

Vanguard University
School for Professional Studies
Business Degree Program

BUSINESS STRATEGY
BUOM 456

Student Guide

02/10
V1.4

COURSE DESCRIPTION

Designed to allow students the opportunity to integrate their knowledge obtained from accounting, economics, marketing, and organizational management into coherent analytical skills on case studies approximating real world business situations.

OVERVIEW

This is a learning-by-doing course. Through the combination of lectures, readings, experiential exercises, current event discussions, case studies, and class participation, this course introduces the student to the tools and vocabulary prerequisite to critical and effective strategic analysis, thinking, and communication. *Strategy* is the central, integrated, externally oriented concept of how a firm will achieve its objectives. A strategy encompasses the pattern of organizational actions taken in pursuit of an advantage over competitors. Or put another way, a strategy outlines how a firm will create unique value. The concepts in Business Strategy integrate the knowledge and skills students acquired in earlier courses so that they may apply them using the same multi-disciplinary perspective demanded of a general manager – irrespective of the industry or position the students may target for employment or advancement.

While students will study the many tasks of managing a strategy, they will realize the integration of much of the knowledge they have gained in other core business classes. Most classes have been specific in nature and concerned with a specific function such as finance, marketing, or accounting. This particular course is a “big picture” course. The problems and issues of strategy formulation and implementation cover the entire spectrum of business and management.

Course Objectives: In Business Strategy students will exercise and improve:

- their ability to think critically,
- their knowledge of, and ability to apply strategy tools and strategy vocabulary, and
 - their written and verbal communication skills.

After completing this course the student will be better able think critically and understand the best course of action for an organization as a whole. The student will be exposed to the following tools of strategic management:

- Defining and understanding vision and mission
- Developing industry and competitive analyses
- Crafting business, corporate, and global strategies
- Building sustainable competitive advantage
- Assessing strategy vehicles for new directions
- Employing strategy implementation levers

Students can accomplish these objectives through careful reading of the text and assignments, detailed case analyses, regular attendance and attentiveness to class lectures, and active participation in class discussions.

TEXTS AND MATERIALS

Required texts and materials:

Carpenter, Mason A., Sanders, Wm. Gerard. Strategic Management A Dynamic Perspective, Concepts and Cases Second Edition. Upper Saddle River, NJ: Pearson Prentice Hall 2009.

Always read the assigned materials. The reading is imperative to your success in the course.

Recommended Resources:

The field of business strategy is dynamic with changes occurring every day. For students interested in keeping abreast of the most relevant information on business strategy, reading current press in any of the following will be helpful: The Wall Street Journal, Harvard Business Review, Business Week, etc.

The following materials represent respected classic writings on strategy as well as contemporary works. Some of these may be of interest to students who desire to delve more deeply into the concepts of business policy, strategy, and planning:

1. Christensen, C. & Anthony, S. "Solving the Dilemmas of Growth". Boston, MA: Harvard Business Review. Product # S0307A (July 1, 2003).
2. Siciliano, Julie I. "Governance and Strategy Implementation: Expanding the Board's Involvement." Boston, MA: Harvard Business Review. Product# BH082 (Nov. 15, 2002).
3. Lampel, Joseph. "Case 30. Robin Hood," from Strategic Management of Resources and Relationships: Concepts and Cases, by Jeffrey S. Harrison, Wiley 2003.
4. Porter, Michael E. "What is Strategy?" Boston, MA: Harvard Business Review. Product #96608 (November 01, 1996).
5. Hamel, Gary, Competing for the Future, Harvard Business Press, 1999.
6. Charan, Ram and Tichy, Noel, Every Business is a Growth Business, 2000.
7. Kaplan, Robert and Norton, David, The Strategy-Focused Organization, 2000.
8. Kaplan, Robert and Norton, David, The Balanced Scorecard, 1996.
9. Mintzberg, Henry, The Strategy Process, Revised European Ed.
10. Stevens, Mark, Extreme Management, Warner Books, 2001.
11. Johnson, Spencer and Blanchard, Kenneth, Who Moved My Cheese? Putnam Publications, 1998.
12. Fahey, Liam (Ed.) and Randall, Robert (Ed.), The Portable MBA in Strategy, Wiley and Sons, Revised 2000.
13. Gerber, Michael, The E-Myth Revisited, Harper Business Press, 1995.
14. Drucker, Peter, Management Challenges for the 21st Century, Harper Business Press, 1999.
15. Pande, Peter S., The Six Sigma Way, McGraw-Hill Publishers, 2000.
16. Ackoff, Russell L., Re-Creating The Corporation, Oxford, 1999.
17. Tichy, Noel, Control Your Destiny or Someone Else Will, Harper Business, 1994

LEARNING OUTCOMES

Students will become proficient in the following areas:

- Understanding the internal and external drivers of competitive advantage
- Understanding the link between strategy formulation and implementation
- Understanding the role of strategic leadership in formulating and implementing strategic management
- Describing the skill set of the effective strategic leader
- Describing the value of an organization's vision and mission
- Explaining the economic drivers of strategic positioning
- Explaining the challenges to sustainable competitive advantage
- Defining predominant international strategy configurations
- Comprehending the use of alliances as strategy vehicles
- Comprehending the motives for mergers and acquisitions
- Comprehending the use of implementation levers

SPECIFIC FEATURES AND CONTENT

The course content is divided into five sessions that introduce the student to key strategic management concepts. The student will engage in the strategic management process in three ways: through conceptualization, through discovery, and through application. An overview of the key concepts in the course is noted below and is taken from the Instructor's Manual that accompanies the text.

