MANAGEMENT STRATEGY & POLICY

(EMB511, Spring 2018)

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

Class hours: Friday 15:00~17:50
Classroom: S301
Course web site: KLMS
Office hours: Tuesday 16:00~18:00

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)
- References:
  - 한국전략경영학회, 「퍼펙트 체인지」, 자의누리, 2017.
  - R. M. Grant. *Contemporary Strategy Analysis* (latest edition). Blackwell Publishing (To be distributed).
  - C. W. Hill & G. R. Jones. *Strategic Management Theory: An Integrated Approach*) (latest edition). Cengage Learning.
  - 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. Please upload your answer sheets on the KLMS prior to the relevant 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 if necessary and post them on the KLMS as soon as possible. Presenters of a specific case study class will be obliged to act as key “challengers” for the next one.

GRADING CRITERIA

- In-class Contribution: 30/100
- Group Work (Case Study Facilitation): 20/100
- Individual Assignment: 20/100
- Achievement Test: 30/100
- Attendance: Minus 2 points per session (3 hours). “Fail” if you miss more than 30% of sessions.

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

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

※The session plan with dates is attached below.

SESSION PLAN

Session 1 (2/2)
Course Introduction
Fundamentals in Strategy

Session 2 (2/9)
Corporate Vision and Goals
Strategic Leadership and Decision-Making

Session 3 (2/23)
Strategic Thinking and Working
Analysis of External Environment

Session 4 (3/2)
Analysis of Internal Resources and Capabilities
Case 1: “How IKEA’s Strategy was Formed,” INSEAD case #1283

Session 5 (3/9)
Generic Strategies
Case 2: “Rocket Internet: Rise of the German Silicon Valley?” IVEY case #W15448

Session 6 (3/16)
Business Game 1

Session 7 (3/23)
Competitive Rivalry
Case 3: “Cola Wars Continue: Coke and Pepsi in 2010,” HBS case #9-711-462

Session 8 (3/30)
Strategic Innovation
Case 4: “Tata Nano's Execution Failure,” INSEAD case #1314

Session 9 (4/6)
Global Expansion
Case 5: “Paris Baguette: The Expansion Question,” IVEY case #W15066

Session 10 (4/13)
Business Diversification
Case 6: “Amazon Go: Venturing into Traditional Retail,” IVEY case #W17398

Session 11 (4/20)
Mergers & Acquisitions
Case 7: “Louis Vuitton,” IVEY case #W13009

Session 12 (4/27)
Corporate Stakeholders and Governance
Business Game 2

Session 13 (5/11)
Case 8: “Battle for the Soul of Capitalism: Unilever and the Kraft Heinz Takeover Bid (A),” HBS case #9-317-127
Invited Lecture

Session 14 (5/18)
Achievement Test and Wrap-up