CORPORATE STRATEGY

COURSE GUIDE 2023

CORPORATE STRATEGY - 2023

Henrik Dellestrand (course director)
Associate professor of International Business
henrik.dellestrand@fek.uu.se

Jakob Westergren
Ph.D. student
jakob.westergren@fek.uu.se

Manolito Hibanada
Ph.D. student
manolito.hibanada@fek.uu.se

1. Introduction

The course covers a general introduction to strategy in order to create a common platform for the discussions pertaining to strategic management focusing on business and corporate strategy. The course covers two main themes, namely, how does the firm compete, and where does the firm compete. Embedded within those themes are topics such as the organization of global business and collaboration (e.g., strategic alliances, networks, diversification, global sourcing, and vertical integration), as well as how to create value in a global context (e.g., R&D strategies, value capture, and perceptions towards risk and uncertainty).

2. Scope and purpose of the course

The Corporate Strategy course deals with the management of different businesses and market activities often encompassed within multinational enterprises. The course focuses on the management of business units operating across different markets and thus builds on the strategy perspectives concerned with firm positioning in industry-specific product markets. During the course, corporate strategy is related to headquarters strategy making, business portfolio management, and the management of strategic change amongst other things. Furthermore, the expansion of firms' business activities is covered. In doing so, the global scope of corporate strategy is highlighted. Ultimately, one of the fundamental challenges to corporate strategy is covered during the course, namely managing multinational enterprises, so its different parts provide a genuine contribution to global corporate performance.

Upon completion of this course, the student should be able to address key corporate and strategy issues and analyze complex multinational enterprise structures.

3. Learning Objectives

The goal of this course is to develop a good understanding of the link between theory and practice with a particular focus on corporate strategy. This concerns issues such as the development, management, and deployment of the firm's resource- and capability-base across different businesses and environments.

After completing this course the student will:
- Have knowledge of and understand different corporate strategies.
- Understand the challenges and opportunities of multinational enterprises in relation to corporate strategy.
- Understand and be able to apply different analytical techniques in a global context vis-à-vis strategic decision-making.
- Be able to analyze different industry settings and relate this to corporate-level strategic decision-making.
- Have the ability to develop models for corporate strategies and evaluate the consequences of these models.

4. Teaching style and student preparation

The course will use a mix of theory and cases to approach themes related to corporate strategy and will emphasize a dialogue-based teaching approach encompassing open discussions. Lectures are literature-based and delivered – as a general rule – as pre-recorded sessions. Alongside the indicated readings for each lecture is an accompanying case that is useful for applying the

theoretical perspectives to the workings of firms and practical challenges they face. This is helpful for elucidating strategic challenges of the multinational enterprise and create a greater understanding of the literature. Furthermore, the course covers full case sessions. These will de delivered on-site at campus. Students are expected to be well-prepared and actively participate in class discussions. Strategic thinking is best learned through practice and the use of strategic concepts. The cases we will study are about specific business situations and offer an opportunity to apply concepts introduced in the textbook and during lectures. This will further our ability to think about strategic management issues.

The quality of the learning is dependent on students' preparation, engagement with the topic, and in-class activity.

Brief suggestions for how to prepare for the sessions:
- Read the texts for each session. Use the associated case studies to get a more in-depth practical understanding of the abstract concepts/theories.
- Identify important concepts and perspectives presented in the texts.
- Think about how the theoretical approaches introduced in the readings can be applied to the cases.

N.B. Attendance at case sessions is mandatory in order to get assessment units for the respective session and the corresponding hand-in. Put differently, in order to get assessment units related to the full case sessions you will have to both hand-in your analysis <u>and</u> attend the corresponding session. Also, attending quiz sessions is mandatory in order to get assessment units for the quizzes.