Overview Outline:

1. Introducing Strategy and the Importance of Vision and Mission
 - Introduction of the three themes that serve as the foundation for developing competency in strategic management. These are:
 - *Firms and industries are dynamic in nature.*
 - *To succeed, the formulation of a good strategy and its implementation should be inextricably connected.*
 - *Strategic leadership is essential if a firm is to both formulate and implement strategies that create value.*

- The topic of vision, mission, and values; how they relate to strategy and how they are reflected in the properties of strategy called *purpose* and *coherence*.
 - The role of strategic leadership and stakeholder analysis and the impact of ethical and nonbiased judgments on strategic success.
2. The Internal and External Environments of Strategy
- Introduction of the VRINE (value, rarity, inimitability, non-substitutability, and exploitability) framework as a strategic tool.
 - Value-chain activities are related to firm performance and competitive advantage.
 - Managers and strategic leaders have a critical role with respect to resources, capabilities, and value-chain activities.
 - External analysis is focused on an industry or segment but not on a firm and changes in the industry structure are inevitable.
 - The application of tools including PESTEL, the five-forces model, and scenario planning as critical to developing an understanding of a firm's external environment.
3. Business Strategy
- Firms formulate business strategies that utilize their resources and capabilities to exploit opportunities in their competitive environment.
 - Strategies are not sound if they are not feasible; managers must take into account a firm's VRINE-based resources and managerial capabilities.
 - Students should attempt to gain an enduring understanding of the evaluative criteria for testing the quality of strategy shown in Chapter 5, Exhibit 5-12 of the text.
 - Firms compete in dynamic contexts which challenge them to *continuously improve their game and perhaps even strive to rewrite the rules of competition*.
 - *Change may be gradual*
 - *Change may be rapid*
 - *Change is inevitable*
4. Corporate and Global Strategies
- Sound corporate strategies provide clear, coherent, and compelling answers to the questions:
 - *Why these businesses?*
 - *How does corporate ownership add value to these businesses?*
 - *How does ownership of one business contribute to the competitive advantage of other businesses that the corporation owns?*
 - Cultural and geographic differences make strategy formulation and implementation more complex than that experienced by purely domestic firms.
 - The strategy diamond is an effective tool to evaluate and design international strategies.
5. Strategic Alliances and Strategy Implementation
- Alliances are vehicles for realizing strategy, they are not substitutes for strategy, and a firm needs to possess particular resources and capabilities to execute an alliance-based strategy well.
 - Strategy formulation and implementation are interdependent.
 - Implementation is a consequence and reflection of strategic leadership.
 - As strategies change and external threats and opportunities change, implementation of strategies must adapt to and facilitate these changes.

COURSE POLICIES

- **ATTENDANCE AND TARDY POLICY**

You must attend class on time and remain present until dismissed. Class attendance is necessary in order to complete the course. This course relies on the dynamics of class interaction and group processing in order to integrate and apply the learning of academic content. This model also emphasizes the development and practice of interpersonal communication skills and teamwork (e.g., group problem solving and negotiation). The format therefore necessitates class attendance. In practical terms, one course session is equivalent to three weeks of traditional semester course work.

Due to the concentrated scheduling and the emphasis upon participatory learning, students need to be in attendance every week. Students who miss more than one class meeting (or more than five class hours) in any given course will automatically receive a failing grade and need to retake the course to obtain a passing grade. If an instructor deems that a student's second absence was under extremely unavoidable and unusual circumstances (i.e., an auto accident), the professor may file an academic petition on behalf of the student to the Dean of SPS. If the academic petition is approved, the instructor may give the student a "W" (Withdrawal) grade in place of a failing grade. The student will still be required to retake the course.

Students who arrive late disturb the class. At the professor's discretion, students who arrive late may not receive participation points for the unit covered. Students who are habitually late may be asked to drop the course.

- **CLASS PARTICIPATION**

It is assumed that all students will come fully prepared to class, having read all assigned material. Students are encouraged to share their experiences to make class discussions richer. Questions are welcomed.

Criterion: Is the student engaged in classroom discussions? Does the student demonstrate an ability to handle assigned material with a degree of proficiency? (e.g., demonstrate the type of questions and issues consistent, and reflecting a familiarity with, the assigned material).

