MGT 481w
Strategic Management 2016

This is a writing emphasis course! In order to receive credit as a writing course you MUST earn at least a C grade.

Syllabus
Table of Contents

General:
Prerequisite; Bulletin Description; General Course Structure ... P. 3
Professor Contact Data ... P. 3
Course Website ... P. 3
Ethics; Diversity ... P. 4
Course Objectives ... P. 4

Required Materials:
Text – eBook ... P. 5
Analysis Software, Performance Scorecard ... P. 5

Attendance:
Attendance Policy ... P. 5, 6, 7
Opportunity to make-up missed classes ... P. 7

Semester Project
Project Overview and CAUTION ... P. 16
Writing the Professional Summary of the Semester Project ... P. 16 - 19
Checklist for Professional Summary ... P. 20
Common Mistakes to AVOID ... P. 22

Teams:
Team Overview ... P. 8
Team Purpose ... P. 8
Team Responsibilities ... P. 8, 9
Team Officers ... P. 9
Extra Credit for Team Officers ... P. 9

Exercises (Mergers and Debates):
Overview... P. 10
Team Assignments ... P. 10
Who MUST participate ... P. 10
Who Votes ... P. 10
Voting Rules ... P. 11, 12
Scores ... P. 11, 12
Specifics of Merger Activity… P. 24-28
Specifics of Debate … P. 29

Grading:
Final Grade ... P. 6
Maximum Points by Learning Activity ... P. 7
Team Activities ... P. 8, 9
Debate Activities ... P. 10, 11, 12
Semester-long Case Study ... P. 14
Exams ... P. 14
No Retests ... P. 15
Extra Credit ... P. 15
Essays ... P. 16
Final Exam ... P. 15 (NOT A RETEST)

Peer Evaluation
Peer Evaluation ... P. 7, 8
Peer Evaluation Form ... P. 31

Outline of Class Dates & Assignments ... www.albany.edu/faculty/vanness/481NEW/Dates.pdf

Important: Use Microsoft Explorer for a trouble free website
Coordinator: Dr. Van Ness, Office: BB 341
(RVanNess@UAlbany.edu)
Office Hours: Open Door Policy or by appointment

Professors: Prof: Moore
Prof. Hughes
Prof. Muller
Prof. Downey
Prof. Iyer
Dr. Van Ness

Course Website: www.albany.edu/faculty/vanness

IMPORTANT!! Use Internet Explorer for the course website

Prerequisite: Senior standing in the School of Business and permission of the Office of Student Services.

Bulletin Description:
“This capstone course develops an overall management viewpoint and integrates various specialized functions such as Marketing, Finance, Accounting, Management Information Systems, and Human Resource Management. Topics include industry analysis, global competitiveness, international management, strategies for adjusting to the social, political, and economic environment, approaches for developing and implementing strategic plans in organizations, managerial values and ethics, and social issues in business.”

Course Structure and Objectives:
Structure: This capstone course is divided into distinct segments. These include a traditional Lecture-Segment and a student Activity-Segment.

Objectives: (1) Lecture-Segment learning objective:
To broaden your understanding of strategic management concepts, corporate reporting requirements (including Sarbanes-Oxley), and provide you with the necessary “tools” to effectively research and evaluate corporate performance. The primary focus of this course is less about new concepts and more about refining and solidifying what you have already learned.
(2) **Activity-Segment learning objective:**

- To enhance your research ability
- To sharpen your critical thinking skills as you synthesize, analyze, and evaluate performance data (semester case study)
- To refine your writing abilities
- To provide an opportunity for developing your teamwork and interpersonal skills
- To develop professional presentation skills
- “Each student can demonstrate the ability to apply analytic skills to the solution of business problems.”

**Ethics:**

Ethics and ethical reasoning will be integrated throughout the course. Since a primary focus of this course is business ethics and ethical behavior it seems only appropriate that we discuss class behavior in an ethical context. Quite simply, you should author your own work, give credit when quoting the work of others, and NEVER copy anything that is copyright protected without appropriate approval. Of course you understand that test taking means NEVER seeking unauthorized assistance. If there is ever a situation in which you find yourself unsure of the correct course of action, please ASK your professor for guidance.

