

Courses:	BUSA 4980-033 Wednesdays 4:30 – 7:00pm
Location:	Classroom South 600
Instructor:	Dr. J. Cameron Verhaal
Office & office hours:	RCB, 10 th Floor, Room 1013; office hours by appointment
Contact information:	Email (jverhaal@gsu.edu) - Please do not email me through iCollege

Course Description

This course focuses on the analysis of the strategic challenges facing the modern business enterprise. The class will explore the goals and objectives of firms in various industries and the manner in which firms can achieve these goals. Analyses of the industry, inter-firm rivalry and firm specific competitive advantage are the key components of the course. The class formally covers the following conceptual areas:

Strategic Analysis	Business Level Strategies	Corporate Level Strategies
External (e.g., 5 Forces)	Cost Leadership	Vertical Integration
Internal (e.g., VRIO)	Differentiation	Diversification
	Integration	Alliances, M&As
	Innovation	Global Strategy

This course adopts a general management perspective and maintains that strategy is fundamental to not only the chief executive, but to managers at all levels of the firm. As a result, it provides you with the opportunity to analyze business decisions from the perspective of the general manager. This approach is central in developing critical thinking skills. To achieve this objective, we will use case analysis and discussion to connect strategic management theory with practice. Additionally, this course allows you to practice management judgment, and make mistakes in a cost-free environment. **Students often feel uncomfortable in this course because of the high level of ambiguity and the lack of "precise" answers. We will however, examine real problems, messy problems, and problems without "optimal" solutions.** Tools are important, but inadequate by themselves. Consequently, it is critical to develop skills in both the "science" and "art" of strategy.

Course Objectives

Competitive advantage is realized when a firm creates more value than its rivals. Understanding how firms gain competitive advantage in different settings is the underlying objective of this course. Upon successful completion students will be able to:

1. Integrate knowledge across functional business areas (e.g., Finance, Accounting, Marketing, Management, MIS, Economics).
2. Competently diagnose business situations from a strategic perspective.
3. Effectively conduct strategic analyses in a variety of industries and competitive situations.
4. Effectively identify strategic issues and reason carefully about strategic options.
5. Competently and professionally communicate strategic recommendations in oral and written communications.
6. Fully utilize available technology to collect and process strategic information.

GRADING

All assignments, unless otherwise noted, must be submitted through the iCollege Dropbox.

Business Strategy Game (BSG)	35%
BSG quiz #1	5%
BSG quiz #2	5%
BSG objective results	15%
BSG Peer Evals and Course Surveys	5%
BSG peer evals, surveys, and weekly assignments	5%
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Assignments, Exams, Cases and Participation	65%
Participation	15%
Mid-term Exam	15% (or 5%)
Case Analyses	
Individual Case 1	5% (or 10%)
Individual Case 2	10% (or 15%)
Case Notes	5%
Team Case Presentation	15%
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TOTAL	100%

Grade	% Points
A+	97 – 100
A	93 – 96
A-	90 – 92
B+	87 – 89
B	83 – 86
B-	80 – 82
C+	77 – 79
C	73 – 76
C-	70 – 72
D	60 – 69
F	Below 60
<p>Note: Fractions of a point will be rounded down (e.g., 86.9 = B).</p> <p><u>GSU withdrawal policy</u></p> <p>A student who withdraws prior to the midpoint in the semester or term will be awarded a “W.” A student who withdraws after the midpoint will automatically receive a “WF.” You are responsible for understanding and adhering to the W limit policy.</p>	
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Calculating Grades

Because everyone learns differently and some people (including myself) inherently dislike exams, I will calculate your final grade in two different ways: one that places more emphasis on the mid-term exam and one that places less emphasis (with increased emphasis on the case assignments). There is no need to pick one option over the other, I will automatically take whichever final grade is higher for each student.

