i>Video:</i> Letts Diaries
5: 22 March	Diversification	<i>Case:</i> The News Corporation
<i>Easter and mid-trimester break</i>		
6: 12 April	Stakeholder Analysis	<i>Case:</i> Sheffield Theatres Trust
7: 19 April	Strategy and the environment (a): Industry analysis	<i>Video:</i> Tolly Cobbold
8: 26 April	Strategy and the environment (b): Industry dynamics	<i>Case:</i> Air NZ
9: 3 May	New vs. traditional industries	<i>Case:</i> Online Stock Broking
10: 10 May	Strategy and resources	<i>Case:</i> The Body Shop International
11: 17 May	National bases of competitive advantage	<i>Case:</i> Resene Paints
12: 24 May	Other perspectives Course Review	

Annex 2 Readings

Session 1: Introducing the concept of strategy

Johnson, G. & Scholes, K. (2002) "The nature of strategy and strategic decisions." In *Exploring Corporate Strategy*, Essex, UK: Pearson: 4-15.

Session 2: Organizational purpose, goals and planning

Idenburg, P. J. (1993) "Four styles of strategy development." *Long Range Planning*, 26 (6): 132-137.

Cummings, S. & Davies, J. (1994) "Mission, vision, fusion." *Long Range Planning*, 27 (6): 147-150.

Bryson, J. (1998). "An effective strategic planning approach for public and nonprofit organizations." in H. Costin (ed.), *Readings in Strategy and Strategic Planning*, Dryden Press, Fort Worth, TX, USA.

Session 3: Strategy implementation: Structure and systems

Chakravarthy, B. & P. Lorange (1991). "Managing the strategy process", adapted from Chapter 1 in *Managing the Strategy Process*, Prentice Hall, Englewood Cliffs, NJ, USA.

Pitts, R. & D. Lei (2003). "Organising for Advantage" in *Strategic Management: Building and Sustaining Competitive Advantage*, 3rd ed., Thomson- Southwestern, Mason, OH, USA.

Waterman, R., Peters, T., & Phillips, J. "The 7-S framework." Excerpts from "Structure is not organization" in *Business Horizons*, June 1980.

Kaplan, R. & D. Norton (2001). "Transforming the Balanced Scorecard from Performance Measurement to Strategic Management: Part 1", *Accounting Horizons*, 15(1), March: 87-104.

Session 4: Corporate and Business Strategy

Mintzberg, H. (1996) "Generic business strategies." In H. Mintzberg, & J. Quinn (eds.) *Managing the Strategy Process*, NJ: Prentice Hall: 83-92.

Johnson, G. & Scholes, K. (2002) "The importance of linkages." In *Exploring Corporate Strategy*, Essex, UK: Pearson: 159-165.

Porter, M. (1985) "Generic competitive strategies." In *Competitive Advantage*. New York: Free Press: 34-46.

Miller, D. (1992) "The generic strategy trap." *The Journal of Business Strategy*: January/February: 37-41.

Session 5: Diversification

Goold, M. & Luchs, K. (1993) "Why diversify? Four decades of management thinking." *Academy of Management Executive*, 7 (3): 7-25.

Johnson, G. & Scholes, K. (2002) "The extent of corporate diversity." In *Exploring Corporate Strategy*, Essex, UK: Pearson: 297-306.

Lubatkin, M., & Lane, P. (1996) "Psst... The merger mavens still have it wrong!" *Academy of Management Executive*, 10 (1): 21-37.

Session 6: Stakeholder analysis

Freeman, E. & Reed, D. "Stockholders and stakeholders: A new perspective on corporate governance." In De Witt and Meyer (eds.) *Strategy: Process, content, context*. London, UK: Thompson: 616-621.

Johnson, G. & Scholes, K. (2002) "Stakeholder expectations." In *Exploring Corporate Strategy*, Essex, UK: Pearson: 206-212.

Mitchell, R., Agle, B., Wood, D. (1997) "Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts." *Academy of Management Review*, 22 (4): 853-886.

Session 7: Strategy and the environment (a) – Industry analysis

Porter, M. (1985) "The structural analysis of industries." In *Competitive Advantage*. New York: Free Press, 3-33.

Porter, M. (2004) "Industry evolution." In De Wit and Meyer (eds.) *Strategy: Process, content, context*. London, UK: Thompson: 441-446.

Session 8: Strategy and the environment (b) – Industry dynamics

Johnson, G. & Scholes, K. (2002) "The PESTEL framework." In *Exploring Corporate Strategy*, Essex, UK: Pearson: 99-105.

Ghemawat, P. (1999) "The value net and other generalizations." In *Strategy and the Business Landscape*. Addison Wesley Longman: 32-47.

Session 9: New vs. Traditional industries

Arthur, W.B. (1999) Increasing Returns and the New World of Business, from B. De Wit & R. Meyer, *Strategy: Process, Content, Context – An International perspective*, International Thomson Press.

Saloner, G. and A.M. Spence (2002) Creating Value: Economics of Internet-Based Commerce, from *Creating and Capturing Value: Perspectives and Cases on Electronic Commerce*, J. Wiley & Sons Inc., New York, USA.

Session 10: Strategy and resources

Barney, J. (2001) “Analysing organizational strengths and weaknesses.” In *Gaining and Sustaining Competitive Advantage*, Prentice Hall.

Quinn, B. & Hilmer, F. (1996) “Core competencies and strategic outsourcing.” In H. Mintzberg, & J. Quinn (eds.) *Managing the Strategy Process*, NJ: Prentice Hall: 63-73.

Pfeffer, J. (1995). “Producing Advantage through People”, *Academy of Management Executive*, 9(1): 55-67.

Session 11:

Campbell-Hunt, C., J. Brocklesby, L. Corbett, S. Davenport, D. Jones & P. Walsh. (2001) ‘Introduction’, Chapter 1 in *World Famous in New Zealand*, Auckland, NZ, Auckland University Press: 5-30.

Hanson, D., P. Dowling, M. Hitt, R.D. Ireland & R. Hoskisson (2002). “International Strategy”, Chapter 8 in *Pacific Rim Edition Strategic Management – Competitiveness and Globalisation: Concepts and cases*, Southbank, Australia, Nelson/Thomson Learning: 269-308.

Session 12: Other Perspectives

Smircich, L. and C. Stubbart. “Strategic Management in an Enacted World”, *Academy of Management Review*, 10 (4), 1985: 724-736.

Markides, C. (1999). “A Dynamic View of Strategy”, *Sloan Management Review*, 40(3), Spring: 55-63.