

305010001
ETP
Business Policy
Spring Semester, 2011
3 credit hours

Wednesday 2:10-5:10pm

Professor Yegmin Chang
Department of Business Administration
Office: 1012 Comm Bldg
Phone: x-81012
Email: ymchang@nccu.edu.tw

COURSE DESCRIPTION:

This course is the capstone course in a regular BBA program. After finishing functional management courses such as marketing management, financial management, human resource management, etc. with which to learn to become a competent functional manager, students will study this course to learn how to integrate these functional courses and make business decisions that view the company as a whole. In other words, students learn to analyze business problems or issues confronting the total enterprise, not just interpret them as personnel, money, product, or production problems. The total enterprise perspective is the strategy perspective and making strategic decision from the-company-as-a-whole point of view is the job of general managers. Therefore, this course is designed to train students to analyze business situations from the point of view of the practicing general manager. General managers have responsibility for making strategic decisions that insure the long-term prosperity of the entire company or a major division.

The key tasks of the general manager, the content of general management, include the determination of purpose and direction of the company or division, the detection of environmental change, the identification of opportunities and strategies to pursue the opportunities, the procurement and allocation of critical resources, the integration of activities across various parts of the organization, and, the monitoring of the whole process to achieve expected results. In short, the general manager is the mediator between environmental change and internal organization's response. To be effective, general managers need to have foresight of environmental changes and at the same time have a sound understanding of how an organization with its loose-coupling parts produces outcomes. He needs relevant knowledge in functional areas such as marketing, finance, R&D, and production which students have already learned the subjects in previous courses. He also needs relevant knowledge and skills in environmental analysis to understand emerging trends in demands and competition. These knowledge and skills will be the focus of this course.

Not everyone who takes this course will ultimately become a general manager. Yet, for two reasons, this course will benefit virtually all students. First, recent trends in the corporate world towards creating "flatter", less hierarchical organizations have resulted in strategic decisions being made at lower hierarchical levels. Thus, even non-executives are likely to make decisions and initiate actions that have significant strategic implications. Similarly, even the lowest level employees within firms are now being asked to contribute innovative and creative

ideas that will improve the functioning of the organization as a whole. Thus, it is increasingly important for non-executives to understand how their actions affect the total enterprise. Second, functional specialists will also benefit from developing a general management perspective so they will have a better understanding of the problems they are dealing with and of the expectations of the top executives. Ultimately, every function's actions must be coordinated with the overall needs of the business. In fact, functional specialists are the people on whom general managers must rely to implement strategy. Since functional managers are often under pressure to fix problems in their own areas without regard to the overall needs of the business, it is critical that functional managers develop a keen awareness and appreciation of the challenges facing the enterprise as a whole.

TEXTBOOK and CASES:

- 1) Charles W.L. Hill and Gareth R. Jones, *Strategic Management Theory: an integrated approach*. 9th ed., Boston, Mass.: Houghton Mifflin, c2010.

RECOMMENDED BOOKS:

1. Porter, M.E. *Competitive Strategy*, Free Press, 1980.
2. Hamel, Gary, and C.K. Prahalad, *Competing for Future*, HBS Press, 1994.
3. Hamel, Gary, *Leading Revolution*, HBS Press, 2000.
4. Shapiro, Carl, and H. R. Varian, *Information Rules*, Harvard Business School Press, 1998.
5. Barlett, C. A. and S. Ghoshal, *The Individualized Corporation*, Harper-Collins, 1997.
6. Porter, M. E., *On Competition*, HBS Press.
7. Ghemawat, Pankaj, *Strategy and the Business Landscape*, Addison-Wiley, 1999.
8. Mintzberg, . et. al., *Strategy Safari: A Guide Tour through The Wilds of Strategic Management*. Free Press, 1998.

COURSE OBJECTIVES:

1. The general manager perspective, or strategic perspective.
2. The strategic management/strategic planning/strategic decision making process, including SWOT analysis.
3. The strategy content, including business level strategy, corporate-level strategy, and international strategy.