5. **Course Sessions and Readings**
- The course is based on the following textbook (either of the 10th and 11th editions are fine):
  - *Grant, Robert M. Contemporary Strategy Analysis, 10th Edition, John Wiley and Sons, UK. ISBN: 978-1-119-57643-3.*
  - *Grant, Robert M. Contemporary Strategy Analysis, 11th Edition, John Wiley and Sons, UK. ISBN: 978-1-119-81523-5.*

- A list of additional readings (in addition to the assigned book chapters) for the sessions and related case studies is found below in Table 1.
- Case studies used in conjunction with lectures are available in the Grant book.
- There are six case studies used that are not in the book. You can access the Harvard Business School Publishing website via the course web page for pdf versions (or download the cases in pdf format via the course web page).

TABLE 1: COURSE OUTLINE (n.b. the schedule is tentative and may be subject to small changes)

DATE	SESSION/ TIME & PLACE	THEME	LITERATURE	LEARNING OBJECTIVES
Jan 16	#1 9-12 A144	Introduction + what is strategy	- Chapter 1 (no need to read this in advance)	- Comprehend the use of theory and case studies throughout the course - Describe the form and logic of the final exam - Introduce basic concepts of strategy
Jan 17	#2 Pre-recorded	Lecture: Industry analysis	- Chapters 3-4 - Suggested associated case: Pot of Gold in Grant	- Introduce Porters 5-forces
Jan 18	#3 Pre-recorded	Lecture: Resources and competition	- Chapters 5-6 - Suggested associated case: Harley Davidson, (10th ed.) and Lithium-Ion (11th ed.) in Grant	- Introduce basic concepts related to the resource-based view
Jan 19	#4 Pre-recorded	Lecture: Competitive advantage	- Chapters 7-9 - Suggested associated case: Starbucks in Grant	- Introduce the notion of competitive advantage
Jan 20	#5 Gr. A 9-11 Gr. B 11-13 A144	Case session: Cola Wars	- HBR case Cola Wars Continue	- Apply the case to the more abstract readings from the book
Jan 24	#6 9-10 H3	QUIZ 1	- All readings up until this session	- Test based on the literature
Jan 25	#7 Pre-recorded	Lecture: Vertical integration and the scope of the firm	- Chapter 10 - Suggested associated case: Zara in Grant	- Understand what a firm should do itself and what it should buy - Weigh the advantages and disadvantages of integrated businesses - Evaluate outsourcing decisions
Jan 26	#8 Pre-recorded	Lecture: Global strategy	- Chapter 11 - Suggested associated case: Haier in Grant	- Understand internationalization processes - Understand the role of knowledge assets in firms - Understand the difference between exploration and exploitation
Jan 27	#9 Gr. A 9-11 Gr. B 11-13 K320	Case session: Levendary café	- HBR case Levendary café	- Apply the case to the more abstract readings from the book

Jan 31	#10 Gr. A 9-11 Gr. B 11-13 H425	Case session: AMC Networks	- HBR case AMC Networks. The Walking Dead Problem	- Apply the case to the more abstract readings from the book
Feb 1	#11 Pre-recorded	Lecture: Diversification	- Chapter 12 - Suggested associated case: Virgin Group in 2018 (10th ed.) and City Football (11th ed.) in Grant	- Judge when firms should enter a new industry - Identify sources of competitive advantage from diversification - Understand divestiture processes
Feb 2	#12 Pre-recorded	Lecture: Implementing corporate strategy in the MNC	- Chapter 13 - Suggested associated case: GE in Grant	- Comprehend different structures and processes of firms operating with a global footprint
Feb 3	#13 Pre-recorded	Lecture: External growth strategies and current trends in strategic management	- Chapters 14-15	- Understand the basics of an M&A process - Evaluate organic and non-organic growth - Discuss new directions of strategic thinking
Feb 6	#14 Gr. A 9-11 Gr. B 11-13 K320	Case session: Alphabet	- HBR case Alphabet	- Apply the case to the more abstract readings from the book
Feb 8	#15 Gr. A 9-11 Gr. B 11-13 K320	Case session: Disney and Pixar	- HBR case Disney and Pixar	- Apply the case to the more abstract readings from the book
Feb 9	#16 Pre-recorded	Lecture: Value capture and innovation strategy	- Teece 1986 - Pisano 2015 - Bogers et al., 2017 - Suggested associated case: Case 12 (Tesla) in Grant	- Understand the logic behind different degrees of value capture and innovation strategy - Discuss appropriation strategies and their strengths and weaknesses
Feb 10	#17 Gr. A 9-11 Gr. B 11-13 B115	Case session: The Wright brothers	- HBR case The Wright brothers	- Apply the case to the more abstract readings from the book
Feb 14	#18 9-10 H2	QUIZ 2	- All readings since the previous quiz	- Test based on the literature
Feb 14	#19 10-13 H2	Summing up and Q&A	- All readings since the previous quiz	- Summing up and providing advice for the final exam
Feb 16	#20 17.00-17.00	EXAM (exam hall place TBA)	- All readings for the entire course	- Evaluate the learning for the entire course
March 25	#21	RETAKE EXAM (time and exam hall place TBA)	- All readings for the entire course	- Evaluate the learning for the entire course

