



MGMT 223: Business Strategy and Policy

Syllabus – Fall 2020

INSTRUCTOR

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Office hours: Monday 2-3 pm or by appointment
Sections 001 (Tuesday and Thursday at 1:30 PM - 3:00 PM)
002 (Tuesday and Thursday at 10:30 AM - 12:00 PM)

TEACHING ASSISTANT

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COURSE DESCRIPTION

MGMT 223 introduces concepts and analytical techniques for creating a sustainable advantage in difficult competitive environments. The perspective adopted for this course is that of the top manager who has overall responsibility for the performance of the firm or of a business unit within the firm. Such a manager needs to understand the basis for the current performance of the firm and to identify those changes (inside or outside the firm) that are most likely to affect future performance adversely or that provide opportunities for the firm to improve its performance. The manager must then use the firm's resources to formulate and implement strategies to compete successfully in its new environment. The strategy must define the scope of the firm's activities, the logic through which the activities result in better performance, and what it is about the firm that allows it to carry out those activities better than its competitors. Having a solid understanding of strategy is not only vital for top managers, but is also important for external consultants, auditors, financial analysts, and bankers in evaluating and valuing other firms.

LEARNING OBJECTIVES

The content and coursework in MGMT 223 are structured to achieve the following learning objectives:

- Develop proficiency in business strategy concepts, tools, and frameworks.
- Develop data-gathering and analytical skills to identify strategic problems and opportunities.
- Develop leadership and interpersonal skills as a team member.
- Develop integrative thinking about the concepts learned in MGMT 223 and other courses.

OFFICE HOURS

You are encouraged to meet with me either as individuals or groups. I will be available **from 2 to 3 pm on Monday** or, if needed, **by appointment**. To meet during office hours or by appointment, please use the sign-up link (posted on Canvas) and write the agenda for the meeting.

COURSE MATERIALS

Readings and cases are available on Canvas. There is **no** required textbook. If you would like to read more, I recommend the following optional textbook: Rothaermel, F. 2020. "[Strategic Management](#)" (5th ed.).

FORMAT

To capture the pragmatic but complex nature of the top manager's job, this course is taught through **the case method**. MGMT 223 develops theoretical and conceptual frameworks for strategic management and dedicates itself to apply these frameworks to simulated and real-world situations. These theories and frameworks are designed to help us better understand and analyze managerial problems and opportunities and to develop solutions to deal with these situations. This case-based approach will require students to not only become familiar with the details of the frameworks but learn about many industries. The analysis and discussion of different industry and company situations is the primary class activity. Preparation of the cases and active participation in the discussion are paramount to your learning experience in MGMT 223.

EXPECTATIONS

Our collective goal is to create and enjoy an engaging classroom environment with diverse views and centered on knowledge applicable to our students' future careers. It is our shared responsibility to help each other in the learning process, and we are expected to hold each other accountable to the standards set forth in [the Wharton Learning Agreement](#).

Classroom Conduct:

- Arrive on time, ready to begin, and minimize disruptions throughout the session.
- Display a name tent if appropriate or requested.
- Turn off and put away your phone. If you must keep a phone on by reason of a personal emergency, you should inform the instructor before class begins.
- Do not use your laptop or tablet unless for educational purposes as permitted by the instructor.
- Maintain classroom cleanliness.

Preparation and Interaction:

- Be prepared to engage fully in each session through the completion of required work before the session, and your focused attention and active involvement during the session.
- Respect the classroom as an inclusive learning environment where diverse points of view and experiences can be shared to facilitate everyone's learning.
- Maintain the privacy and intellectual property of everyone in the class by, for example, not sharing recorded images or audio of student or instructor interactions, or course content.

Teamwork:

- Contribute your fair share.
- Hold teammates and yourself accountable to team goals and assignments.
- Support and encourage your teammates.
- Appreciate the diversity of knowledge, skills, and abilities within the team.
- Be honest and transparent in your evaluation of teammates.

Ethics:

- Adhere to the highest standards of honesty and academic integrity.

ACADEMIC INTEGRITY AND USE OF PRIOR MATERIALS

All students are assumed to have carefully read and understood [the Code of Academic Integrity](#). Graders are instructed to flag any suspicious passages for audit, and any violations will result in significant consequences, including but not limited to, grade deductions and/or reporting to the University. This will apply especially to the use of materials prepared by other students in prior terms, such as previously completed case write-ups or summaries of readings. If a student is unsure whether a certain action constitutes a violation of the Code of Academic Integrity, it is that student's responsibility to consult with the instructor to clarify any ambiguities.

