

**BA 495  
BUSINESS STRATEGY**

**Spring 2009**

**Tue/Thu 2:00-3:50 Room: BA 390**

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*“Smart: We work smart. We challenge the status quo to find the next great idea. Where we can’t find disruptive change, we continue to refine and optimize. We take calculated risks in the hope of finding the next great idea; but, we don’t throw caution to the wind – we make sound business decisions based on the facts of each situation.”*

Cendix Corporate Values ([www.cendix.com](http://www.cendix.com))

## **Course Overview**

### **Course Description:**

This is the capstone course for the SBA and should be taken in the student’s final term. Students learn to systematically analyze a firm’s internal and external environments and to apply concepts and theories related to the formulation and implementation of business-level and corporate-level strategies. The influence of other functional areas (marketing, finance, accounting, etc.) on strategic thinking is emphasized in teaching students the linkage between strategic problems, management interpretations, solutions, and firm performance. Enrollment priority is given to seniors who have applied for graduation.

### **Credits: 4**

### **Prerequisites:**

BA 302, 303, 311, 325, 339, 385 and admission to the School of Business; BA 301 is strongly encouraged. Students are expected to have access to a personal computer, the Internet, Microsoft Office (or comparable office productivity software), and a printer. A laptop computer is not required for this course but will be extremely helpful for any projects/presentations assigned.

## Course Materials

### Required Reading:

(1) The **textbook** is Hitt, Michael A./Ireland, R. Duane/Hoskisson, Robert E. (2009) *Strategic Management – Competitiveness and Globalization (Concepts)*. 8<sup>th</sup> edition, Mason, OH: South-Western (available at the PSU Bookstore or online).

(2) A **course package** containing the case studies will be available for purchase at *Clean Copy* [1704 SW Broadway, Portland, OR 97201, Phone (503) 221-1876].

(3) The syllabus, PowerPoint slides, and case questions will all be posted on the Cendix corporate website ([www.cendix.com/community.html#education](http://www.cendix.com/community.html#education)). **You are responsible for checking the Cendix website, WebCT, and your designated email account regularly.**

### Expectations

The class is designed to be highly interactive and challenging; yet still informal and fun. It is expected that everyone will have read the assigned material prior to each class and will be an active participant, prepared to ask questions, discuss alternative views, and generally contribute to the flow of the class. The key to making any case study effective is class participation and the open exchange of ideas – the more that everyone puts into this class in terms of participation the more we ALL get out of it.

**Attendance:** Students are expected to attend ALL class sessions, in order to earn high grades in participation, and to be prepared for exams. Prompt arrival for each class session is appreciated. Students who arrive to class habitually late, or behave in a disruptive or disrespectful fashion, will be asked to leave class and will receive a lower grade in class participation. Attendance will be taken at most class sessions – failure to attend class, when attendance is taken, will also result in a lower participation grade.

### Deliverables and Evaluation of Course Performance

Grade in this course will be based on 4 elements:

1) Midterm Exam	25%	} <b>Total: 100%</b>
2) Final Exam	25%	
3) Graded Projects/Cases	25%	
4) Participation/Briefs	25%	

The goal of *every* class is for the student to demonstrate mastery of the material that is studied. Students must demonstrate that mastery based on their class participation/attendance, graded projects/cases, and the results from exams offered in class.

This class does not impose any quotas on A's, B's, C's, or any other letter grade. If every student delivers "A" quality work, and demonstrates "A" level comprehension of the topics studied, then every student will get an A. Of course, the same goes for the opposite extreme.

In general, 94% to 96% is considered the mid-point for an A; 84% to 86% is considered the mid-point for a B; 74% to 76% is considered the mid-point for a C; 64% to 66% is considered the mid-point for a D; anything less than 60% is a failing grade. Scores above the mid-point for a letter grade will receive a “plus”; scores below the mid-point for a letter grade will receive a “minus”. The instructor reserves the right to “curve” graded assignments based on overall class results and the level of difficulty.

### **Exams**

There will be two cumulative in-class exams based on the text book, slides, class discussions, and assigned readings. The exam will include a combination of multiple-choice and short essay questions based on a scenario provided or drawing from course studies. The purpose of the exams is to test your comprehension of the material and your ability to apply concepts to situations. The mid-term will cover “all” class material covered through 5/5/09. The final exam will include up to 30% of the mid-term material, but will focus primarily on new material presented after 5/5/09.

**There will be no make-up exams** unless the student has a valid reason for missing the exam and receives prior approval. Failure to take an exam will result in a failing exam grade.