Specifically, the course aims to assist students to

1. Develop and reinforce a general management point of view -- the capacity to view the firm from an overall perspective, in the context of its environment.
2. Develop an understanding of fundamental concepts in strategic management: the concept of strategy, the strategic decision making process, environmental analysis, competitive analysis, and strategy implementation and organizational change.
3. Synthesize the knowledge gained in previous courses.
4. Obtain familiarity with tools of industry analysis by analyzing the key characteristics of an industry.

5. Develop a better understanding of the inner workings of large, complex organizations – the goal being for students to better understand their future work environment.
6. Apply in working out business strategies and implementation plans.
7. Develop habits of orderly, analytical thinking and skill in reporting conclusions effectively in both written and oral form.

SCHEDULE

Week	Date	Chapter	Case
1	2/23	Introduction Course requirements Overview of this course: Strategy and Business: an introduction to strategy	
2	3/2	Ch.1 Leadership, Strategy, and Competitive Advantage	Case: Head Ski Company, Inc.*
3	3/9		Case: Apple Computer 2008 (2)
4	3/16	Ch.2 Opportunities and Threats: Analyzing External Environment	Case: Blockbuster's Challenges in the Video Rental Industry*
5	3/23	Ch.3 Internal Analysis: Competencies and Profitability: Analyzing Internal Resources	Case: The Evolution of the Small Package Express Delivery Industry, 1973-2006*
6	3/30	Ch.5 Strategy at the Business-Level	Case: Intel Corporation in 2008 (5)
7	4/6		Case: IKEA (3)
8	4/13	Ch.6 Industry Environment and Business-Level Strategy	Case: Nucor in 2009 (11)
9	4/20		Airborne Express, the Underdog*
10	4/27		Case: Toyota in 2009 (7)
11	5/4	Ch.7 Strategy and Technology	Case: The Home Videogame Industry (10)
12	5/11	Ch.9 Strategy at Corporate-Level	Case: Michael Eisner's Disney (22)
13	5/18	Ch.10 Corporate- Diversification Strategy	
14	5/25	Written Exam (Chapter 1-10, except 4, 8)	Case: Walt Disney Company 1995-2009 (21)
15	6/1	Ch.12 Implementing Strategy in Companies That Compete in a Single Industry	Case: Hanson (A)
16	6/8	Ch.13 Implementing Strategy in Companies That Compete Across Industries and Countries	Case: Hanson (B)
17	6/15	Group Presentations	

18	6/23	Group Presentations & Course Wrap-up	
----	------	--------------------------------------	--

* indicates cases sourced from outside of the textbook and copies are available in the photocopy shop.

Case Questions for Guiding Presentation and Discussion

Head Ski Company, Inc.,

1. Identify Head Ski's Strategy. Can you map the company's strategy into a structure that structuralizes and aligns key decisions?
2. What are Ski Industry's environmental trends? What are the opportunities and threats?
3. What would be Head Ski's strengths? Weaknesses?
4. Can you propose new or modified strategy for Head? What could be the alternatives of future strategy? Which alternative do you consider as the best one? Why?

IKEA

5. How would you characterize the evolution of strategy at IKEA? To what extent was it planned, and to what extent was it emergent?
6. How would you describe the structure of the Swedish furniture industry in the 1950s? What were the implications for the cost structure and customer responsiveness of the typical Swedish furniture manufacturer and retailer? Was a similar structure evident in other countries as well? How did IKEA try to exploit this?
7. What generic business level strategy is IKEA pursuing? What actions has the company taken at the functional level to support this strategy? How does IKEA's organization and culture support this strategy?
8. What drove the international expansion of IKEA's stores? How would you characterize the company's strategy for competing in different national markets across Europe? What were the advantages of this strategy? Were there any disadvantages?
9. Why was IKEA's initial entry into the United States not as successful as its expansion across Europe? What steps did the company take to turnaround its American business? What lessons can be learned from this?
10. How important are supplier relationships to IKEA's success? How does IKEA manage its supply chain to deliver on its strategic mission?