Participation evaluated according to quality, not quantity, of participation. Attendance will be scored, and no participation points will be awarded if the student is absent.

- **SUBMISSION OF FINAL EXAMS / PAPERS**

The School for Professional Studies office does not assume responsibility for any final papers. No homework or final papers will be accepted for professors in the SPS office, nor will final papers be returned to students through the SPS office. The method for the submission of homework and the final exam or final paper will be determined by the professor. The professor will discuss the method which will be employed during the first night of class. All exchanges of papers will be between the student and the professor. Students wanting their final papers returned to them should bring a SASE large envelope to the last class so the instructor may mail back the final papers and papers due in week 6.

- **LATE PAPER POLICY**

You are responsible for submitting assignments on time (by 6:00 pm). The Instructor will, on the first night of class, communicate the specific late assignment policy.

- **ACADEMIC DISHONESTY**

Work submitted for assessment purposes must be the independent work of the student concerned. Plagiarism, or copying and use of another's work without proper acknowledgment, is not permitted. Nor is it permissible for any former or present student to allow another student to refer to, use as a sample, or in any way copy or review their work. If a student needs guidance, he or she must seek the Professor's assistance.

- **DISABILITY SERVICES**

For students with documented medical or psychological disabilities, please contact the Coordinator of Disability Services to request reasonable accommodations. The Coordinator of Disability Services is located in the Counseling Center on the second floor of the Scott Academic Center and can be reached at extension 4489 or by email at disabilityservices@vanguard.edu

For students with a documented learning disability who would like to request appropriate accommodations, please contact the Director of Learning Skills, located upstairs in Scott Academic Center at extension 2540 or by email at disabilityservices@vanguard.edu

- **DIVERSITY STATEMENT**

The School for Professional Studies intends to foster a Christ-centered community that promotes appreciation and respect for individuals, enhances the potential of all members, and values differences in gender, race, abilities, and generation. As such, we endeavor to communicate with honesty, to speak with encouraging and edifying words, and to create a safe environment in our classes and interactions.

- **WRITTEN ASSIGNMENTS**

All assignments are due as noted in this guide. Answers to questions must be in the student's own words. Examples, when requested, should be the student's own and not a retelling of text examples. Thoroughness, logic, strategy and appropriate use of course concepts are expected. Case studies require analysis, rationale, and support for recommendations. All work must be neatly typed and prepared before class.

Weekly Quizzes: Students will receive a weekly take-home quiz. Quizzes will cover material from the chapters assigned. Quizzes are due at the beginning of each class. Quiz for week 1 is included in the student guide. Other quizzes will be distributed by the instructor. Essay questions mean that an answer must be a few sentences and descriptive of what the question is asking. All work on quizzes is to be done independently by the student or no credit will be given.

Text Questions: Students are asked to write responses to assigned questions and summaries from assigned reading. This is an opportunity for students to engage the material and consider how concepts might be applied in real-world situations. All responses must be in students' own words and should be comprehensive and insightful.

Individual Case Analyses: Students are asked to prepare, in writing and for class discussion, their analysis of cases, as assigned. Students should read pages 470-473 of the text and may use the case preparation materials outlined on pages 472-473 of the text as a framework for developing their analysis. A written document, including exhibits, will be completed for each case assigned. A recommended format for the written document is outlined at the end of this curriculum guide.

Group Case Analysis and Presentation:

Students will be assigned groups on week one of the course. Each group will be responsible for a comprehensive written analysis of a case, an oral presentation of their analysis and recommendations, and management of the class discussion regarding the case. All groups will present in class on week five.

Group (oral) Presentation: On week five, student groups will each present their analysis of the assigned case. This case will be assigned week one of the course and groups will be formed. Each group will have the opportunity to work together for a period of time in class each week (for weeks 1-4). On week five, each group will present their case analysis orally. The group will also manage the classroom discussion of their case presentation. All members of the group will participate and their assigned roles will be noted in the individual assessment write-up.

Written Case Analysis: Each group will prepare a written document analyzing the case. Format of this written document will follow the format as noted in the appendix of this guide. This is due one week following the close of the course. No late papers will be accepted.

Individual Assessment Write-up: Each student is asked to write a document outlining the contributions of each member of the group, including his/her own contributions. The assessment will include the group dynamics and the assignment of 0 to 50 points per person, including the writer, based on the writer's evaluation of the group member and his/her contributions to the group process, the case analysis, the oral presentation, and the written document. All assessment documents are confidential.