### **Graded Projects/Cases**

We will cover the six cases indicated in the course schedule below. These cases will provide an opportunity to apply concepts discussed during class sessions to actual business scenarios. Before the class discussion for each case, one or two teams per case will be assigned to submit a written case analysis (6 pages max + appendices) with a PowerPoint overview (12 pages max).

In this case analysis, each team must demonstrate a thorough understanding of the case as well as how the case relates to the material covered in class. In particular, each team is required to answer a series of questions posted on the Cendix Web site – these are the same questions that will be used in our class discussion. The goal is to deliver (1) a concise but comprehensive application of the theoretical concepts and frameworks that were discussed in class and (2) back-up that analysis with evidence from the case. Refer to section C-iii in Part 4 of the textbook, “Preparing an Effective Case Analysis”, for further guidance.

Most cases are based on material gathered about a real organization. Not all the information provided in a case is relevant to the problem being solved; sifting through the case to find the useful pieces is part of the challenge. In addition, in many cases the information will not be complete. In reality, most business decisions are made without perfect or complete information. The business leader must make sound decisions based on critical analysis using the best information available. Read the case well – more than once. Make a decision. Support it with facts and analysis. Make reasonable assumptions where required. Do not use terms such as “I think”, “I guess”, or “in my opinion”. If the case has been done properly then it will flow to a defensible solution naturally without the need for wild leaps of faith.

With that said, there is an important role for intuition (educated guesses) in making critical business decisions. Quite often we take calculated risks based on the “gut feeling” of experts within an organization. However, the use of this technique really depends on the magnitude of the decision, the time available, ultimate accountability, and the other information at our disposal. We will talk more about the role of intuition in class, but it should not play a significant role in formal cases submitted – we are looking for conclusions based on fact/reasonable assumptions.

**Teamwork** is common in organizations as a means of accomplishing tasks, solving problems, brainstorming, formulating strategy, and developing new products or services. It is important for each student to gain experience in these activities as well. Students will be allowed to self-organize into teams of 3–4 students during the first week of class. Each group will submit a list of their top two preferred cases. Groups will be assigned to cases taking into account their preference – although there is no guarantee that each group will be assigned to their preferred case(s). Each group will be assigned to at least one case. After the first week any student who is not part of a self-selected group will be assigned to one.

**Every team is required to send a one page “project draft” at least ONE WEEK before the team’s scheduled deadline and discuss their case analysis and approach.**

**Academic honesty:** All group members together are responsible for the academic integrity of the submitted case analysis. Any incident of academic dishonesty will automatically result in a failing grade for this assignment for **ALL** members of the group. Please refer to the PSU “Code of Student Conduct & Responsibility” for details. It is critical for **ALL** members to review and approve the finished paper in advance of its due date.

### Grading of Case Analysis

Assessment	Point Range	Quality of Work
A	≥ 93	Not only complete comprehension, but also in some cases understanding beyond questions posed in case analyses.
A–	90–92	Solid understanding of questions and did not miss any issues.
B+	87–89	Solid understanding of questions but missed a few minor issues.
B	83–86	Solid understanding of questions but missed a number of minor issues or at least one major issue.
B–	80–82	Some understanding of questions but missed a number of minor issues and a few major issues.
C+	77–79	Little understanding of questions and missed a number of minor issues and a number of major issues.
Poor	≤ 76	Little understanding of questions and did not capture any of the issues.

In addition to the six cases outlined below, there may be additional projects assigned during the course that highlight and explore current events or business topics. These may be assigned as either individual assignments or group projects. These assignments will be announced in class and students will “usually” have a week to complete the work. These additional projects will follow the same grading criteria as case assignments.

## Class Participation

An important part of effective mastery of this subject is active involvement in class discussion of the assigned cases and readings. In particular, come to class ready to discuss the cases that are assigned. Your insights during class discussion aid others in the learning process. Demonstration of insight and understanding are strongly rewarded. Remember, you should always have sound reasoning behind your judgments and conclusions. Your grade in class participation will be based on the quantity and quality of your participation. However, please note that contributions are not equivalent to just attending class or merely talking in class.

In preparation for classes where a case discussion is on the agenda each student will be required to submit an outline and summary of the case. This document cannot exceed more than one page in length (single spaced, single sided). Samples can be found on the Cendix website. This is not a group assignment and each individual must do their own work. The document should include (1) a “concise” summary of the scenario under consideration, (2) the relevant factors to be considered (bullet points), and (3) a recommendation or conclusion based on these factors. Groups that have been assigned a formal presentation for the case do not need to turn in this summary.