COURSE MATERIALS

TEXTBOOK

All BUSA 4980 professors use the same textbook: Hitt, M.A., Ireland, R.D. and Hoskisson, R.E. (2014). **Strategic Management: Concepts: Competitiveness and Globalization** (12th Edition). ISBN 13: 978-1285425184

However, I only require the “CONCEPTS” version of this book. I encourage you to compare the 12th edition to earlier editions too to determine how much is different. By purchasing the “concepts” only version and comparing the differences between the 11th edition and earlier editions, you can save yourself quite a bit of money.

BUSINESS STRATEGY GAME

All students who take BUSA 4980 must register and participate in an online business simulation: **Business Strategy Game: Competing in a Global Marketplace**, by Thompson, A., Stappenbeck, G., & Xeidnabach, M.

The simulation costs \$44.95 and you can register for it using a credit card at www.bsg-online.com. If you are unable to pay for the simulation before your financial aid arrives or any other reason, you may still register and pay for the simulation later by contacting their technical support at techsupport@bsg-online.com.

CASE STUDIES

I use case teaching as the primary teaching and learning technique in BUSA 4980 and have created a coursepack of exceptional cases that can be found on ‘www.study.net’.

Once registered, look for the course Strategic Management BUSA 4980 (Cameron Verhaal) and use the following course link: http://www.study.net/r_mat.asp?crs_id=30103288

FINAL GROUP PRESENTATION

For the final group project, students should register an account on “Crafting a Strategy” (www.craftingastrategy.com). I have negotiated with the owners of the website a significantly reduced price \$XX for one month’s access to the website, from March 18th – April 18th, 2017. See the description below for more detail on how to utilize this website for your project. To sign up for your custom membership:

-Link to: https://craftingastrategy.com/user/register/gsu_busa_4980_spring_2017

-Fill out username [i.e., jverhaal], email address, and password

-Click "Create New Account"

-Then complete payment instructions

For any questions about sign up of your membership, please contact Joe Belcher at Crafting A Strategy (JOE@CRAFTINGASTRATEGY.COM)

Course requisites

Pre-requisites: Students wishing to enroll in BUSA 4890 must have completed the entire Junior Business Core and all classes in Section F of their Program of Study. All course work must be completed with a grade of “C” or higher. There are no exceptions to these requirements regardless of a student’s current credit-hour status. If you do not meet these requirements, the Dean’s Office will administratively withdraw you from this course. Please refer to your student handbook to ensure that you have met all prerequisites for enrollment in BUSA 4980.

Co-requisite: All BUSA 4980 registered students must also register for and take BUSA 4990—the Comprehensive Exit Exam. Enrollment in BUSA 4990 is required for graduation. This non-credit course meets one time for three hours. Please see the handout Enrollment in BUSA 4990 for details on instructions and incentives.

Mandatory case: The RCB Dean’s Office requires all sections of the RCB capstone course to include an ethics case and all sections of BUSA 4980 will be using the same case: Governance Failure at Satyam. Please make sure to read this case sometime during the first part of the semester as you will be responsible for the material on the mid-term exam.

Policy regarding electronic devices

All communication devices—including but not limited to laptops, tablets, and mobile phones—should be turned off or switched onto silent mode during class. Electronic course materials, and only electronic course materials, may be accessed via these devices during class and only when designated by the instructor (ex: during case discussions). Failure to adhere to this policy can result in the reduction of a full letter grade when your final grade is submitted to the registrar.

Disability accommodations

Students may request accommodation for a disability by registering with the Office of Disability Services. Students may only be accommodated upon issuance by the Office of Disability Services of a signed Accommodation Plan and are responsible for providing a copy of that plan to instructors of all classes in which accommodations are sought. The Office of Disability Services is located in suite 230 of the Student Center (phone: 404-413-1560).

Disclaimer

The course syllabus provides a general plan for the course; deviations or schedule changes may be necessary. I reserve the right to make adjustments to this syllabus as needed. When changes to the syllabus are made, an updated version of the Syllabus will be made available on iCollege and notifications of the updates will be posted on iCollege as well. The requirements for this course are identical for all registered students.