ONLINE ETIQUETTE (ONLY APPLIES FOR FALL 2020)

Given the current situation with the pandemic, this course in Fall 2020 will be offered entirely online. To make sure that you and your classmates have the best learning experience in this course, I have prepared a short survey (see below for links for each section). Please fill in this survey for your section **by Aug. 29 at noon**. If you would like to follow up on this survey with me, please send me an email.

*** Survey links (due by Aug. 29 at noon):**

- Section 001: <https://tinyurl.com/MGMT223-S001>
- Section 002: <https://tinyurl.com/MGMT223-S002>

* During the sessions, **all students will be asked to turn on their webcams**, unless there is a specific reason not to (e.g., health, connectivity, technical issues). If you have such a reason, please let me know at least 24 hours before the session.

* You may use a static virtual background as long as it is not too distracting to your classmates. Please do not use Snapchat filters.

* If you would like to ask or answer any questions during the session, please use the "Raise Hand" feature. You will then be asked to unmute yourself and ask the question. Do not post your questions on the Chat. Those posted on the Chat will not count as participation.

* If you have any questions after class, please post your questions on Canvas. Other students are encouraged to answer and discuss those questions. Good questions and good answers will be given 1 participation point.

GRADING AND ASSIGNMENTS

Grading:

This course is only for registered students (no audits) and must be taken for a grade (no pass/fail). You will not be graded on a curve. Instead, your grade will correspond to the sum of the points you have accumulated as a proportion of the total points available. This course uses the following grade distribution:

A+: 99-100%	B+: 87-90%	C+: 75-78%	D+: 63-66%
A: 95-98%	B: 83-86%	C: 71-74%	D: 59-62%
A-: 91-94%	B-: 79-82%	C-: 67-70%	F: 58% and below

Grade Appeal Policy:

For all assignments, you will be given a grade that reflects your efforts and that is fair to all other students. Neither lobbying for a higher grade nor whining about your grade will be accepted. However, human errors can occasionally be made. If you feel that the merits of your work have been underappreciated due to such errors, you may submit a grade appeal in the following way:

1. Email me a 1-page memo that justifies the reevaluation of your work.
 1. The memo must be submitted within a week of the original grade being distributed.
 2. It must be no more than 1 page (single-spaced, 1-inch margins, Times Roman 12 pt).
 3. It should discuss in a concise and specific manner why your work deserves a reevaluation.
2. Once this memo is received, your assignment will be reevaluated within 2 weeks.
 1. If the appeal is reasonable, your grade will be adjusted accordingly. Note that your assignment can be given a lower grade for other issues found during this reevaluation.

All grade appeals must conform to this procedure. Those that do not conform (e.g., complaining during office hours or appointments) will result in a 2-point deduction from your participation points.

Evaluation:

1. Individual	50 points
(1) Class Attendance and Participation	15 points
(2) Case Write-ups	30 points
(3) Guest Lecture Assignment	5 points
2. Group	50 points
(1) Learning Team Assignment	15 points
(2) Final Report	25 points
(3) Final Presentation	10 points
(4) Peer Evaluation	
<hr/> Total	100 points

* No credit (zero points) will be given to submissions that do not meet the guidelines mentioned in this syllabus.

* All submissions should be **single-spaced, 1-inch margins, and Times Roman 12 pt. font**. To avoid format-related issues, they should be submitted in **pdf file format** (e.g., “filename.pdf”). **All other file formats (except for pdf) will be given zero credit.**

* **Typos or careless writing will be penalized.** Please proofread your submissions before uploading.

* To ensure a fair and unbiased evaluation, **please do not mention your name in your submissions.**

* **Late submissions** for any assignment will not be accepted.

Assignments:

1. Individual (Total: 50 points)

(1) Class Attendance and Participation (15 points):

Class attendance and participation represent **15%** of your grade. Regular attendance and active participation are critical to successfully completing this course. All missed classes will be noted. The policy on missed classes is to allow each student **two absences**, no questions asked, no penalty. All further absences over this limit will reduce the student's participation grade by **1 point**. Students with an excessive number of absences are at risk of failing the course.

Your participation will be closely monitored. In grading participation, I will look at both the quality and the quantity. Concerning the quality of all assignments, the dimensions that I look for include:

1. Clarity: Is the comment succinct and understandable?
2. Relevance: Does the comment bear on the subject at hand? Comments that do not link up with what the discussion is focusing on can detract from the learning experience.
3. Causal Linkage: Are the logical antecedents or consequences traced out? Comments that push the implications of a fact or idea as far as possible are generally superior.
4. Responsiveness: Does the comment react in an important way to others' comments?
5. Analysis: Is the reasoning employed consistent and logical?
6. Evidence: Have data from the case, from personal experience, from general knowledge been employed to support the assertions made?
7. Importance: Does the contribution further our understanding of the issues at hand? Is a connection made with other cases we have analyzed?