The combination of all these elements (attendance, participation, outlines, and attitude) will form the basis for each student’s class participation grade. The class participation grade is totally at the discretion and judgment of the Professor.

## Course Schedule

Class	Date	Assignment Due
1	03/31	Introduction; course outline; case study guidelines
2	04/02	What is strategy? Hitt/Ireland/Hoskisson (HIH) chapter 1
3	04/07	External environment – I/O perspective: HIH chapter 2
4	04/09	<b>Case:</b> Pharmaceutical Industry (HBS Case 9–703–489)
5	04/14	Internal environment – Resource–based view: HIH chapter 3
6	04/16	Business–level strategy: HIH chapter 4
7	04/21	Competitive strategy: HIH chapter 5
8	04/23	<b>Case:</b> Southwest Airlines (HBS Case 9–694–023)
9	04/28	<b>Case:</b> 3M (HBS Case 9–395–016)
10	04/30	Corporate strategy: HIH chapter 6
11	05/05	<b>Case:</b> Disney (HBS Case 9–701–035)
12	05/07	<b>Mid–term exam</b>
13	05/12	Mid-term review
		Acquisition & restructuring strategies: HIH chapter 7
14	05/14	<b>Case:</b> HP & Compaq (Stanford Case SM–130)
15	05/19	International strategy: HIH chapter 8
16	05/21	<b>Case:</b> Euro Disney (HBS Case 9–693–013)
17	05/26	Cooperative strategy: HIH chapter 9
18	05/28	Corporate governance: HIH chapter 10
19	06/02	Organizational structure & controls/strategic entrepreneurship: HIH chapters 11 & 13
20	06/04	Summary/Course Review
21	06/08	<b>Final Exam (10:15 – 12:05)</b>

The schedule above is a **guideline only**. We **WILL** make adjustments based on our progress during the semester, refined learning objectives, and the availability of outside experts who can help guide our discussion. The exercises shown above will be announced in class. If a student cannot attend class when the work is assigned they will need to contact the Professor (email or phone) or locate a classmate who is willing to share the assignment with them. It is the student's responsibility to make sure that assignments are completed on time.

## Other Class Policies

Students should make every effort to notify the instructor of circumstances that will affect attendance and completion of required graded assignments and tests. Late assignments of any kind will only be accepted with *prior* approval from the instructor. Assignments submitted more than a week late will qualify for no more than 50% credit. No late assignments will be accepted once final exams are complete. All late assignments or make-up tests must be completed within one week of the original due date and will receive an automatic deduction of one letter grade.

You are all future business leaders who are expected to graduate soon. As such, we have high expectations for the materials that you submit. All written assignments **MUST BE** submitted in proper business form – typed, single spaced, using proper grammar and spelling (spell check is available in almost any word processing application). Written assignments that do not conform to this format, or papers submitted without a name, will be penalized at least one full letter grade.

Get to the point. A common tactic is to write pages and pages on a topic hoping to cover something, anything really, that will resonate with the Professor and win points. In the business world people are busy, attention spans are short, and you will have a narrow window in which to make your point. If you don't then people will stop listening – maybe for good!

Be concise. Do not ramble. Get down to facts quickly. Summarize with bullets if required. Make it easy for the reader to understand your conclusion and critical points without reading 6 pages of kitchen sink. The analysis should definitely be there for those who want to dig deeper. However, your work in business will carry far more weight if you save time and get to the point.

If you participate in extra-curricular activities that will require absence from class during the term, provide an activity schedule at the beginning of the term, and then send an email reminder before each class session that you will miss. Assignments are due before you leave on your trip and this includes assignments for oral case presentations. Exercises that were assigned and due while you were on an athletic trip can be submitted when you return.

Cell phones may not be used in class (not even for SMS or IM). Cell phones must be turned off and stored out of sight during class. Students may use laptop computers in class, but only for taking notes or actively participating in class activity. Beyond this, laptop computers may not be used to browse the Internet, send email, play games/movies, or otherwise engage in activities that disrupt the learning process. Any student who violates this policy will be asked to leave and will receive a 0 for class participation on that day. This same policy also applies to iPods, game systems, or any other distracting electronic device.

Plagiarism or cheating of any kind will result in an "F" grade for **ANY** assignment.

Eating is not allowed in class unless you bring enough for everyone. Any student who brings food into class for personal consumption will be asked to leave the room and finish it before returning.

Ask permission to bring a guest to class or to use a tape recorder.