EVALUATION CRITERIA**Class Attendance and Participation:**

Attendance (15 pts per wk)	75 points
Participation (15 pts per wk)	75 points

Weekly assignments:

1. Weekly quiz (5@ 40 each)	200 points
2. Individual Case Analyses (2@ 100 each)	200 points
3. Mission//Vision Assignment Week One	20 points
4. End of Chapter Text Questions (4@ 20 each)	80 points

Total 650 points

Group Case Analysis and Presentation

Oral Presentation	150 points
Written Case Analysis	150 points
Individual Assessment Grade	50 points

Total 350 points

TOTAL CLASS POINTS 1,000 POINTS

STUDENT EVALUATION

<u>Percentages</u>	<u>Points</u>	<u>Grade</u>	<u>Significance</u>	<u>GPA</u>
93-100%	930-1000	A	Exceptional	4.00
90-92.9%	900-929	A-		3.67
87-89.9%	870-899	B+		3.33
83-86.9%	830-869	B	Above Average	3.00
80-82.9%	800-829	B-		2.67
77-79.9%	770-799	C+		2.33
73-76.9%	730-769	C	Average	2.00
70-72.9%	700-729	C-		1.67
67-69.9%	670-699	D+		1.33
63-66.9%	630-669	D	Below Average	1.00
60-62.9%	600-629	D-		0.67
00-59.9%	000-599	F	Failure	0.00

LOGISTICS CHART

Hour	Week 1	Week 2	Week 3	Week 4	Week 5
1	Collect & Review quiz and mission and vision statement Course introduction Lecture and Discussion Chapter 1	Collect & Review quiz Discussion of Case 1	Collect & Review quiz Lecture and Discussion Chapter 5 with activity	Collect & Review quiz Discussion of Case 2	Collect & Review quiz Lecture and Discussion Chapter 9 with activity
2	Read and Discuss Alaska Gold Mine case	Lecture and Discussion Chapter 3 with activity	Lecture and Discussion Chapter 6 with activity	Lecture and Discussion Chapter 7 with activity	Lecture and Discussion Chapter 11 with activity
	Break	Break	Break	Break	Break
3	Lecture and Discussion Chapter 2	Group Project Session	Group Project Session	Group Project Session	Final Project Presentations
4	Review Case Study and Analysis Format and conduct case analysis of sample case Assign case for Week 2 Group Case Project - Discussion - Guidelines - Assign groups and case	Lecture and Discussion Chapter 4 with activity	Chapter 6 Activity Review Case 2 assigned for Week 4	Lecture and Discussion Chapter 8 with activity Review Oral Presentation Skills	Final Project Presentations Final Case Write-ups and group assessments due 1 week from last class (No late papers accepted)

STUDENT ASSIGNMENTS**WEEK ONE**

1. Quiz 1 (See quiz at end of guide)
2. Read Text Chapters 1 and 2 and pages 470-473
3. Mission/Vision Assignment
Answer the following questions:
 - a. What is the difference between a vision statement and a mission statement?
 - b. What are the key components of each?
 - c. What is the purpose of the mission statement in the strategic planning process?
 - d. What difference, if any, is there between long range planning and strategic planning?
 - e. Bring in a copy of your organization's vision and mission statements. If none exist, write what you think they would be. If you are not associated with an organization bring in a copy of those for Vanguard University.
 - f. Write, in one paragraph, your personal mission statement.
4. Read Text Question - *How Would You Do That*- Chapter 1, question #2, page 27 for an in class exercise with the individual paper due in week two.
5. Read Case #1 Robin Hood on page 474 for preparation of an in class exercise.

WEEK TWO

1. Quiz 2
2. Written case analysis for case assigned per instructor
3. Read chapters 3 and 4
4. Text Question - *How Would You Do That*- Chapter 1, question #2, page 27

WEEK THREE

1. Quiz 3
2. Text Question - *How Would You Do That*- Chapter 4, question #2, page 142
3. Text Question – *Experiential Activities/Group Exercises*- Chapter 6, question #2, page 212
4. Read chapters 5 and 6
5. Review/Scan Case 2 as assigned by instructor – written analysis of this case will be due week 4

WEEK FOUR

1. Quiz 4
2. Written case analysis for case assigned per instructor
3. Read chapters 7 and 8

WEEK FIVE

1. Quiz 5
2. Text Question – *Experiential Activities/Group Exercises*- Chapter 8, question #2, page 290
3. Read chapters 9 and 11
4. Group presentations of final group projects

ASSIGNMENTS DUE ONE WEEK AFTER LAST CLASS – “WEEK 6”

1. Written document from group project case analysis
2. Confidential Group Assessment

WEEK ONE**ASSIGNMENTS DUE**

1. Quiz 1 (See quiz at end of guide)
2. Read Text Chapters 1 and 2 and pages 470-473
3. Mission/Vision Assignment

Answer the following questions:

 - g. What is the difference between a vision statement and a mission statement?
 - h. What are the key components of each?
 - i. What is the purpose of the mission statement in the strategic planning process?
 - j. What difference, if any, is there between long range planning and strategic planning?
 - k. Bring in a copy of your organization's vision and mission statements. If none exist, write what you think they would be. If you are not associated with an organization bring in a copy of those for Vanguard University.
 - l. Write, in one paragraph, your personal mission statement.
4. Read Text Question - *How Would You Do That*- Chapter 1, question #2, page 27 for an in class exercise with the individual paper due in week two.
5. Read Case #1 Robin Hood on page 474 for preparation of an in class exercise.