To participate, you should review all required readings and cases. For readings, you should be prepared to outline the topic that each reading addresses, describe its central points, and offer your critical analysis of them. You should be able to draw links between the readings and the cases in your discussion. For cases, you should be prepared to set forth the core challenge facing the case protagonist(s), offer a critical assessment of the situation, and lay out coherently and persuasively a course of action. **Please analyze the case as it is presented.** Although additional data might be interesting, the “Monday morning quarterback” syndrome is not an effective way to learn about strategic management. You are therefore strongly discouraged from using extra- or post-case data.

Note that there is generally no “optimal” method of analyzing a business case. One recommendation is to read the case twice; the first time from start to finish without substantial reflection on the details. Your second read should focus on the details and you should have in mind the questions posed for the case. In most of the cases, there is both valuable and extraneous information for the questions at hand. Sorting through the information to conduct your analyses and craft your recommendations is one of the skills to be developed in this course.

Accompanying each case is a required reading to be completed. These readings provide concepts that can be employed to tackle the case. You are likely to find it more useful if you read the required reading between your first and second read of the case, as you will be able to identify opportunities to apply the tools once the context is established. Conducting the case analysis in advance, and arriving prepared for the case discussion, is how one comes to act and think more strategically. At the core of this course is the application of the tools, not just understanding what the tools are. Even with extensive preparation, you will no doubt find that you will gain many new insights through a discussion of the case in class. To maximize your learning in this course, you are encouraged to analyze and discuss the case and the underlying concepts with your classmates.

(2) Case Write-ups (30 points):

On an individual basis, students will be required to choose and submit **6 case write-ups (5 points each)**, which represent **30%** of your overall grade. For the list of individual case write-ups, see W1 to W11 in the “Class Schedule and Preparation” section below. In total, there are 11 individual case write-ups, but for the case it presents, the learning team (see below) is exempt from writing the individual case write-up. Out of the remaining 10 write-ups, you can choose 6 – whichever interests you. As this write-up is an individual assignment, it should not be discussed with anyone.

* Although you need to prepare before class your answers for “In-class Discussion Questions” listed in the “Class Schedule and Preparation” section, you do not need to submit these answers.

* Each write-up is limited to **2 pages** of text. This write-up is due by **noon the day before the respective session**. Please submit your write-up electronically on Canvas. Its title should be in the following format: FALL2020_Sec#_PennID_Write-up#.pdf (e.g., for the case write-up W1 by the student with the PennID of 12345678 in Section 001, “FALL2020_S001_12345678_W1.pdf”). At the top right corner of the document, please write your PennID (not your name).

(3) Guest Lecture Assignment (5 points):

We have a terrific guest speaker, [Christine Chang](#) (the Co-CEO and Co-Founder of [Glow Recipe](#)), who will join us on **October 20th**. For this guest lecture, there is an individual assignment (due by Oct. 19 at noon), which is limited to **2 pages** of text and counts for **5%** of your grade. Each student is expected to watch Season 7 Episode 10 of Shark Tank (from 8:59 to 18:33), research Glow Recipe’s business and its strategy, and answer the following questions:

1. Assess the General Environment and the Five Forces of the skincare industry? Is it attractive? (1 point)
2. Who are the major rivals of Glow Recipe? (1 point)

3. Does Glow Recipe have a competitive advantage? Why or why not? Be specific and use concepts about competitive advantage learned in class. (1 point)
4. What is Glow Recipe's positioning strategy: cost leadership or differentiation? What strategic recommendations would you make to Glow Recipe? (1 point)
5. If you had the opportunity to ask career/business advice, what ONE question would you ask? (1 point)

2. Group (Total: 50 points)

Early in the course, students will be asked to sign up for a business case (for the list of 10 cases, see L1 to L10 in the "Class Schedule and Preparation" section below). Those who signed up for the same case (limited to **a maximum of 5 individuals on a first-come-first-served basis**) will work together as a group during the semester on various assignments. These group assignments, which represent **50%** of your grade, consist of three parts: a learning team assignment (15%), a final report (25%), and a final presentation (10%).

* On **Sep. 7 at noon**, the group sign-up sheet will be posted on Canvas. On this sheet, please enter your **PennID** (not your name). The sign-up is due by **Sep. 11 at noon**.

