



VICTORIA MANAGEMENT SCHOOL

MGMT310 COMPETITIVE ADVANTAGE

Trimester Two 2006

COURSE OUTLINE

Contact Details

Urs Daellenbach Rutherford House RH 1204

Telephone: 463-5732; fax: 463-5253; e-mail: urs.daellenbach@vuw.ac.nz

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

If you would like to see me in person, please make an appointment. Appointments can be made at any time that is mutually convenient. A regular office hour will be held after the workshop sessions (that is, most Tuesdays, 2:40 – 3:30pm in Rutherford House 1204.

Administration Assistant: Tricia Lapham RH 919

Telephone and voice mail 463-5381; e-mail: tricia.lapham@vuw.ac.nz

Class Times and Room Numbers

Lecture:	Wednesday	4:40 – 6:30pm	Rutherford House RH LT1
Workshops:	Tuesday	10:30 – 11:20am	Railway Station, RWW102
	Tuesday	11:30am – 12:20pm	Railway Station, RWW102
	Tuesday	12:40 – 1:30pm	Railway Station, RWW102
	Tuesday	1:40 – 2:30pm	Railway Station, RWW102

The class will meet weekly from July 12, 2006 to October 11, 2004 inclusive. No classes will be held on August 23 and 30 (mid-trimester break). There will be a workshop on most Tuesdays (see attached schedule for specific dates). There will also be a compulsory Saturday all day session on September 16, 2006 where teams from each tutorial will make business decisions for their bicycle manufacturing company against competing teams in a web-based computer simulation. The final examination will be held in the Trimester 2 examination period (starting in the week of October 16 and finishing on November 10, 2006).

Tutorials	Room	From	To	Day (after Wednesday lecture)
1	RWW220	8:30	9:20	Thursday
2	RWW414	9:30	10:20	Thursday
3	RWW222	14:40	15:30	Thursday
4	RWW222	15:40	16:30	Thursday
5	RWW220	16:40	17:30	Thursday
6	RWW220	8:30	9:20	Friday
7	RWW223	9:30	10:20	Friday
8	RWW221	14:40	15:30	Friday
9	RWW221	15:40	16:30	Friday
10	RWW221	16:40	17:30	Friday
11	RWW220	8:30	9:20	Monday
12	RWW220	9:30	10:20	Monday

Tutors:

Tutor details and contacts will be announced in the first class.

Tutorial Coordinators**Garry Tansley – Evelyn Inkster**

Rutherford House RH120

Telephone: 463-6968

E-mail: garry.tansley@vuw.ac.nz

Course Objectives

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

- determine the range of advantages available to an organisation;
- understand the sources of any advantages and how strategies can leverage these;
- identify the ways in which activities and areas across the organisation can (and must!) be combined to create advantage, as well as those that lead to disadvantages;
- assess the impact of the environment of the organisation on the types and sustainability of competitive advantages; and
- analyse the likely impact and effectiveness of competitive moves and responses;
- comprehend how the New Zealand business environment affects the types and sustainability of advantages that are pursued for local, regional and global success + the challenges that all New Zealand businesses face.

Session content will vary during the trimester, including lectures, discussion of case histories or readings, and video material. The *programme of twelve lectures and readings* is devoted to introducing the key issues and frameworks associated with the subject. The lecture will be presented in the understanding that you have done the assigned reading before the lecture. On several occasions, guest speakers will illustrate the lecture material from their own perspectives in New Zealand organisations in part of a class. The *tutorials* are devoted primarily to the discussion of case histories. Participants are expected to take an active role in these discussions. While tutorials will typically place the emphasis of analysis upon lecture material presented on the preceding Wednesday, the cases also involve an array of strategic issues that are relevant to gaining and sustaining competitive advantage. The *workshops* will serve to introduce the business simulation software, *Mike's Bikes*. Due to the size of the class relative to the Railway Station Cybercommons, 4 workshop sessions will be held on Tuesdays. Please attend one workshop session.

Course Content

Competitive Advantage examines how an organisation's strategies can create value over the short and longer term within a complex and dynamic competitive environment. Its focus is on the characteristics of the alternative strategies open to a firm and the sources of advantage pursued by these strategies. Issues central to rivalry, competitive attacks and responses are also considered. A range of industry contexts will be studied for both New Zealand and international organisations as well as how cooperative strategies contribute to advantages.

Competitive Advantage covers the following topics: types of competitive advantage; generic strategies for competitive advantage, sources of competitive advantage, and competitive advantage in different organizational and industry contexts. A schedule of topics is listed at the end of this outline.