LEARNING OBJECTIVES

- Understand what strategy is and identify the difference between business-level and corporate-level strategy
- Understand why we study strategic management
- Understand the relationship between strategy formulation and implementation
- Describe the determinants of competitive advantage
- Recognize the difference between the fundamental view and the dynamic view of competitive advantage
- Explain how strategic leadership is essential to strategy formulation and implementation
- Understand the relationships among vision, mission, and strategy
- Understand the roles of vision and mission in determining strategic purpose and strategic coherence
- Identify a firm's stakeholders and explain why such identification is critical to effective strategy formulation and implementation
- Explain how ethics and biases may affect strategic decision making

WEEK TWO

ASSIGNMENTS DUE

1. Quiz 2
2. Written case analysis for case assigned per instructor
3. Read chapters 3 and 4
4. Text Question - *How Would You Do That*- Chapter 1, question #2, page 27

LEARNING OBJECTIVES

- Explain the internal context of strategy
- Identify a firm's resources and capabilities and explain their role in firm performance
- Define dynamic capabilities and explain their role in both strategic change and firm performance
- Explain how value-chain activities are related to firm performance and competitive advantage
- Explain the role of managers with respect to resources, capabilities, and value-chain activities
- Explain the importance of the external context for strategy and firm performance
- Use PESTEL to identify the macro characteristics of the external context
- Identify the major features of an industry and the forces that affect industry profitability
- Understand the dynamic characteristics of the external context
- Show how industry dynamics may redefine industries

WEEK THREE**ASSIGNMENTS DUE**

1. Quiz 3
2. Text Question - *How Would You Do That*- Chapter 4, question #2, page 142
3. Text Question – *Experiential Activities-Group Exercises*- Chapter 6, question #2, page 212
4. Read chapters 5 and 6
5. Review/Scan Case 2 as assigned by instructor – written analysis of this case will be due week 4

LEARNING OBJECTIVES

- Define generic strategies and explain how they relate to a firm's strategic position
- Describe the drivers of low-cost, differentiation, and focused strategic positions
- Identify and explain the risks associated with each generic strategic position
- Show how different strategic positions fit with various stages of the industry life cycle
- Evaluate the quality of a firm's strategy
- Distinguish the ways in which firms' strategies are related to dynamic contexts
- Identify, compare, and contrast the various routes to revolutionary strategies
- Evaluate the advantages and disadvantages of choosing a first-mover strategy
- Recognize when an incumbent is caught off guard by a revolutionary strategy and identify defensive tactics to reduce the effects of this competition
- Explain the difficulties and solutions to implementing revolutionary strategies

WEEK FOUR**ASSIGNMENTS DUE**

1. Quiz 4
2. Written case analysis for case assigned per instructor
3. Read chapters 7 and 8

LEARNING OBJECTIVES

- Define corporate strategy
- Understand the roles of economies of scope and revenue-enhancement synergy in corporate strategy
- Explain the different forms of diversification
- Understand when it makes sense for a firm to own a particular business
- Describe the relationship between corporate strategy and competitive advantage
- Explain the role of corporate strategy in both stable and dynamic contexts
- Define international strategy and identify its implications for the strategy diamond
- Understand why a firm would want to expand internationally and explain the relationship between international strategy and competitive advantage
- Use the CAGE framework to identify desirable international arenas
- Describe different vehicles for international expansion
- Apply different international strategy configurations
- Outline the international strategy implications of the static and dynamic perspectives

WEEK FIVE

ASSIGNMENTS DUE

1. Quiz 5
2. Read chapters 9 and 11
1. Text Question – *Experiential Activities/Group Exercises*- Chapter 8, question #2, page 290
3. Group presentations of final group projects

ASSIGNMENTS DUE ONE WEEK AFTER LAST CLASS – “WEEK 6”

1. Written document from group project case analysis
2. Confidential Group Assessment

LEARNING OBJECTIVES

- Explain why strategic alliances are important strategy vehicles
- Identify the motivations behind alliances and show how they've changed over time
- Compare and contrast the various forms and structures of strategic alliances
- Explain alliances as both business- and corporate-level strategy vehicles
- Understand the characteristics of alliances in stable and dynamic competitive contexts
- Summarize the criteria for successful alliances
- Outline the interdependence between strategy formulation and implementation
- Demonstrate how to use organizational structure as a strategy implementation lever
- Illustrate the use of systems and processes as strategy implementation levers
- Identify the roles of people and rewards as implementation levers
- Explain the dual roles that strategic leadership plays in strategy implementation
- Describe how global and dynamic contexts affect the use of implementation levers