(1) Learning Team Assignment (15 points):

As the learning team of a business case, each group will lead the in-class case analysis (a total of 50 minutes). First, to facilitate this analysis, the learning team will be asked to present in 10 minutes a summary of the case. Then, the class will break out into small randomly assigned groups for 10 minutes to discuss the questions for the individual case write-up. Each breakout room discussion will be moderated by one learning team member. After this discussion, the learning team will gather the students together and ask one student from each breakout room to share what was discussed. Then, the learning team will present for 20 minutes their analyses of the case questions. This presentation will be followed by 10 minutes of Q&A. Based on the quality of the case summary, the analysis, and the in-class discussion, the learning team will be evaluated and assigned one grade.

* As an incentive, students who sign up for the first learning team (L1) will receive **3 bonus points** (that is, 20% of the learning team assignment grade). Similarly, those in the second learning team (L2) will receive **1 bonus point**. These bonus points will be added to the group assignment grade (that is, the sum of the grades for the learning team assignment, the final report, and the final presentation) before adjusting it based on the peer evaluation. Note that the sum of the group assignment grade and the bonus points cannot exceed 50 points.

* Prior to the day of its presentation, the learning team should meet with me **at least once** to go over its case analysis. To set up this meeting, please use the sign-up link. At least 24 hours before this meeting, please send me the slides of the case summary and analysis (as a pdf file).

* For the case its present, the learning team is exempt from writing the individual case write-up.

(2) Final Report (25 points):

For both the final report and the final presentation, each group is required to choose **an emerging company (less than 5 years old)**. Assuming the role of its top management team, your group will prepare a final report that discusses (1) strategic analyses of the company (10 points) and (2) three specific recommendations to gain sustainable competitive advantage and achieve long-term performance (15 points). For these analyses and recommendations, your group should apply the concepts and frameworks covered in this course. Your analyses and recommendations should be specific, substantiated with data, executable, and logically coherent.

* As soon as your group has agreed upon an emerging company (less than 5 years old), please email its name to me. **Only the first group to send me this email will be allowed to choose that company.** Note that every group in both sections of MGMT 223 must choose a different company.

* For your final report and final presentation, it may be useful to consider the “Group Final Project Questions” listed after each session in the “Class Schedule and Preparation” section. Note that you do not need to submit your answers to these questions separately before or after class. These questions are there to help you brainstorm for your final report and final presentation.

* To get full credit, the final report must be supported by relevant data. For data you use, please cite their sources. The citations should be complete and allow a reader to go to the source if needed.

* The first page of your final report should be a cover page with (1) the company’s name, (2) the section number (e.g., for section 001, “S001”), (3) the group number (e.g., for the learning team for the case on Airbus vs. Boeing, “L1”), and (4) the PennIDs (not the names) of the group members. The second page should provide an executive summary of your analyses and recommendations (no more than 400 words). This summary should be followed by the details of your analyses (15 pages) and three recommendations (10 pages), which are limited to a total of **25 pages** of text. Lastly, please provide the references (not included in the page limit).

* This report, along with the peer evaluation, is due by **Dec. 20th at noon** electronically on Canvas with the following title format: FALL2020_Sec#_Group#_Report.pdf (e.g., “FALL2020_S001_L1_Report.pdf”). Only one submission is needed per group.

(3) Final Presentation (10 points):

Two sessions near the end of the course are set aside for presentations of your final report. Each group will give a **7-minute presentation** on (1) strategic analyses of its company and (2) three specific recommendations. Each presentation will be followed by **5 minutes of Q&A**, where the other groups assume the role of investors and ask questions about the analyses and recommendations. Based on the quality of the content, the delivery, and the audience engagement, the final presentation will be evaluated and assigned one grade.

* The presentation date and time for each group will be assigned by **a random drawing at the beginning of Session 29 (Dec. 8th)**. All groups should be prepared to present during Session 29.

* The first slide should have (1) the company's name, (2) the section number (e.g., "S001"), (3) the group number (e.g., "L1"), and (4) the PennIDs (not the names) of the group members. There is no limit on the number of slides, but note that your group will be penalized 2 points if your presentation goes over the given limit of 7 minutes.

* The presentation slides should be submitted by **Dec. 7th at noon** electronically on Canvas with the following title format: FALL2020_Sec#_Group#_Presentation.pdf (e.g., "FALL2020_S001_L1_Presentation.pdf"). Only one submission is needed per group.

(4) Peer Evaluation:

Peer evaluation of your effort by group members will influence your individual grades on (1) the learning team assignment, (2) the final report, and (3) the final presentation. First, these group assignments will be graded based on their quality. These three grades will then be adjusted based on the peer evaluation of each group member's efforts and contributions. For the peer evaluation, each student will be asked to distribute 100 points across the group members (including yourself) and provide specific comments on each member's efforts and contributions.