Assignments, Exams, and Cases

Turning in assignments – All assignments will be submitted electronically through iCollege. **Individual case analyses and case notes are due by 4 p.m. on the day of the case discussion.** All due dates can be found in the class schedule. **LATE ASSIGNMENTS WILL BE PENALIZED ONE LETTER GRADE PER DAY.**

1. Class Participation - Students are expected to competently prepare for and participate in case analyses and class discussion. The success of this class is heavily dependent on every student being fully prepared and present each day. Your success as a student (both in learning and in grade) and mine as an instructor are dependent on this preparation. Attendance at all classes is expected but full credit for participation will not be awarded for attendance alone, or even for frequent participation if it does not advance the learning of the class. Consider the following evaluation criteria as you prepare for cases and participate in class discussions:

- Are your comments relevant to the case and do they include analyses that go beyond recitation of case facts?
- Does your analysis make use of models and techniques from the readings or lectures?
- Are your comments linked to those of others and do they further the class understanding of issues discussed?
- Are comments made in a respectful, professional and constructive manner?

Furthermore, I frequently use 3x5 cards at the end of class to solicit various forms of feedback from students. These cards provide me with insights as to your participation in class that day, areas that require additional clarification,

and any other concerns that students may have.

2. Case Analyses - Case studies provide important windows into the real problems that firms face. Note, since these are messy problems there isn't necessarily a single precise answer (although there are better options than others). I am more interested in your analysis, interpretation, measurable recommendations, and justifications than I am at your arrival at a specific "answer."

A guideline for case analysis can be found on iCollege. Case analysis should first begin with a rapid skimming of the assigned case and other materials to identify what information is available. Second, re-read the case carefully, taking notes and sorting information into the appropriate frameworks. Third, define the central problems or issues. Case questions (available on Blackboard) will provide some guidance regarding which particular issues require special attention. Fourth, synthesize and prioritize the information gathered from the analyses and how it may impact the central problems or issues. Finally, draw conclusions and formulate strategic recommendations.

For each case discussion students will be assigned either an individual case analysis or a case note. ***Please refer to the course schedule for specific assignments.***

Individual Case Analysis - Two individual case analyses will be assigned for formal evaluation one prior to midterm and the second prior to the last case discussion. All case assignments will be posted on iCollege after the second week of class. Formatting guidelines for these assignments are: 2-3 single-spaced pages, not including exhibits, 1" margins, and 12pt font. Exhibits (e.g., financial analysis, 5-forces analysis, VRIO analysis) are expected and should be included in an appendix. Be certain to appropriately reference your exhibits in the body of the case analysis.

Case analyses should address the questions assigned for that particular case (available on iCollege) and apply theory and concepts from relevant readings. To receive full credit, the case analysis should: (1) demonstrate polished formatting, spelling and grammar, (2) support your position, (3) relate chapter concepts to evidence from the case and (4) **make clear and concise recommendations expressing what you decide to be the appropriate course of action.** Case analyses should not be a summary of the case or a list of issues—assume that your reader is familiar with the background of the case, and use case facts along with related chapter concepts specifically to support your arguments. Cases should be evaluated at the point in time in which they were written.

Case Notes – Informal case notes intended for class discussion should be completed on the assigned days (see course schedule). Informal case notes should contain similar information as the individual case analysis but with no formal essay-style formatting. In short, case notes represent the bulleted lists, frameworks, and notes used to prepare a formal case analyses or presentation. See case analysis guide on iCollege. Case notes are graded as either (+) or (-).

3. Mid Term Exam - There will be one exam that will cover the assigned text chapters, general strategic frameworks, cases, and other materials discussed in class. The format of the exam may be matching, multiple choice, and/or short answer. Exams must be taken at the times indicated in the class schedule.