Expected Workload

Victoria University has recently noted that there is an expectation of 10 hours of work associated with each point, and so a 24pt course entails approximately 240 hours of work across the trimester, which is equivalent to about 15 hours per week for the 12 teaching weeks and about 60 hours starting in the mid-trimester break and culminating with the all day simulation.

Group Work

There is a significant group work component in this course associated with the Mike's Bikes simulation. Some of this group work is likely to require meetings outside of normal working hours (8:30am-5:30pm, Monday to Friday). While the final reports from the simulation will be written up individually, preparation for the simulation and development of a strategy/strategic plan (worth 5%) will occur in groups. It is every student's individual responsibility to develop an understanding of all parts of the simulation so that can indicate how these contributed to their team's performance.

Readings

A reading package will be provided at the beginning of the course. Tutorial and some other sessions will include extended discussion of a case history of an organisation that illustrates the issues being studied that week. If you are unable to attend a class, tutorial or workshop, you should make arrangements to collect any handouts distributed.

Materials and Equipment

The business simulation, Mike's Bikes, involves a fee of **\$70 per student**. This will be collected in the third week of class in the workshop session, July 25 2006. Please bring either cash or a cheque.

Assessment Requirements

The course will be assessed as follows:

Contributions to Tutorial Discussion	10%
Midterm Case Analysis	20%
Business Simulation: Strategic Plan and Written Report	25%
Final Examination	<u>45%</u>
Overall Marks	100%

1. Contributions to Tutorial Discussion (10%)

It is expected that you will have read the relevant case study before the tutorial. Note that attendance at most tutorials is one of the mandatory requirements of the course (see below). 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. Tutorials are used primarily to apply and ground lecture material presented on the preceding Wednesday. However, participants should also raise strategic issues from the cases that are relevant and related to gaining and sustaining competitive advantage.

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 case histories. Your tutor will provide you with interim feedback on your tutorial contributions after the first four tutorials.

Sign up for the tutorial streams will be in the first week of class.

2. Midterm Case Analysis (20%) – due by 1pm, Friday August 18, 2006

A case study and questions will be distributed in workshop on August 8. You will be asked to analyse the case and write a business report using the concepts and frameworks introduced in MGMT310. In answering the questions, please make sure that you do not directly copy sections from the case or other texts – you must translate the material into your own words. This is an individual assignment. Details on assessment criteria will be handed out with the case questions and case.

Length: 1500 words (see note on word limits below)

3. Strategic Business Plan and Multi-year Report (25%) (group assignment: 4-5 per group)

The business simulation will be completed in groups of 4-5 people from your tutorial session. The tutor will get you to form groups in the fourth week of class. In the third week of class, you will receive a copy of the software for Mike's Bikes. This software contains both the Single-player and Multi-player versions of the simulation. The Single-player version allows you to analyse the effects of your decisions

in a situation where the computer simulates your one competitor's actions. The Multi-player version, which incorporates the effects of competition, will be used for the actual simulation. The simulation will involve 8-10 simulated years of competition (a practice period is scheduled to familiarise you with the software starting September 4). The majority of the simulation will occur on Saturday, September 16, where new decisions will need to be made every hour or so.

On September 12, your group will need to hand in a strategic business plan for your company (up to 1500 words). Preliminary business plans will be presented to your tutor and the course coordinator where possible in the tutorial sessions on September 7, 8 and 11. You will have a chance to revise your plans based on the feedback from that session. The strategic business plans (5% of your final grade) show your company's intended strategy for the simulation – thus, they are likely to deviate from the strategy/actions actually implemented once you have to adapt to competition and performance results. The plan should highlight the key aspects of your intended strategy so that you can re-assess these afterwards to determine if your strategy is/was successful.

Drawing on your intended plan and the results of the simulation, each student will then individually produce a multi-year report (worth 20%) that briefly summarises your company's progress over the simulation timeframe, clearly identifies why your company did well/poorly, indicates when and why your strategy was changed, and how these decisions were expected to alter your competitive situation. It should also briefly discuss the future plans of your company given the situation it is in at the end of the simulation. Your multi-year report is due at 1pm on Monday October 2, 2006.

Length: Business Plan: 1500 words;

Multi-year Report: 2500 words

(see note below on word limits)

4. Final Examination (45%)

The final examination will have two parts, (1) an analysis of a short case and (2) essay questions, which must be illustrated with examples, possibly from material contained in the lectures, tutorials, cases, etc.

NB: The exam is **not** open-book. Copies of the case study will be handed out with the exam paper.