* Each student should submit the peer evaluation by **Dec. 20th at noon** (electronically on Canvas). Students who submit the peer evaluation late will be deducted 3 points from the class participation grade. The format for the peer evaluation will be posted on Canvas later.

CLASS SCHEDULE & PREPARATION

Session	Date	Title	Case	Ind. Case Write-up	Learning Team
1	9/1	Course Logistics and “What is Strategy?”			
2	9/3	General Environment	<i>Putting it all on Grey</i>		
3	9/8	Industry Structure			
4	9/10	(cont’d)	<i>Cola Wars</i>	W1	
5	9/15	Rivalry			
6	9/17	(cont’d)	<i>Airbus vs. Boeing</i>	W2	L1
7	9/22	Resources and Capabilities			
8	9/24	(cont’d)	<i>Cirque du Soleil</i>	W3	L2
9	9/29	Competitive Advantage			
10	10/1	(cont’d)	<i>Ducati</i>	W4	L3
11	10/6	Cost Leadership			
12	10/8	(cont’d)	<i>Wal-Mart</i>	W5	L4
13	10/13	Differentiation			
14	10/15	(cont’d)	<i>Gucci</i>	W6	L5
15	10/20	Guest Lecture			
16	10/22	Groupwork Day			
17	10/27	Technological Innovation			
18	10/29	(cont’d)	<i>Tesla</i>	W7	L6
19	11/3	Business Model Innovation			
20	11/5	(cont’d)	<i>Spotify</i>	W8	L7
21	11/10	Open-source vs. Closed Strategy	<i>3D Robotics</i>		
22	11/12	Two-sided Platforms and Network Effects	<i>Airbnb, Etsy, Uber</i>	W9	L8
23	11/17	Non-market Strategy and Corporate Social Responsibility			
24	11/19	(cont’d)	<i>Eli Lilly</i>	W10	L9
25	11/24	Human Capital Acquisition and Retention	<i>Outfit7</i>		
26	11/26	Thanksgiving Break (No class)			
27	12/1	Organization Design	<i>Valve</i>	W11	L10
28	12/3	Synthesis			
29	12/8	Group Presentation			
30	12/10	(cont’d)			

* **Syllabus is subject to change.** For updates, please closely monitor communications from me on Canvas.

* **Abbreviations:** CMR (California Management Review), DBP (Darden Business Publishing), HBR (Harvard Business Review), SMR (Sloan Management Review)

Part I: INTRODUCTION TO STRATEGY

Session 1 (Sep. 1). Course Logistics and “What is Strategy?”

Readings:

- Collis, D. J., and Rukstad, M. G. 2008. “Can you say what your strategy is?” HBR.
- [Optional] Reeves, M., Love, C., and Tillmanns, P. 2012. “Your Strategy Needs a Strategy.” HBR.

In-class Discussion Questions (not to submit):

1. In your assessment, what is strategy? Does it matter? What role does it play in the management of companies?
2. Discuss an example of a firm whose strategy you admire and one example of a firm whose strategy is unclear or in your opinion, poorly structured.

Part II: GENERAL ENVIRONMENT, INDUSTRY STRUCTURE, AND RIVALRY

Session 2 (Sep. 3). General Environment

Reading:

- Hitt, M. A., Ireland, D., and Hoskisson, R. E. 2014. “General Environment.” Strategic Management: Concepts and Cases: Competitiveness and Globalization (12th ed.). pp.41-55.

Case: “Putting it all on Grey.” The Economist. Oct. 8, 2016.

In-class Discussion Questions (not to submit):

1. How does the General Environment matter to strategy?
2. In 2020, what are the 5 major changes in the General Environment? Explain.

Session 3 (Sep. 8). Industry Structure

Reading:

- Porter, M. E. 2006. “Understanding Industry Structure.” HBS 9-707-493.
- Porter, M. E. 2008. “The Five Competitive Forces that Shape Strategy.” HBR.

Session 4 (Sep. 10). Industry Structure (cont’d)

Case: Cola Wars Continue: Coke and Pepsi in 2010 (HBS #: 711462)

Individual Case Write-up #W1 (due by Sep. 9 at noon):

1. Why is the concentrate business so profitable for Coke and Pepsi? Explain using the Five (or Six if there are complementors) Forces Analysis.
2. Compare the industry attractiveness of the concentrate business to that of the bottling business. Why is the profitability so different?
3. Based on these analyses, provide two strategic recommendations for Coke or Pepsi.

