MANAGEMENT STRATEGY & POLICY
(EMB511)
Spring 2017

Prof. Ji-Hwan Lee (이지환)
Office: S568
Extension: 3616
E-mail: jihwanlee@business.kaist.ac.kr

Class hours: Saturday 09:00~11:50
Classroom: S301
Course web site: KLMS
Office hours: by appointment

TA: Eun-Ji Huh (허은지)
Tel: (010) 2111-6117
E-mail: meiling@business.kaist.ac.kr

COURSE OBJECTIVES

Why do some firms perform so much better than others? The answer, in great part, is in their strategies—the focus of this course. Entrepreneurs, as well as leaders of established businesses, develop strategies to seize opportunities in the marketplace, in ways that other companies have difficulty in matching. Unlike Adam Smith, in this course we believe that the 'hand' of business leaders is exceedingly visible in the success and failure of firms. The best strategies set new standards, create new ways to serve customers, transform the terms of competition in an industry, or even obsolesce entire industries and create new ones. Only strategies that are distinctive will create returns greater than the firm's cost of capital.

This course will develop students' skills in analyzing the evolving, sometimes turbulent, environment in which the firm competes, as well as the capabilities of the firm itself. Beyond analysis, the course also helps students understand how to design strategies. They learn that strategy must follow the firm's long-term goals; it encompasses choices of products and markets, how the firm will serve customers better than competitors, what vehicles will be used to grow or shift the mix of businesses, decisions about the sequencing of initiatives, and a clear, compelling economic logic. Strategy thus sets the future direction of the firm and provides the guidance system for a host of operational and subsequent tactical decisions.

The course takes a managerial point of view—emphasizing application, execution, and the framing and resolving of multi-dimensional strategic dilemmas. While taking an analytical approach, we recognize that strategy is an inherently creative process. As such, the course places students (primarily through cases) in diverse managerial situations: large and small organizations, manufacturing and service industries, growing and mature firms, domestic and international settings, asking them to act as advisors to executives or as business leaders themselves.

COURSE MATERIALS

- Lecture Slides (To be distributed)
- Case Packet (To be distributed)
- Textbooks:
  - C. W. Hill & G. R. Jones. *Strategic Management Theory: An Integrated Approach*) (latest edition). Cengage Learning.
  - R. M. Grant. *Contemporary Strategy Analysis* (latest edition). Blackwell Publishing (To be distributed).
  - R. A. Burgelman, C. M. Christensen & S. C. Wheelwright. *Strategic Management of Technology and Innovation* (latest edition). McGraw-Hill/Irwin.

CLASS CONTRIBUTION

Class contribution refers to anything contributing to our learning environment. This is not limited to class discussion. Bringing in case update materials, relevant articles, video clips, or setting up guest speakers all count towards your class contribution grade. Contributing to case analysis requires high quality, rigorous preparation before class. Most cases do not have one "right" answer, but there are definitely unsubstantiated and wrong answers. In assessing the quality of your contribution, we are interested in your views and rationale. Even if class consensus differs, that does not diminish the value of your comments. Critically listen to your peers and if you disagree, then explain how and why your viewpoint differs. Debate, creativity, and expression of individual values and ideas are encouraged. You are expected to adequately prepare for each class by reading texts, articles and cases as well as generating your own ideas before the class. If you don't think you are prepared for a session, don't bother coming to the class.

INDIVIDUAL ASSIGNMENT

Specifically for case studies, you should write down your own answers to the questions attached to each case except the one your group presents in the class. There is no strict format for that assignment, but try to make your answers shorter than 2 A4 sheets. My assistant will collect your answer sheets right after every class.

CASE STUDY FACILITATION

Groups of several students are to be formed and noticed. Your group should present your analyses and suggestions of an assigned case, specifically answers to the questions that will be given by the instructor beforehand. In addition, your group and your instructor will be leading and facilitating in-class discussion following your presentation. You may want to utilize PowerPoint™ and various graphical tools.

Most of the cases that will be assigned for your group work are from some real situations in the companies. However, you are advised to focus more on analyzing the problems and finding creative solutions based on the cases at hand, rather than making excessive efforts to gather additional information about the companies and related issues. In making your slides for presentation, I suggest you follow the sequence below (suggested number of pages):

- A "very" brief overview of the company (2~3)

- Analyses and answers to the study questions (7~8)
- Recent performance and updates on the relevant issues (2~3)
- Key lessons from the case (1)

After the presentation, please revise your slides according to the discussion in the class and post them on the Cyber Classroom as soon as possible. Presenters of a specific case study class will automatically act as key “challengers” for the next one.

FIELD PROJECT

Your group should also cooperatively work on another case of a specific (maybe Korean) company. Your group is expected to find a company (at your discretion) under a situation that requires critical strategic decisions, conduct internal and external analyses to make suggestions for its top management.

Sometimes we may spare some time for in-class group activities (e.g., problem solving and role playing) in the middle of a session. The performance of your group in those activities will also affect your final grade.

ATTENDANCE

It is difficult to contribute if you are not in class, so absence will adversely affect your grade. If you miss more than 30% of the course you will fail in this course.

GRADING CRITERIA

- Class Contribution: 25/100
- Individual Assignment: 25/100
- Group Work (Case Study Facilitation): 25/100
- Achievement Test or Field Project: 25/100
- Attendance: – 1 point per one session (1.5 hours) of absence

In case you conduct unethical behaviors including the followings, you will fail regardless of your performance in other activities.

- Fake attendance
- Cheating in written tests
- Copying your colleagues’ work or plagiarizing previous work (without citation) for your individual assignment and group work

※This syllabus is tentative and may be altered according to some factors including unexpectedly emerging events in the global environment and the actual size of the class.

※Course outline is attached below.

COURSE OUTLINE

(Relevant Chapters in Hill & Jones' *Strategic Management Theory*)

Session 1 (2/11)
Course Introduction
Fundamentals in Strategy (Chapters 1 & 12)

Session 2 (2/18)
Strategic Leadership and Decision-Making (Chapters 1 & 11)
Corporate Mission and Goals (Chapters 1 & 11)

Session 3 (2/25)
Case: "AmorePacific: From Local to Global Beauty," HBS case #9-706-411
Analysis of External Environment (Chapter 2)

Session 4 (3/4)
Analysis of Internal Resources and Capabilities (Chapter 3)
Case: "HUGE and Digital Strategy," HBS case #9-712-442

Session 5 (3/11)
Generic Strategies and Competitive Rivalry (Chapter 5)
Case: "Cola Wars Continue: Coke and Pepsi in 2010," HBS case #9-711-462

Session 6 (3/18)
Business Game 1

Session 7 (3/25)
Strategic Innovation (Chapters 5 & 6)
Group Exercise

Session 8 (4/1)
Global Expansion (Chapter 8)
Case: "Paris Baguette: The Expansion Question," IVEY case #W15066

Session 9 (4/8)
Managing Global Operations (Chapters 8 & 13)
Case: "Siemens AG: Global Development Strategy (A)," HBS case #9-602-061.

Session 10 (4/15)
Strategies for Corporate Growth (Chapters 10 & 13)
Case: "Apple Inc. in 2015," HBS case #9-715-456

Session 11 (4/22)
Mergers & Acquisitions (Chapters 9 & 10)
Case: “Louis Vuitton,” IVEY case #13009

Session 12 (4/29)
Strategic Alliances (Chapters 9 & 10)
Business Game 2

Session 13 (5/13)
Corporate Stakeholders and Governance (Chapter 11)
Invited Lecture

Session 14 (5/20)
Field-Project Presentations (or Achievement Test)