APPENDIX

RECOMMENDED CASE ANALYSIS FORMAT

For Written Case Analyses

FORMAT

- Five to Ten page document: three to five page summary plus charts/graphs/tables – charts/graphs/tables may be imbedded in the document, included as appendices, or a combination of both.
- Times Roman, 12 pt font, single spaced within sections, double-spaced between sections, one-inch margins. Label each section as noted in the Written Document Format section. Use APA format which includes a cover page as well as a Reference Page of all sources consulted or cited.
- Be specific, make every word count.
- Write in the third person (“The recommendation is” vs. “I recommend”).
- You are the external, professional consultant chosen by the case company to identify and address the company situation.
- This is a professional document. It represents your consulting firm and your reputation in the industry is tied to the content of your work primarily, but also to its presentation. The document should look professional, have no typos, use business terminology (and text/course terminology,) appropriate grammar and punctuation. Proof-read your document!

PROCESS

- Read the text pages 470-473 to understand the recommended case analysis process. Use the case preparation details to build the data for the written document.
- Read the case twice – the first time for familiarity with the situation and issues involved; the second time to assess the facts. Look at exhibits carefully and insure an understanding of the information in each exhibit.
- Make a preliminary hypothesis/diagnosis of the issues.
- Analyze the data: conduct a thorough analysis of the facts and the numbers – crunch the numbers – consider: financial ratios, profit margins, cost per unit, rates of return, financial strength of the organization, marketing, production, managerial competence, strategic successes and failures, resource capabilities, is the organization capitalizing on its resource strengths and competencies, competitive advantage, competitive forces – keep in mind the tools and techniques learned in all courses in the business program.
- Form you opinion.
- Ask the question “Why” – review your analysis and make sure you can defend and support your diagnosis and judgments.
- Prepare a written document.

- Keep in mind:
 - Do not rely on opinion and generalizations – you must present an analysis and the evidence to back-up your conclusions.
 - For any quantitative calculations – present the material in a chart or graph or table. Cite some of the key numbers in the body of the report and refer the reader to the exhibits for more detail.
 - Demonstrate that you understand the strategic concepts and analytical tools you have learned – use them in your report.
 - Avoid a one-sided argument that omits all information unfavorable to your conclusion. Also avoid phrases such as: “I think,” “I believe,” and “I feel.” Instead use “The analysis shows.”

WRITTEN DOCUMENT FORMAT

I. Introduction

Situation –begin the section with an overview of the company’s current situation/circumstances, its strategy, and the steps it has taken previously relevant to the case analysis. Avoid recounting all the facts and information in the case. Conclude with a discussion of the problem/issue facing the company (see note below).

Problem(s)/critical issue(s) to be addressed – this should provide a sharply focused diagnosis of the issues facing the organization and exactly what needs to be addressed – it should be clear and complete. Be careful to differentiate symptoms from problems (while loss of market share or decreasing profitability may be *problems* for a manager, they are actually *symptoms* of underlying problems for the company)

- Differentiate short term from long term problems
- Differentiate important vs. urgent issues
 - Keep in mind that issues that are important (vs. urgent) have a significant effect on: profitability, strategic direction of the company, source of competitive advantage, morale of the company’s employees, and/or customer satisfaction.

II. Analysis and Evaluation

Decision Criteria – identify key decision criteria against which you will evaluate strategic alternatives (i.e. time for implementation, tangible costs, acceptability to management, increase market share, be consistent with the current corporate strategy, improve profitability, improve employee morale or turnover, be within the company’s current resources and capabilities, be within the company’s future resources and capabilities). The criterion should be listed in bullet format and must be measurable and related to the problem statement.

Strategic Alternatives - there would not be a managerial problem if there were not alternatives facing management. Some alternatives may be mutually exclusive, while others may not be.

To maintain status quo can be an alternative. In this section, state three (numbered) possible alternative solutions. Make sure the alternatives are distinct, relevant, and viable – each one is a real option and each is different from the other. List these alternatives concisely; do not discuss each one in this section. These may be options outlined in the case or ones you, as consultant to the company, deem appropriate as alternative strategies to use to address the identified issue(s). A helpful exhibit is to create a chart that evaluates the pros and cons of each alternative against the criteria listed. Even if this is not included as an exhibit, the analyst must be aware of how the alternatives align with the decision criteria.

Analyze and Evaluate the Alternatives – this is an analysis of the case data and is usually the hardest part of the document. The objective is to determine the cause of the problem(s) and the effect it is having on the company - analyze and assess the alternatives identified to resolve the problem(s).