Group Final Project Questions (not to submit):

- Analyze the General Environment and assess each of the five/six forces of the industry your company is in. How attractive is its business?

Session 5 (Sep. 15). Rivalry

Reading:

- Harris, J., Chen, M.J., Fairchild, G., Freeman, R. E., Venkataraman, S., and Mead, J. 2010. "Competing for Advantage: From Industry Analysis to Competitive Dynamics." DBP.
- [Optional] Coyne, K., and Horn, J. 2009. "Predicting Your Competitor's Reaction." HBR.

Session 6 (Sep. 17). Rivalry (cont'd)

Case: Airbus vs. Boeing (A) (HBS #: 707447)

Individual Case Write-up #W2 (due by Sep. 16 at noon):

1. As of 1992, who is doing better: Boeing or Airbus? Explain why.
2. If you were Airbus, how would you respond to Boeing? Should Airbus collaborate with Boeing in the development of the VLCT?

Group Final Project Questions (not to submit):

- Who are your company's major rivals? What are their strategies? How should your company respond to their strategies?

Part III: FIRM-LEVEL ANALYSIS

Session 7 (Sep. 22). Resources and Capabilities

Reading:

- Rothaermel, F. 2016. "The Resource-based View." Strategic Management (3rd ed.). McGraw-Hill. pp.111-118.

Session 8 (Sep. 24). Resources and Capabilities (cont'd)

Case: Cirque du Soleil (HBS #: 403006)

Individual Case Write-up #W3 (due by Sep. 23 at noon):

1. Why has Cirque du Soleil been successful? What are the resources and capabilities of Cirque du Soleil? Do they satisfy RVIIO? Explain.
2. How long will its success last? What are the main threats to Cirque du Soleil?
3. What strategic recommendations do you have for Cirque du Soleil? Provide two.

Session 9 (Sep. 29). Competitive Advantage

Reading:

- Rothaermel, F. 2016. “Isolating Mechanisms: How to Sustain a Competitive Advantage.” Strategic Management (3rd ed.). McGraw-Hill. pp.118-122.
- [Optional] Grant, R. M. 1991. “The Resource-based Theory of Competitive Advantage: Implications for Strategy Formulation.” CMR.

Session 10 (Oct. 1). Competitive Advantage (cont’d)

Case: Ducati (HBS #: 701132)

Individual Case Write-up #W4 (due by Sep. 30 at noon):

1. How did Ducati become the second most profitable motorcycle maker in the world, despite its small scale? What is the fundamental economic logic of Minoli’s turnaround?
2. Can Ducati sustain its position in the sports segment? Can Honda and the other Japanese manufacturers stop its growth?
3. What strategic alternatives are available to Minoli in 2001? Which alternative would recommend? Why?

Group Final Project Questions (not to submit):

- Identify the key resources and capabilities of your company. Are they rare, valuable, inimitable, and organized? Why?
- Does your company have a competitive advantage? Is it sustainable? If so, what are the isolating mechanisms?

Part IV: POSITIONING STRATEGY

Session 11 (Oct. 6). Cost Leadership

Reading:

- Grant, R. M. 2016. “Cost Analysis.” Contemporary Strategy Analysis (9th ed.). Wiley. pp.178-186.

Session 12 (Oct. 8). Cost Leadership (cont'd)

Case: Wal-Mart: In Search of Renewed Growth (HBS #: CU20)

Individual Case Write-up #W5 (due by Oct. 7 at noon):

1. What are the sources of Wal-Mart's competitive advantage in retailing? Are these advantages sustainable? What are the isolating mechanisms?
2. What are the strategic risks and benefits of the company's latest efforts to improve sales?
3. Based on these analyses, provide two strategic recommendations.

Session 13 (Oct. 13). Differentiation

Reading:

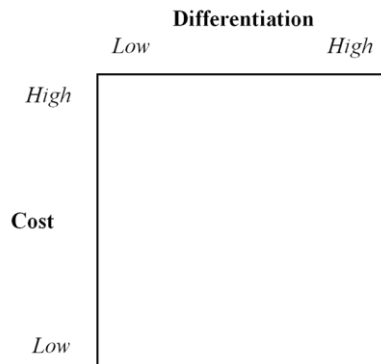
- Grant, R. M. 2016. "Differentiation Analysis." Contemporary Strategy Analysis (9th ed.). Wiley. pp.186-196.

Session 14 (Oct. 15). Differentiation (cont'd)

Case: Gucci Group in 2009 (HBS #: 709459)

Individual Case Write-up #W6 (due by Oct. 14 at noon):

1. Map the competitive positions of the different players in the luxury goods business in the chart below. Who are the best-positioned players? Why?