Mandatory Course Requirements

Unless you have received the *prior* approval of the coordinator of MGMT 310, Urs Daellenbach, you must:

- (a) attend a minimum of **six** of the eight tutorial classes;
- (b) equitably contribute to the group assignments (strategic plan, simulation); and
- (c) submit the case analysis and the written report of your company's simulation performance.

In order to pass the course, you must satisfy the mandatory requirements noted above, and obtain 50% in the final examination.

Your status on meeting Mandatory Course Requirements will be posted on Blackboard and the Management Notice Board.

Communication of Additional Information

Announcements of changes, updates, and information will be made in lectures to all class members and posted on the Blackboard course page (www.blackboard.vuw.ac.nz) for MGMT310. You should check the course page on Blackboard on a regular basis. Preliminary tutorial feedback and items of general interest to course participants will also be managed through Blackboard.

Referencing

There are many different styles of referencing and the Faculty of Commerce & Administration at VUW has decided to make APA (American Psychological Association) referencing style the common standard across the Faculty. The Commerce and Central Libraries hold the APA Style Guide. You can also access the information from the online VUW library site

(<http://www.vuw.ac.nz/library/resources/virtualref.shtml#style>).

Handing in Assignments

Students must prepare two copies of each hand-in and keep the second copy for their own reference. Students must also keep an electronic copy of their work archived in case the original assignment goes missing. Failure to do so will jeopardise any claim by you that your work was submitted in the extremely rare cases where your work goes astray.

Grading Guidelines

The following broad indicative characterisations of grade will apply in grading assignments and the exam:

A+	excellent performance in all respects
A	excellent performance in almost all respects
A-	excellent performance in many respects
B+	very good, some aspects excellent
B, B-	good but not excellent performance
C+, C	work satisfactory overall but inadequate in some respects
D	poor performance overall, some aspects adequate
E	well below the required standard
K	failure to achieve mandatory course requirements and have achieved at least an average "C" over all the assessment.

Penalties - for Lateness & Excessive Length of Assignments

- (i) In fairness to other students, work submitted after any deadline will incur a penalty for lateness. **The penalty is 5% of the total marks available** for an assignment submitted after the due time on the due date **for each part day or day late. Saturdays, Sundays and public holidays** will be included when counting the number of days late. Assignments received **more than 7 days after the due date** will not be accepted and the student will **automatically fail the Mandatory Requirements**.
- (ii) Course Outlines provide a signal to student of forthcoming workload, dates of submission etc, and thus student study plans should take account of course requirements across all courses. Consequently, workload issues related to other courses and employment will not be accepted as reason for dispensation from mandatory requirements or waiver of penalties. **Extensions** to submission deadlines for any assigned work will only be granted in **exceptional circumstances**.
- (iii) Students who are unable to comply with any of the mandatory requirements should make a written application for an extension to the due date for submission of assigned work or for waiver of a penalty, **in advance**, to the Tutorial Coordinator, providing documentary evidence of the reasons of their circumstances.

All such applications must be made **before** the deadline and be accompanied by documentary evidence, eg a medical certificate, or counsellor's report that indicates the degree of impairment, and for how long the student has been impaired. Please be sure to ask at the time of consultation for the degree of impairment to be stated in any certificate you provide to support your case.

- (iv) In the event of unusual or unforeseeable circumstances (e.g. serious illness, family bereavement), that precludes an application in advance, students should make contact with the Tutorial Coordinator as soon as possible, and make application for waiver of a penalty as soon as practicable.
- (v) Word limits should be adhered to and **the penalty will be up to 10% of the grade for an assignment which is 10% over the word limit**. Word guidelines for this course set out what is considered an economical style. Minor variation (<10%) over the guideline may be warranted at times, 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.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar available in hard copy or under 'About Victoria' on the VUW home page at www.vuw.ac.nz.

Student 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 are to be taken if there is a complaint. For information about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor or refer to the statute on the VUW policy 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; class representatives may be able to help you in this. If you are not satisfied with the result of that meeting, see the Head of School or the relevant Associate Dean; VUWSA Education Coordinators are available to assist in 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 at 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. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other student or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is, however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

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

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 Impairments

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities the same opportunity as 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, 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 (DSS) to discuss your individual needs and the available options and support on a confidential basis. DSS are located on Level 1, Robert Stout Building, telephone (04) 463 6070, email disability@vuw.ac.nz. The name of your School's Disability Liaison Person is in the relevant prospectus or can be obtained from the School Office or DSS.