Apple Computer 2008

11. Historically, what were Apple's major competitive advantages?
12. Why did Apple fail to build on these advantages to lead the industry?
13. Was Apple's demise inevitable, or could they have succeeded despite the decision not to license the OS?
14. How has the structure of the personal computer industry changed over the last 20 years? What are the implications for the profitability of personal computer manufacturers?

15. Given the analysis of industry dynamics, what must a PC firm do to make an economic return in this industry? Is Apple protected from these competitive forces in any way?
16. In the early 1990s, Dan Eilers commented that Apple was on a “glide path to history”. What underlay this assessment?
17. Evaluate Apple’s strategies since 1990 (focus on Scully and the return of Steve Jobs)? How did Scully try to save Apple? How did Jobs?
18. The iPod: Why has Apple been so successful with the iPod business?
19. What have been the main themes of Apple’s strategies post 2003?
20. What explains Apple’s success with the iPhone? How sustainable is this success?
21. Has Apple finally solved its long standing problems? Strategically, where might the company go from here?

Intel Corporation in 2008 (5)

1. How influential was Andy Grove in shaping the strategy and culture of Intel? How would you describe his management style? What were the benefits of this style? What were the drawbacks?
2. Why did Intel lose its competitive advantage in the DRAM business? Was the company correct to exit this business? What were the barriers to exit at Intel? How were they overcome?
3. What has been the source of Intel’s competitive advantage in the business of making microprocessor for personal computers? Why has this advantage persisted for so long? What are the barriers to imitation here?
4. How secure is Intel’s competitive position?
5. How would you describe the relationship between Microsoft and Intel? What are the tensions in this relationship? How have these tensions been resolved?
6. What generic business level strategy is Intel pursuing in its core microprocessor business?
7. How would you characterize Intel’s strategy in the mid to late 2000s? What is the company trying to do? What will it take to be successful?

Nucor in 2009

22. What is the nature of the competitive environments in which Nucor operates? What are the competitive implications?
23. What factors have helped Nucor achieve a low-cost position?
24. How did Nucor’s organization structure help the company achieve a low-cost position?
25. How did Nucor’s incentive systems help the company achieve a low-cost position, and may help it survive the global financial crisis of 2007-2008?
26. How did Nucor’s management style help the company achieve a low-cost position?

Toyota in 2009 (8)

1. Compare and contrast Toyota’s manufacturing system with a conventional mass-production system. What are the advantages of Toyota’s system?

2. Describe the essential difference between the way supplier relations are managed at Toyota and how they were managed at the typical U.S. auto manufacturer. What are the consequences of these differences?
3. How does Toyota's approach to customer relations influence its design and production planning process? What are the implications?
4. Do you think that the cooperation that Toyota has achieved with its suppliers and employees in Japan can be replicated in its overseas manufacturing operations?
5. What is the basis of Toyota's competitive advantage? Is it imitable?
6. Will Toyota be able to sustain its competitive advantage over the next decade?
7. What markets should Toyota concentrate on in the future? What challenges does it face?

Case: Michael Eisner's Disney (22)

27. How did Walt Disney build his empire? What was the pattern in his "stream of actions?"
28. What happened in the years between Walt Disney's death and the arrival of Michael Eisner? Do a SWOT analysis of the company at the time Michael Eisner was taking over.
29. What were the changes in business-level strategy that Michael Eisner introduced into each of Disney's principal lines of business? Why were they successful?
30. How did Eisner's corporate-level strategy add value at the business level? What were these strategies and why were they so successful?

Case: Walt Disney Company 1995-2009 (21)

1. In the 1990s, what kind of ventures has Disney been engaged in up until the time of the merger with Capital Cities/ABC? How have these ventures affected Disney's business- and corporate-level strategy?
2. What were the main factors that influenced Michael Eisner's decisions to take over ABC? Was the Americast venture one of those factors?
3. What were the disadvantages associated with the merger? Do you think the decision to merge with ABC was a good one?
4. What kinds of problems is Disney experiencing as a result of the merger of the two companies?