- Provide a detailed analysis of the problems identified in the Introduction Section.
- Assess each alternative – consider the fiscal impact of each alternative (cash flow, employee resources, capital outlay, etc.)
- In the analysis, apply theories and models from the text.
- Support conclusions and /or assumptions with specific references to the case.
- Consider human resources, financial resources, physical resources, processes, and the company's Christian world view.
- Consider the mission of the firm.
- Evaluate the capacity of the firm (financial, production, and marketing).
- Describe the competitive environment (analyze the product offering(s), structure of the market--concentration, number of competitors, characteristics of consumers, buyer behavior, the firm's differential advantage, government regulations and their effect upon the firm, and other influences).
- Indicate the direction in which the firm is moving – for example: market penetration, market development, product development, diversification, or other strategies.
- Crunch the numbers – a thorough assessment of the case exhibits will help the student discover the story told by the data (which may not always be the same as what management recounts in the case.)
- Develop the exhibits/back-up support to present more clearly the main points from the analysis.

III. Recommendations and Implementation

Recommendations – provide a set of specific recommendations. The recommendations should meet the decision criteria and address the problem/issues identified and analyzed. The recommendations should follow logically from the analysis and should offer a reasonable prospect for success. The company must be financially able to carry out the recommendation. The recommendation must be acceptable to the persons involved and doable based on the organization's competence and the prevailing market and environmental constraints. Be alert to the downside risks of the recommendation as well as the upside potential.

Implementation/Action Plan - describe the procedure for implementation of your recommendation. This section should offer enough detail so that a manager who agrees to the

recommendation would know exactly how to implement the plan. Show appropriate costs, time schedules, research, personnel requirements, media schedules, and/or other key activities. Identify who, what, when, and how in your recommended plan of action. Consider the immediate term (0 to 6 months,) the midterm (6 to 18 months,) and the longer term (18 to 36 months.)

IV. Back-up Support

Exhibits – include a minimum of **three** exhibits (chart/graph/table) used in the support of the recommendation. Put these on separate pages and label the pages Exhibit 1, Exhibit 2, Exhibit 3, etc. Clearly label each chart, axis, column, row, etc. Note data sources.

- One exhibit **must** be a financial/numbers graph/chart/table - an analysis of financial data
- The other exhibits may be any type such as a SWOT analysis, a pro/con chart of the alternatives, the business strategy diamond, a complete 5 forces analysis, the VRINE model.
- It is likely there will be more than three exhibits and more than one quantitative exhibit.

Each of the back-up support pages must be referenced in the body of the document to highlight the learning that comes from the analysis completed in the exhibit and how this learning is/can be applied to the issues being addressed in the analysis. – What does this information tell the reader? – How did the analysis done in this chart/graph help with resolving the issue? – What insights does it provide?

Note: for full credit the exhibits must be comprehensive (i.e. a full and complete SWOT analysis, not one or two strengths, weaknesses, opportunities and threats,) and the financial charts/tables must be new calculations using case data, not just a pie or bar chart created from existing data – the exhibits bring added value and are developed from your insights.

Optional Case Analysis Evaluation

(May be adjusted per Instructor)

- | | | |
|---|--|-------|
| I. Introduction | | _____ |
| | <ul style="list-style-type: none"> ○ Situation 5 pts <ul style="list-style-type: none"> ▪ Introduction to situation and organizational strategy ▪ Steps previously taken
 ○ Problem(s)/Critical Issue(s) 10 pts <ul style="list-style-type: none"> ▪ Diagnosis/ assessment of issues facing the organization ▪ How organization has arrived at this point ▪ Importance of allocating resources/addressing the issue | _____ |
| II. Analysis and Evaluation | | _____ |
| | <ul style="list-style-type: none"> ○ Decision Criteria 5 pts <ul style="list-style-type: none"> ▪ Measurable, reasonable, thorough, relevant to the problem
 ○ Strategic Alternatives 5 pts <ul style="list-style-type: none"> ▪ Concise, relevant, actionable, aligned with decision criteria
 ○ Analysis and Evaluation of Alternatives 25 pts <ul style="list-style-type: none"> ▪ Comprehensive, quantitative and qualitative analyses ▪ See directions for details of this section | _____ |
| III. Recommendations and Implementation | | _____ |
| | <ul style="list-style-type: none"> ○ Recommendations 15 pts <ul style="list-style-type: none"> ▪ Convinces management to follow the recommendation ▪ Why were two of the alternatives not chosen ▪ Why is the alternative chosen the best ▪ Keep in mind decision criteria and organizational capacity and competencies ▪ Logical, strong rationale, thorough
 ○ Implementation/Action Plan 5 pts <ul style="list-style-type: none"> ▪ Outlines actions, responsibility, timing, benefits ▪ Shows costs, research, personnel, media schedules, etc. ▪ Identifies the who, what, when, and how of the recommendation | _____ |
| IV. Back-up Support | | _____ |
| | <ul style="list-style-type: none"> ○ Exhibits 25 pts <ul style="list-style-type: none"> ▪ Quantitative/financial charts ▪ SWOT, Pro/Con, 5 Forces, VRINE, etc. ▪ Referenced in the document ▪ Insightful, new knowledge ▪ Title, source, and label charts appropriately | _____ |
| V. Format 5 pts | | _____ |
| | <ul style="list-style-type: none"> ○ Presentation, spelling, grammar, punctuation, follow directions ○ Professional appearance of the document – suitable for management | _____ |
| Total Points (100 possible) | | _____ |

Business Strategy BUOM 456 Quiz 1 Chapters 1-2 Week 1 Name _____

All work must be done independently or no credit will be given.