4. Final Presentation - For the final group presentation, teams will select a company in the U.S. craft beer industry to investigate and conduct a full strategic analysis using the tools and frameworks that you have learned during the course of the semester. The "Crafting a Strategy" website will be a key resource for you, however, you can (and should) rely on other resources in order to conduct your analysis. The presentation should last approximately 20 minutes and each member must participate. The majority of the presentation and analysis should focus on a key problem, strategic decision, or challenge facing the brewery (for example: whether to diversify, vertically integration, expand production, or partner with another brewery in some type of alliance). The analysis can be of a decision that the brewery has already made (and you are assessing the value of the decision and future implications) or you can make a strategic recommendation that you think the brewery should adopt. More details regarding the final presentation and the specific breweries to select will be given out over the course of the semester.

BUSINESS STRATEGY GAME (BSG)

The BSG provides an opportunity for student teams to formulate and implement a strategy for a simulated footwear company. Decisions are made weekly, and the quality of these decisions will be gauged based on their efficacy relative to those made by other teams. Teams that understand class concepts and read the Player's Guide invariably do better than those teams that just "wing" it. This simulation is an integral part of the learning process in this course, one reason why assignments related to the BSG are used to determine half of your overall grade.

Additional BSG rules & regulations. Potential fines of up to 10 points on the final company score can be imposed for any of the following offenses: stock price manipulation, predatory pricing, and/or various end-of-game tactics.

Stock price manipulation: The purpose of the game is to develop an effective competitive strategy, given competitors' actions and a changing marketplace. The use and timing of stock sales is an important part of a firm's growth strategy. However, in the BSG there is an un-realistic trait that produces the potential for abuse and does nothing for competitive strategy. That is, the game will still buy your stock when it is really worthless.

Inappropriate reasons to sell stock include raising cash without an immediate need, raising cash to pay dividends and/or to buy back stock in the future. These may all actually hurt your ROE and have long-term negative performance consequences. Although all actions are potentially strategic, if the professor feels there is stock price manipulation, the team is liable for a fine (see above). This fine may also include cancellation of the stock sale and/or 10% of the stock issue valuation. Just be sure that the stock sale is for strategic reasons, such as plant investment, operations, etc.

Predatory pricing: Predatory pricing is pricing below marginal cost with the intention of running a competitor out of business. It is a violation of the Clayton Act. You must cover all marginal costs for the market in which you are selling, as listed in your firm's Cost Report. Your marginal cost (per geographic region) is equal to the following: Total Cost per Pair less Maintenance & Depreciation. You do not actually know these figures beforehand (unless you predicted your demand perfectly), so this is the retrospective measure by which good faith can be evaluated. Hence, there are exceptions to this rule:

- If your price is below the current year's marginal cost (as calculated above), but it is at or above the previous year's marginal cost. This suggests that you did not mean to price below marginal cost, but rather you miscalculated.
- If you are exiting a market, you must leave the market for three years after the final sale of inventoried shoes and you may not transfer any shoe into the market during this period.
- If you are matching the last year's price of a competitor, when the competitor raises its price in the current period, you must also follow suit in the next year.

Price fixing: All teams are expected to follow U.S. Antitrust Laws. Companies are considered public firms based in the U.S. and therefore must adhere to antitrust rules. Specifically, this refers to price fixing; teams must not cooperate to set prices.

End of game strategies: You are making decisions as if your firm is a going concern after year 20. Thus, you are expected to make decisions that will continue to make your firm profitable. In the last year, you should NOT make decisions simply to manipulate results. These tactics include but are not limited to the following:

- Dividend increases of more than 20% in the final year.
- Taking out debt for stock repurchase—teams must utilize existing and projected cash balances for stock purchases in Year 20.

If you believe another team or teams is guilty of any of the offenses listed below, you must submit a brief email to the BSG industry analyst (bsg.gsu@gmail.com) explaining why you believe that a team has violated one of the additional rules and regulations. If the concern warrants further investigation, the BSG industry analyst will forward the concern to the panel of BUSA 4980 instructors for potential next steps and a final ruling.