You will also find a detailed schedule in Studium.

6. ASSESMENT

The student will get one single grade, equivalent to 7.5 credits.

The examination includes exams, assignments, and seminars. The grade for the entire course is based on an assessment of all parts of the examination.

N.B. Attendance at case sessions is mandatory in order to get assessment units for the respective session and the corresponding hand-in. Put differently, in order to get assessment units related to the full case sessions you will have to both hand-in your analysis <u>and</u> attend the corresponding session. Also, attending quiz sessions is mandatory in order to get assessment units for the quizzes.

The following grades will be used: pass with distinction (VG), pass (G), and fail (U). Examinations handed in late will not be assessed except under special circumstances. The final grade is determined after taking different parts of the examination into consideration.

The exam, case hand-ins, and participation are evaluated according to:
- The thoroughness of the understanding of the course literature.
- The quality of the analysis relative to Bloom's taxonomy.
- The consistency, logic, and stringency of the argumentation.
- The ability to critically reflect on conclusions and recommendations.

The exam can give you a maximum of 48 assessment units that counts toward your final grade. Please note that you need to pre-register for the exam via the course web-page (using Ladok). If you do not register for the exam, you will not be allowed to sit in and take the exam. The exam can give you a maximum of 48 assessment units that counts toward your final grade. The exam will take place in an examination hall.

When answering exam questions, use selected aspects of the literature in depth (show familiarity with the content). Refer to specific reasoning in the literature, which you can then use to understand and explain/analyze the postulated questions.

The case hand-ins should contain an analysis of the case according to the assigned case questions. You will have to hand in your analysis prior to each case session (i.e., for sessions 5, 9, 10, 14, 15, and 17 respectively). There is a maximum word limit for each analysis of 500 words. Do not reiterate the case. Rather, try to apply the readings, theories, and concepts to the case. Each case analysis can give you either 0 or 2 assessment units (given that you both hand in the analysis and attend the corresponding case session), i.e., you can, in total, collect a maximum of 12 assessment units that will count towards your final grade.

The quizzes test your knowledge and comprehension of the literature. They consist of 20 multiple-choice questions each. There are two quizzes (sessions 6 and 18), and consequently, you can collect a maximum of 40 assessment units from the quizzes that will count towards your final grade.

Grading will be according to the following relative to assessment units:

Fail (U)	0-49
Pass (G)	50-79
Pass with distinction (VG)	80-100

The distribution of assessment units will be according to the following:
Case analysis 1-6: 2 points per analysis, i.e., 12 points (max)
Quiz 1: 20 points (max)
Quiz 2: 20 points (max)
Exam: 48 points (max)

All hand-ins need to include and adhere to the following statement:

By completing my submission with this declaration enclosed, I confirm that this assignment is my own work, is not copied from the work (published or unpublished) of any other person, and has not previously been submitted for assessment either at Uppsala University, or another educational establishment. Any direct or indirect uses of material (e.g.: text, visuals, ideas...) from other sources have been fully acknowledged and cited according to the conventions of the Harvard Referencing System.