Student Support

Staff at Victoria want students to have positive learning experiences at the University. Each Faculty has a designated staff member who can either help you directly if your academic progress is causing you concern, or quickly put you in contact with someone who can. Assistance for specific groups is also available from the Kaiwao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email student-services@vuw.ac.nz) is available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/.

VUWSA employs 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 (tel. 04 463 6983 or 04 463 6984, email education@vuwsa.org.nz) is located on the ground floor, Student Union Building.

Manaaki Pihipihinga

- Maori and Pacific Mentoring Programme (Faculty of Commerce and Administration)

This is a mentoring service for Maori and Pacific students studying at all levels. Weekly one hour sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade, and Room 210 and 211, Level 2, Railway West Wing. Sessions cover drafting and discussing assignments, essay writing, and any questions that may arise from tutorials and/or lectures. A computer suite networked to Cyber Commons is available for student use.

To register with Manaaki Pihipihinga, please contact one of the following:

Puawai Wereta
Room 210, Level 2
Railway West Wing
Tel. (04) 463 8997
Email: Puawai.Wereta@vuw.ac.nz

Fa'afai Seiuli
Room 109 B
14 Kelburn Parade
Tel. (04) 463 5842
Email: Faafoi.Seiuli@vuw.ac.nz

Course Schedule

Week / Date	Topic	Tutorial	Workshop
1: July 12	Introduction: The Concept of Competitive Advantage preparation: review pp. 214-226; 240-259 in Cummings, <i>Recreating Strategy</i> (MGMT205 textbook) Coyne, Sustainable Competitive Advantage		
2: July 19	Competitive Strategies: Cost Leadership preparation: Porter, Cost Advantage Oster, Competitive Pricing	Case: Kiwibank	<i>Intro. To Mike's Bikes (MB)</i>
3: July 26	Competitive Strategies: Product Differentiation preparation: Day, Deciding How to Compete Miller, The Generic Strategy Trap	Case: Pizza Industry in Wellington	<i>MB: Operating Decisions</i>
4: August 2	Resources and Sustained Competitive Advantage preparation: Barney, Resource-Based View of the Firm De Wit & Meyer, Chapter 5: Business level Strategy	Case: NZ Rock Lobster Industry	<i>MB: Marketing Decisions</i>
5: August 9	Gaining Advantage through R&D preparation: Dodgson, The Management of New Product Development Harrison, Strategies for Entrepreneurship and Innovation	Case: Swatch	<i>MB: Finance Decisions</i>
6: August 16	Gaining Advantage through Planning & Control preparation: Kaplan & Norton, Balanced Scorecard		<i>MB: R&D Decisions, Strategic Business Plans + Branding, HR statementst</i>
August 18	*** Midterm Case Analysis due ***		
August 19 – September 3, 2006 Midtrimester Break ... preparation for Mike's Bikes simulation			
7: September 6	Gaining Advantage from Intangible Resources preparation: McGee, Strategy as Orchestrating Knowledge Kay, Architecture and Reputation Pfeffer, Producing Advantage through People	<i>Presentation of Preliminary Strategic Business plans</i>	<i>MB: Q&A Practice rounds will occur this week, starting September 4</i>

Course Schedule

Week / Date	Topic	Tutorial	Workshop
September 12	<i>Actual Simulation starts!</i> <i>*** Strategic Business Plan due ***</i>		
8: September 13	Assessing Rivalry, Competitive Actions and Responses preparation: D'Aveni, Chapter 1 <i>Hypercompetition</i> Zahra & Chaples, Competitive Blind Spots	Case: tba	<i>MB: Q&A</i> <i>-hand in branding and/or</i> <i>HR statement (optional)</i>
September 16	<i>Mike's Bikes Simulation Saturday session</i>		
9: September 20	Developing Advantage through Cooperation preparation: Walker, Chapter 7: Partnering		
10: September 27	Advantage in Industries of the "New Economy" preparation: Thompson & Strickland, <i>The Internet Economy</i> Saloner & Spence, Chapter 2: Economics of Internet-based Commerce	Case: Snappy Snaps	
October 2	<i>*** Mike's Bikes Multi-year Simulation Report due ***</i>		
11: October 4	Competitive Advantage for New Zealand Businesses preparation: Hitt et al., <i>International Strategy</i> Campbell-Hunt et al., Chapter 1, <i>World Famous in New Zealand</i>	Case: Vega Industries Ltd.	
12: October 11	Course and Final Examination Review preparation: Markides, <i>A Dynamic View of Strategy</i> Ma, Competitive advantage: what's luck go to do with it?		