The panel will consist of Dr. Dionne, Dr. Matherne, Dr. O'Toole, and Dr. Verhaal. They will make decisions regarding the occurrence and severity of the offense. The instructor of the team accused of the offense will be omitted from the decision regarding the occurrence and severity of the offense.

Weekly assignments. Each student is expected to individually prepare for team decisions in the BSG. Therefore, students are expected to complete bi-weekly decision-making templates that briefly outlines the team's strategy for that week. To earn credit, you must provide a well thought out and reasoned analysis and recommendation by properly completing the entire form on time. For example, the reasons for the decisions should be consistent with the team's strategy. To earn credit, you must also pick a different set of decisions each week: do not write about price increases / decreases each week.

Quizzes. Each student must understand how the simulation works. The following advice is offered based on prior experience: the better you understand how the simulation works, the parameters that can be altered, and how performance is measured, the more successful your team will be. Two quizzes are administered through your individual login to www.bsg-online.com and are open book. The goal of administering these two quizzes is to encourage all students to read and fully understand the manual for the simulation game. The first quiz will cover information in the BSG online user guide. You are also strongly advised to take advantage of the student tutorials available through web site. The second quiz is about the company and industry reports. The quizzes are graded on a 100-point scale by the BSG system.

Objective results. The grade for your BSG performance will be determined based on your team's results during the entire simulation. The simulation objectively determines your team's BSG performance grade by weight averaging your score on the Investor Expectations Standard and your team's score on the Best-in-Industry Standard. The score on the Investor Expectations Standard shows the percentage of five pre-set annual performance targets that the company met or beat each year. The score on the Best-in-Industry Standard represents a company's weighted average of how its performance compared to the industry's best performer on each of the 5 performance measures (earnings per share, ROE, stock price, credit rating, and image rating). Please think critically and carefully before making each decision for each year. Do not make goofy 'end game' decisions (like a huge dividend) that are just manipulating your final results. That is, treat your firm as a going concern in year 19, investing appropriately in capital, labor and other implementation tools. The objective results are graded on a 100-point scale by the BSG system. However, objective results can, and often do, exceed 100-points.

Peer evaluations. Participation in a team over the course of the semester is demanding and can be a stress-inducing experience for some. To be effective, your team must actually function as a team (i.e., specific task responsibilities and roles). In your career you will undoubtedly work on teams that include people with different personalities, backgrounds, goals, and agendas. Some may even be individuals who you dislike at a personal level. Nonetheless, your performance and career will be evaluated, in part, based on team performance.

To help avoid "free rider" problems, peer evaluations are administered and results can be used to make adjustments to your final grade is submitted to the registrar. **Your final grade can change by +/- two and half percent if your peer evaluation score is between one and two standard deviations from the mean and by +/- five percent if your peer evaluation score is two or more standard deviations from the mean.**

To receive credit for your peer evaluations, you must complete them by the specified time in the BSG system.

Academic integrity

The university's Policy on Academic Honesty is published in the Faculty Affairs Handbook and the On Campus: The Undergraduate Co-Curricular Affairs Handbook and is available to all members of the university community. The principles of the Policy are upheld in this course and students should be aware of the types of infractions that must be avoided, including plagiarism, cheating, unauthorized collaboration, fabricated information, and/or multiple submissions. Students should note the following statement:

As members of the academic community, students are expected to recognize and uphold standards of intellectual and academic integrity. The university assumes as a basic and minimum standard of conduct in academic matters that students be honest and that they submit for credit only the products of their own efforts. Both the ideals of scholarship and the need for fairness require that all dishonest work be rejected as a basis for academic credit. They also require that students refrain from any and all forms of dishonorable or unethical conduct related to their academic work.