2. What were the critical moves made by De Sole to reposition the company? Why were these moves made? How did it change the positioning of Gucci (plot the changes in the chart above)?
3. Given its current position and its competitors' positions, what strategic recommendations do you have for Gucci? Provide two.

Group Final Project Questions (not to submit):

- Map the competitive positions of your company and its competitors in the chart above. Should your company pursue cost leadership or differentiation? Why?

Session 15 (Oct. 20). Guest Lecture

Guest Speaker: [Christine Chang](#) (the Co-CEO and Co-Founder of [Glow Recipe](#))

Material:

- Shark Tank Season 7 Episode 10 (from 8:59 to 18:33)

Individual Assignments (due by Oct. 19 at noon):

1. Assess the General Environment and the Five Forces of the skincare industry? Is it attractive? (1 point)
2. Who are the major rivals of Glow Recipe? (1 point)
3. Does Glow Recipe have a competitive advantage? Why or why not? Be specific and use concepts about competitive advantage learned in class. (1 point)
4. What is Glow Recipe’s positioning strategy: cost leadership or differentiation? What strategic recommendations would you make to Glow Recipe? (1 point)
5. If you had the opportunity to ask career/business advice, what ONE question would you ask? (1 point)

Session 16 (Oct. 22). Groupwork Day

Part V: INNOVATION STRATEGY

Session 17 (Oct. 27). Technological Innovation

Reading:

- Gans, J. 2014. Digitopoly blog posts.
 - [Choosing to Disrupt](#)
 - [Choosing not to disrupt \(Embedding in a value chain\)](#)
 - [Another choice: The Intellectual Property Strategy](#)
 - [The Final Box: Architectural Strategy](#)
- [Optional] Christensen, C. M., and Overdorf, M. 2000. “Meeting the Challenge of Disruptive Change.” HBR.

Session 18 (Oct. 29). Technological Innovation (cont’d)

Case: Tesla, INC. (HBS #: MH0049)

Individual Case Write-up #W7 (due by Oct. 28 at noon):

1. Historically, the automotive industry in the U.S. has been identified by high barriers to entry. How was Telsa able to enter and disrupt this industry?
2. What type of innovation strategy is Tesla pursuing? Tie your explanation to Elon Musk’s (2006) “The Secret Telsa Motors Master Plan.”

- In July 2020, Telsa overtook Toyota to become the world’s most valuable carmaker. Is this valuation rational or is it just a hyped-up overvaluation? Why?

Group Final Project Questions (not to submit):

- What type of innovation strategy is your company pursuing? Why?

Session 19 (Nov. 3). Business Model Innovation

Reading:

- Johnson, M. W., Christensen, C. M., and Kagermann, H. 2008. “Reinventing Your Business Model.” HBR.
- [Optional] Amit, R, and Zott, C. 2012. “Creating Value through Business Model Innovation.” SMR.
- [Optional] Christensen, C. M., Bartman, T., and van Bever, D. 2016. “The Hard Truth About Business Model Innovation.” SMR.

Session 20 (Nov. 5). Business Model Innovation (cont’d)

Case: Spotify (HBS #: 516046)

Individual Case Write-up #W8 (due by Nov. 4 at noon):

- How do you evaluate Spotify’s business model? Is it beneficial for artists, labels, consumers, and advertisers?
- Are Spotify’s executives right to insist on not allowing artists and their labels to differentiate their offerings across countries and target only the premium tier? Why is this so important to Spotify’s business model?
- Are Big Machine and Taylor Swift right to ask for a catalog takedown? How likely are other artists to deflect as well? In your view, how should Spotify respond to these actions in the public domain?

Group Final Project Questions (not to submit):

- What is your company’s current business model? Should the company keep it as it is or should it reinvent it? Why?

Part VI: OPEN-SOURCE (CROWDSOURCING) STRATEGY

Session 21 (Nov. 10). Open-source vs. Closed Strategy

Reading:

- Bonabeau, E. 2009. “Decisions 2.0: The Power of Collective Intelligence.” SMR.
- [Optional] DeWees, B., and Minson, J. A. 2018. “The Right Way to Use the Wisdom of Crowds.” HBR.

Case: 3D Robotics: Disrupting the Drone Market (HBS #: B5826)

In-class Discussion Questions (not to submit):

1. What changes in the General Environment made it possible for 3D Robotics to come to be?
2. Describe 3D Robotics' open source strategy. What are the pros and cons of this approach?
3. If 3D Robotics were based on a traditional closed model, what would be different? Why? Would this be a better or worse model for the company?