7. COURSE LITERATURE

Course textbook:

- *Grant, Robert M. Contemporary Strategy Analysis, 10th Edition, John Wiley and Sons, UK. ISBN: 978-1-119-57643-3.*

  or

- *Grant, Robert M. Contemporary Strategy Analysis, 11th Edition, John Wiley and Sons, UK. ISBN: 978-1-119-81523-5.*

Articles:

Session 16

- Teece DJ. 1986. Profiting from Technological Innovation: Implications for Integration, Collaboration, Licensing and Public Policy. *Research Policy,* 15(6): 285-305.
- Pisano, G.P. (2015). You Need an Innovation Strategy. *Harvard Business Review*, 93(6): 44-54.
- Bogers, M., Chesbrough, H. & Moedas, C. 2017. Open Innovation: Research, Practices, and Policies. *California Management Review*, 60(2): 5-16.

Harvard cases:

Session 5

- Yoffie, D.B. & Kim, R. 2011. Cola Wars Continue: Coke and Pepsi in 2010. HBR Case # 711462-PDF-ENG.

Session 9

- Bartlett, C. & Han, A. 2013. Levendary Café: The China Challenge. HBR Case # 4357.

Session 10

- Subramanian, R. 2019. AMC Networks Inc.: The Walking Dead Problem. Ivey Case # W18833.

Session 14

- Alcacer, J., Sadun, R., Hull, O. & Herman, K. 2018. Alphabet Eyes New Frontiers. HBR Case # 9-717-418.

Session 15

- Alcacer, J., Collis, D. & Furey, M. 2010. The Walt Disney Company and Pixar Inc.: To Acquire or Not to Acquire? HBR Case # 9-709-462.

Session 17

- Nicholas, T & Chen, D. 2015. The Wright Brothers and Their Flying Machines. HBR Case # 9 811034-PDF-ENG.

Supplemental (non-required) readings to the field of strategy:
Bartunek, J.M., Rynes, S.L. & Ireland, R.D. 2006. What makes management research interesting, and why does it matter? *Academy of Management Journal*, *49*(1): 9-15.

Carroll, G.R. 1993. A sociological view on why firms differ. *Strategic Management Journal*, *14*(4): 237-249.

Davis, M.S. 1971. That's interesting! Towards a phenomenology of sociology and a sociology of phenomenology. *Philosophy of the Social Sciences*, *1*(2): 309-344.

Ghemawat, P. 2002. Competition and business strategy in historical perspective. *Business History Review*, *76*(1): 37-74.

Hitt, M.A. 2005. Spotlight on strategic management. *Business Horizons*, *48*(5): 371-377.

Mahoney, J.T. & McGahan, A.M. 2007. The field of strategic management within the evolving science of strategic organization. *Strategic Organization*, *5*(1): 79-99.

Nag, R., Hambrick, D.C. & Chen, M.J. 2007. What is strategic management, really? Inductive derivation of a consensus definition of the field. *Strategic Management Journal*, *28*(9): 935-955.

Porter, M.E. 1996. What is Strategy? *Harvard Business Review*, Nov/Dec: 61-78.

Porter, M.E. 1991. Towards a dynamic theory of strategy. *Strategic Management Journal*, *12*(S2): 95-117.

Rumelt, R.P. 1991. How much does industry matter? *Strategic Management Journal*, *12*(3): 167-185.

Rumelt, R.P., Schendel, D. & Teece, D.J. 1991. Strategic management and economics. *Strategic Management Journal*, *12*(S2): 5-29.

Bloom's taxonomy

Evaluation

Make judgments regarding extent to which something satisfies chosen criteria

• Evaluate, justify, critique, appraise

Synthesis

Put parts of knowledge together, discover relationships among different parts, create new patterns

• Develop, design, create, summarize, combine

Analysis

Decompose a topic into its constituent parts, show relationships among the more basic ideas.

• Separate, recognize, test, order, differentiate, compare and contrast

Application

Apply knowledge (ideas, theories, principles) to new situations.

• Demonstrate, apply, interpret, choose, classify, use, calculate, relate

Comprehension

Show basic understanding

• Discuss, paraphrase, compute, extrapolate, describe, explain, distinguish, translate

Knowledge

Memorization of facts, theories and principles

• Recall, list, name, state, define, identify, match