I encourage you to take advantage of the many resources available throughout the University! Here are a few:

Academic honesty: <http://catalog.gsu.edu/undergraduate20142015/university-academic-regulations/#academic-honesty>

Student Code of Conduct: <http://codeofconduct.gsu.edu/>

Writing Studio at Georgia State: <http://www.writingstudio.gsu.edu/>

Avoiding plagiarism: <http://research.library.gsu.edu/content.php?pid=396641&sid=3247950>

Plagiarism and misrepresentation of work are serious offenses and can lead to expulsion and a grade of "F" for the course. Plagiarism includes, but is not limited to, taking material from any source written by another and presenting it as your own by failing to indicate full and accurate attribution to the correct author / creator. This includes marginally altering material taken from another source and calling it your own creation. Plagiarism includes materials taken from Internet sources. Only listing a reference without proper indication in the text is not proper attribution and can be considered plagiarism. Misrepresentation of work includes, but is not limited to, presenting material that was prepared for another class or outside work as an original work product that was produced for this class. All work turned in for this class is to be original material prepared in fulfillment of this course's requirements.

Students are encouraged to discuss freely with faculty any questions they may have pertaining to the provisions of the Policy on Academic Honesty prior to submitting assignments. Lack of knowledge of the contents of the University Policy on Academic Honesty is not an acceptable defense to any charge of academic dishonesty.

Tentative Course Calendar

	Date	Discussion Topics	Readings and Materials	Assignments Due
WEEK 1	11-Jan	Intro to Strategic Management What is Strategy? What is not Strategy? Strategic Management Process BSG Overview Tools: Frameworks Activity, BSG Website	Textbook: Ch. 1 BSG – Player’s Guide	
WEEK 2	18-Jan	Measuring Competitive Advantage External Analysis Review Case Notes Expectations Tools: Strategic Group Maps, PESTEL, 5-Forces,	Textbook: Ch. 2 Casebook: Cola Wars Continue: Coke v. Pepsi in the 21 st Century	
WEEK 3	25-Jan	The Internal Environment: Resources, Capabilities and Competitive Advantage Tools: VRIO & Cost Leadership, VRIO & Differentiation	Textbook: Ch. 3 Review BSG Website and Player Manual	
WEEK 4	1-Feb	Business Level Strategies Differentiation vs. Low Cost Leaders Integrative Frameworks	Textbook: Ch. 4 Casebook: Trader Joe’s	Case Notes #1 Due

WEEK 5	8-Feb	Competitive Rivalry and Competitive Dynamics	Textbook: Chapter 5 Casebook: eHarmony	Case Analysis #1 Due
WEEK 6	15-Feb	Innovation and Entrepreneurship	Textbook: Chapter 13 Case: Uber (Uploaded to iCollege)	Case Notes #2 Due
WEEK 7	22-Feb	Mid-Term Exam		BSG Weekly Assignment #1 Due
WEEK 8	1-Mar	Corporate Level Strategies Diversification and Vertical Integration BSG Review and Q&A Review Mid-Term Exam	Textbook: Chapter 6	

WEEK 9	8-Mar	Mergers and Acquisition Strategy	<p>Textbook: Chapter 7</p> <p>Casebook: The Walt Disney Company and Pixar: To Acquire or not to Acquire?</p>	<p>Case Notes #3 Due</p> <p>BSG Weekly Assignment #2 Due</p>
WEEK 10	15-Mar	NO CLASS – SPRING BREAK		
WEEK 11	22-Mar	International Strategy	<p>Textbook: Chapter 8</p> <p>Casebook: Zara: Fast Fashion</p>	Case Analysis #2 Due
WEEK 12	29-Mar	Corporate Governance	<p>Textbook: Chapter 10</p> <p>Casebook: Case: Coffee wars in India: Café Coffee Day takes on the global brands</p>	BSG Weekly Assignment #3 Due

WEEK 13	5-Apr	Organizational Structure and Controls Strategic Leadership	Textbook: Chapters 11 and 12 Casebook: Lego (A): The Crisis	Case Notes #4 Due
WEEK 14	12-Apr	Team Presentations		BSG Weekly Assignment #4 Due
WEEK 15	19-Apr	Team Presentations		