This class is designed to be an upper-level course in strategy. It provides concepts and ideas for the tool-kit of the manager involved in the strategy process. We start out with the question of how value can be created and, more importantly, appropriated. This leads to the general issue of how a competitive advantage can be built. We will focus in our discussion on new concepts that have been developed around the notions of complementarities and fit. In the next section of the course, we look at the question of what decisions managers can make to sustain a competitive advantage. In the last section of the course, we will be dealing with strategy making in the face of environmental changes.

Early in the course we will form student groups who will work during the semester on the final project. More information will be provided on the first day of class. At the end of the semester, each group will present their work and provide feedback for one other group.

Your grade will be composed of the final paper draft (11%), final paper presentation (9%), feedback for the other group (10%), final paper (33%), and class participation (37%). The discount rate for late papers is severe. In order to pass this class, you have to make a good-faith effort with respect to class attendance, participation and the paper.

Please note that this syllabus is subject to change with prior announcements.

Also note that overheads will be posted after each class on Canvas.
A short note on proper citations

To most of you this will be probably self-evident, but I want to make sure that we all understand: Copying paragraphs from sources (magazine, newspaper articles, analyst reports etc.) without properly citing them is a SERIOUS offense! Properly citing means: if you copy word-by-word, you have to mark this by enclosing the copied text with quotation marks “ ” and citing the source. Even if you don’t copy word-by-word, but you take someone else’s idea, you have to indicate in a citation the source of that idea. This citation has to follow directly the idea (attach a footnote or an endnote). At the end of the paper, you should then list all sources that you have cited in the text.

Let me re-iterate: Non-proper citing is a very serious academic offense that in other courses has led professors to fail students and bring these students to the attention of the academic review board of the University. I think all of us want to avoid any such incident – and it is really easy to avoid such problems. Simply be careful in your papers that you attribute ideas/frameworks etc. that you use to their respective sources.
I. PREVIEWS

8/28 Session 1: Course Logistics, What is Strategy? Five-Force Analysis


9/2 Session 2: Preview Case

Case: Intel Corporation: 1968-1997, 9-797-137

II. VALUE CREATION, APPROPRIATION, AND FIT

9/4 Session 3: Complementors


Case: Power Play (A): Nintendo in 8-bit Video Games, 9-795-102

9/9 Session 4: Value Creation, Value Appropriation


9/11 Session 5: Positioning and Tradeoffs


Case: Harnischfeger Industries: Portal Cranes, 9-391-130

Paper Topic Proposal Due at the Beginning of Class 9/11

Complete Team Sign-Up by 5pm on 9/3 Via Canvas
9/16  Session 6: Complementarities and Fit


Please turn in a copy of Lincoln’s activity system at the beginning of class

9/18  Session 7: Positioning Applied: Low Cost

Case: Airborne Express (A), 9-798-070

9/23  Time for Research: No Class

9/25  Session 8: Positioning Applied: Differentiator

Case: Husky Injection Molding Systems, 9-799-157

9/30  Session 9: Positioning Applied

Case: eHarmony, 9-709-424

10/2  Session 10: Positioning Applied

Case: LEGO (A): The Crisis, N9-73-478
10/7 Session 11: Corporate Strategy


Case: The Walt Disney Company: The Entertainment King, 9-701-035

10/9 Fall Break: No Class

10/14 Session 12: Student group meetings

10/16 Session 13: Student group meetings

III. SUSTAINABILITY OF A COMPETITIVE ADVANTAGE

10/21 Session 14: The Decision to Commit to Large Irreversible Investments

Case: Du Pont’s Titanium Dioxide Business (A), 9-390-112

10/23 Session 15: Sustainability


10/28 Session 16: Competitor Reactions 1


10/30 Session 17: Competitor Reactions 2

Case: Cola Wars Continue: Coke and Pepsi in 2010: 9-711-462

11/4 Session 18: Managerial Decision Making

11/6 Session 19: Strategic Inflection Points, Increasing Returns


Paper Draft Due by noon 11/6

11/11 Session 20: Information Asymmetry and Entry

Case: Honda (A): 9-384-049

11/13 Session 21: Barriers to Change

Case: will be distributed in previous class

11/18 Session 22: Architectural, Disruptive Change, Change in the Presence of Fit


Paper Feedback Due by Beginning of Class 11/18
11/20 Session 23: Modularity and Organizational Design


Exercise on Organizational Design

11/25 Time for Research: No Class

11/27 Thanksgiving: No Class

IV. IT’S YOUR TURN

12/2 Session 24: Group Presentations

12/4 Session 25: Group Presentations

12/9 Session 26: Wrap-Up

Optional: Competition and Business Strategy in Historical Perspective, 9-798-010

*Final Paper Due 12/12 at noon! & E-mail peer evaluation form*