True/False and Multiple Choice = 1 pt each Short Answer = 2 pts each Essay = 4 pts ea

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 1) Creating a strong brand image is one of many vehicles that a firm can use to achieve competitive advantage.
- 2) A goal of strategy implementation is to translate plans into actions that can be managed and executed.
- 3) Firms attempt to achieve a position of competitive advantage over their rivals when serving target customer.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 4) Which of the following is a major difference between business-level and corporate-level strategies?
 - A) breadth of focus
 - B) focus on profit maximization
 - C) focus on quality and efficiency
 - D) focus on cash flow maximization
- 5) Which issues have the greatest impact on the success of corporate-level strategies?
 - A) competition, adding value, and diversification
 - B) integration, competition, and customer service
 - C) alignment, adding value, and competition
 - D) differentiation, competition, and integration
- 6) Which of the following best describes the concept of strategic alignment?
 - A) the way that firms choose to use their resources
 - B) the need for the firm's objectives and goals to support the overall strategy
 - C) the need to increase competitive advantage by selecting an attractive industry
 - D) the way that firms choose to develop their capabilities
- 7) Which of the following concepts describes how a firm determines the objectives and tasks that are required to put a plan into action (the process of performing the activities necessary to do what has been planned)?
 - A) strategy implementation
 - B) strategy integration
 - C) strategy alignment
 - D) strategy formulation
- 8) What is the goal of the resource-based perspective?
 - A) learning how to compete in domestic but not international markets
 - B) developing the most effective competitive strategy
 - C) determining how the environment impacts competitive dynamics
 - D) evaluating strategic outputs achieved mainly in the last five-year period
- 9) Which of the following is the best description of a vision statement?
 - A) a statement of the purpose of our business
 - B) the way we would like our firm to be in the future
 - C) brand identity
 - D) the structure of our organization
- 10) According to Michael Porter's theory, which of the following factors determines whether firms achieve competitive advantage?
 - A) bundling together complementary resources
 - B) choosing to compete in attractive industries
 - C) possessing superior capabilities
 - D) having greater resources compared to competitors

- 11) Which of the following factors relates to staging as described in the business strategy diamond?
- A) market segments
 - B) sequence of initiatives
 - C) speed of expansion
 - D) B and C
- 12) Which of the following concepts defines the way that organizations formulate, implement, and evaluate decisions as well as accomplish objectives?
- A) strategy development
 - B) innovation
 - C) implementation
 - D) strategic analysis

SHORT ANSWER. Type your responses to the following questions.

- 13) Describe the two key components of the strategic management process?
- 14) What are the five elements of the strategy diamond?
- 15) What role does strategic leadership play in the strategy implementation process?
- 16) What is the major difference between the internal and external perspective?

ESSAY. Type your responses to the following questions.

- 17) Describe the three major strategy themes that are critical to developing strategic management competence?
- 18) Describe each of the strategic levers used to implement strategy.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 19) Firms seek competitive advantage through the quality of their human capital.
- 20) An effective strategic purpose must be tied to a coherent set of activities, goals, and objectives anchored in measurable strategic outcomes.
- 21) Stakeholder analysis is an important input into both strategy formulation and implementation.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 22) According to the Level 5 Hierarchy, what skills must leaders demonstrate first?
- A) Leaders must be able to delegate major responsibilities.
 - B) Leaders must show their ability to manage people.
 - C) Leaders must demonstrate teamwork abilities.
 - D) Leaders must prove their competency.
- 23) Which of the following is required for effective teamwork?
- A) The team requires a stable environment.
 - B) The team will work best with similar members.
 - C) The team responds to a complex and challenging environment.
 - D) The team can manage the needs of similar, independent units.
- 24) A system for translating vision and strategy into tangible performance measured by criteria such as sales growth and customer retention is called a(n) _____.
- A) balanced scorecard
 - B) stakeholder analysis
 - C) objective
 - D) goal analysis
- 25) Before a manager commits to a major strategic direction, he or she must first determine _____.
- A) whether the decision is ethical
 - B) how many strategic options are available
 - C) how best to measure strategic outcomes
 - D) whether the decision is practical
- 26) Most strategic decisions require a tradeoff between _____.
- A) strategic purpose and strategic coherence
 - B) short-term and long-term goals

C) efficiency and effectiveness

D) vision and mission

SHORT ANSWER. Type your responses to the following questions.

27) What are the four most commonly examined personality determinants of strategic leadership?

28) Why are vision and mission statements not a substitute for strategy?

ESSAY. Type your response to the following question.

29) Explain the five levels of the Level 5 Hierarch