Hanson (A)

1. What kinds of companies does Hanson acquire?
2. Does Hanson add value to the companies it acquires or is it just another asset stripper?
3. Why is Hanson so successful with its acquisitions?
4. How does Hanson control its divisions? What are the consequences of these controls?
5. Is Hanson right to de-emphasize synergies between operating companies?

6. How dependent is Hanson's continuing success as an acquisition machine on the Hanson/White team?
7. Is breaking up Hanson and returning the gains to shareholders the logical thing to do once Hanson and White retire?

Hanson (B)

1. In the early 1990s, Hanson pulled back from its previously successful strategy of acquiring and restructuring poorly run companies. Why?
2. Evaluate Hanson's acquisition of Quantum in 1993 and of the Eastern Group in 1995. Do these acquisitions fit the pattern of Hanson's acquisitions during the 1980s? (Refer to *Case 28: Hanson (A): The Acquisition Machine.*)
3. Where is the value going to come from? Evaluate the decision to split up Hanson into four separate businesses. Does this decision make sense?

ASSESSMENT:

Individual class participation	10%
Individual Homework of Strategy	20%
Written Exam	20%
Group: case presentation	20%
Group: written case project & presentation	30%

Students are encouraged to actively participate in class discussion. Students may make contributions in providing personal experience or information regarding the course subject covered or the case under class discussion, raising new questions to stimulate more discussion, and helping other students to clarify their arguments.

Individual homework: turn in a one-page strategy concept map of the case to be discussed. For the group who is presenting the case, the one page strategy concept map can be waived in that particular week.

Case presentation is to present a case analysis; specifically, to reorganize and interpret the case materials to present a new meaning or explanation of the case company's strategy that illustrates key concepts of strategic management, exemplify important principles of industry dynamics, competition, or management processes, or demonstrates a proficient application of the analytic tools introduced in the textbook. It is not a straightforward recount of the case or a simple rearrangement of the case facts with no new insight. It should be a knowledge creation process to be shared with other students. Some cases are action or problem solving oriented. So the case presentation should also include an action plan that is grounded in sound reasoning processes. The case presentation may last about 30 min and should no longer than 40 min.

Group case project is to write a case analysis of a successful firm headquartered in SE&E Asia region. The aims of the report are (1) to explain why the company has been successful in the past in light of the company's environments, is there anything special about the company's strategy, internal organizational process or design? (2) to analyze

the environment concerning its future trends and their impact on the firm and competition, and (3) to suggest changes (if any) that need to be made. Each group may conduct field interview or library research or a combination of both to prepare the case. Each member of the group is expected to contribute a similar amount of effort to the teamwork. Each group may turn in their powerpoint file or a more complete version of the written report either in printed or electronic form as the final report.

Evaluation Criterion of Case Presentation

Date of Submission:

Presentation Case:				Group #:
Criterion	Description	Weight	Score	Comments
Structure/ Organization	Information presented in logical sequence that audience can follow	10%		
Content	Demonstrate full knowledge of the case under investigation with satisfactory explanation and elaboration	30%		
Issues and Analysis	Identification of, analysis of issues, presentation of solution/synthesis	20%		
Presentation skill, Handle Q&A	Delivery, tone and voice, and visual aids, Generate discussions, response to queries.	10%		
Command of Knowledge	Demonstrate good command of knowledge learned from this course and elsewhere.	30%		

Group Members and individual contribution (total: 100%):

Member ID No.	Name	Contribution
1.		
2.		
3.		
4.		
5.		
6.		
7.		

Evaluation Criterion of Case Written Report

Date of Submission:

Title:				Group #:
Criterion	Description	Weight	Score	Comments
Context and background information/relevance	Why of this case. How does this case relate to course materials.	10%		
Content	Case is informative and rich in learning material. Incidents are interesting and realistically portrayed	30%		
Writing	Writing, free of errors, format/organization, information used	10%		
Analysis	Identification of issues, Analysis of issues, synthesis/solution,	30%		
Application	Application of knowledge learned from this course and elsewhere.	20%		

Group Members and individual contribution (total: 100%):

Member ID No.	Name	Contribution
8.		
9.		
10.		
11.		
12.		
13.		
14.		