Group Final Project Questions (not to submit):

- Come up with ways in which your company can become a platform and get network effects.
- Discuss whether (and why) open-source strategy would help or detriment your company.

Part VII: PLATFORM STRATEGY

Session 22 (Nov. 12). Two-sided Platforms and Network Effects

Reading:

- Van Alstyne, M. W., Parker, G. G., and Choudary, S. P. 2016. "Pipelines, Platforms, and the New Rules of Strategy." HBR.
- [Optional] Evans, D. S., and Schmalensee, R. 2016. "What Platforms Do Differently than Traditional Businesses." HBR.

Case:

- **Airbnb, Etsy, Uber: Acquiring the First Thousand Customers (HBS #516094)**
- **Airbnb, Etsy, Uber: Expanding from One to Many Millions of Customers (HBS #519087)**

Individual Case Write-up #W9 (due by Nov. 11 at noon):

1. How are Airbnb, Etsy, and Uber different from their more-traditional counterparts? How did these companies disrupt their respective industries?
2. How did these companies acquire their first customers, at the time when they had so few providers? How did they adapt and change their customer acquisition tactics to grow from 1 million to many millions of customers so quickly?
3. What are some major challenges that these companies are currently facing in 2020? How can they overcome these challenges? Provide two strategic recommendations.

PART VIII: NON-MARKET STRATEGY

Session 23 (Nov. 17). Non-market Strategy and Corporate Social Responsibility

Reading:

- Porter, M. E., and Kramer, M. R. 2006. “Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility.” HBR.
- [Optional] Bach, D., and Allen, D. B. 2010. “What Every CEO Needs to Know About Nonmarket Strategy.” SMR.

Session 24 (Nov. 19). Non-market Strategy and Corporate Social Responsibility (cont’d)

Case: Eli Lilly and Company's CSR Dilemma (Columbia Business School #: 090415A)

Individual Case Write-up #W10 (due by Nov. 18 at noon):

1. The pharmaceutical industry is incredibly profitable with little variance. Why is this the case? Explain using the Five (or Six) Forces Analysis.
2. Is there a business case for Eli Lilly and other pharmaceutical companies to do CSR activities? If not, do these companies have an obligation to do CSR activities?

Group Final Project Questions (not to submit):

- Should your company engage in CSR activities? Why?

PART IX: HUMAN CAPITAL AND STRATEGY IMPLEMENTATION

Session 25 (Nov. 24). Human Capital Acquisition and Retention

Reading:

- Cappelli, P. 2019. “Your Approach to Hiring is All Wrong.” HBR.
- Groysberg, B., Nanda, A., and Nohria, N. 2004. “The Risky Business of Hiring Stars.” HBR.

Case: Outfit7: Start-up Hiring Decision

In-class Discussion Questions (not to submit):

1. Who would you hire and why?
2. How will the choice shape the company going forward?

Group Final Project Questions (not to submit):

- What type of human capital does your company require? Why?

Session 26 (Nov. 26). Thanksgiving Break (No class)

Session 27 (Dec. 1). Organizational Design

Reading:

- Hamel, G. 2011. “First, Let’s Fire All the Managers.” HBR.
- Foss, N. J., and Klein, P. 2014. “Why Managers Still Matter.” SMR.
- [Optional] Sanner, B., and Bunderson, J. S. 2017. “The Truth about Hierarchy.” SMR.

Case: Opening the Valve: From Software to Hardware (A) (HBS #: 415015)

Individual Case Write-up #W11 (due by Nov. 30 at noon):

1. Why has Valve been so successful? What were the key factors behind their success?
2. How would you describe the organizational structure and culture of Valve? Would you be a good fit? What are the pros and cons?
3. Would it be sustainable as the company grows? Why? What would be your two strategic recommendations?

Group Final Report Questions (not to submit):

- How would you design your company in terms of organizational structure and culture? Why?

Part X: BRINGING IT ALL TOGETHER

Session 28 (Dec. 3). Synthesis

Reading:

- Ghemawat, P. 2002. “Competition and Business Strategy in Historical Perspective.” Business History Review, 76(1), 37-74.
- Lafley, A. G., Martin, R. L., Rivkin, J. W., and Siggelkow, N. 2012. “Bringing Science to the Art of Strategy.” HBR.
- Hauser, O., and Luca, M. 2015. “How to Design (and Analyze) a Business Experiment.” HBR.

Sessions 29 (Dec. 8) and 30 (Dec. 10). Group Presentation

Group Assignment:

- Submit your group final presentation **by Dec. 7th at noon.**
- Submit your group final report **by Dec. 20th at noon.**