**Reflection of Diversity:**

Many classes will begin with a discussion of current events. You are encouraged to participate by expressing your opinion of the issues. Our classes are multi-racial and multi-cultural thus you will find this to be a perfect opportunity to observe reactions to current events from different perspectives. This course will be rich with new ideas and each session will be a unique learning experience as well as a model for human respect.

**Attendance:**

Class attendance is important. Participation and verbal contribution are integrated into the grading criteria. Obviously, if you are not in class you cannot participate. If you miss 3 classes or 4 hours of class time without attending a makeup class, you will be required to take a comprehensive final exam. [More on this policy later in this syllabus]
Required COURSE Materials:

1) Textbook: Management Strategy & Performance [ebook]

The book is available only at: https://www.campus-hq.com as an online text along with several analysis templates including the corporate analysis template called “The Performance Scorecard” explained in #2 below.

2) Analysis software: “The Performance Scorecard” [PSC]
   ➢ The PSC is a copyright protected software package that enables you to analyze publicly-traded corporations. This software is intended for educational purposes and is a single user license. If you have any questions about the license restrictions please ask your Professor. Please read the following carefully.

   Software Terms: Your access to copyright protected course materials is granted as a limited time, “single-user” for educational purposes only license. The software will imbed your full name and unique security code so that no one else will be able to acquire your work and submit it as his or her own. This embedded code will serve not only to protect your work but also to indicate your licensing rights to access and utilize the software. The course PSC software may be copied by you for YOUR OWN USE but MUST NOT BE SHARED. Each person who uses the PSC software must submit his or her semester project with their unique security/authorization code. The alpha-numeric code may be found on the top right of the “Target Income-Ratios” tab of the software. Projects that have used the analysis software can only be accepted if they include your unique security code received during the purchase process of your course materials.

3) Course website: www.albany.edu/faculty/vanness

4) Other assigned journals and publications: TBA

Grading, Graded Activities, & Guide
Grading:

Grade: Total points you earn divided by 11750

<table>
<thead>
<tr>
<th>Grade</th>
<th>96-100%</th>
<th>77-79%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>91-95%</td>
<td>73-76%</td>
</tr>
<tr>
<td>A-</td>
<td>87-90%</td>
<td>70-72%</td>
</tr>
<tr>
<td>B+</td>
<td>83-86%</td>
<td>61-69%</td>
</tr>
<tr>
<td>B</td>
<td>80-82%</td>
<td>Below 61%</td>
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</table>

Caution – ADVANCED NOTICE

Deadlines on assignments are important in the business world and they are important in this course. Missed deadlines are costly in business thus they will be costly in this course – grades will be reduced by 10% for each day that an assignment is late. This will be STRICTLY ENFORCED and it applies to everyone so PLEASE meet the due dates of your assignments. If you have questions about this class rule, please ask your professor to explain it again.

ATTENDANCE POLICY AS IT RELATES TO GRADING

PLEASE Read this carefully!

ATTENDANCE AT WORK IS A REQUIREMENT
AND
IT IS A REQUIREMENT IN THIS COURSE

It is understood that there will be emergencies, conditions, or athletic events that may preclude your participation in a class but each class missed translates into a gap in your knowledge. The more classes missed for whatever the reason, the larger the gap. If you must miss a class, it will be assumed that you had a good reason thus doctor’s notes or notes from the athletic department are unnecessary. You are trusted! However, if you miss 4 hours of class time you must take a comprehensive exam to demonstrate that you have learned a minimum level of concepts. This is not meant to offend someone who has missed classes; it is rather to ensure academic integrity and equality.

➢ ALL ABSENCES ARE CONSIDERED NECESSARY SO NO DOCTOR’S NOTES OR OTHER LETTERS, PLEASE.

To reiterate:

To ensure academic integrity and equality the following policy is enforced:

4 HOURS OF MISSED CLASS TIME FOR ANY REASON AND YOU MUST TAKE A COMPREHENSIVE EXAM TO DEMONSTRATE THAT YOU HAVE LEARNED A MINIMUM LEVEL OF CONCEPTS.

If you are required to take the final exam and do not do so, a zero [0] will be averaged into your exam grades.
Opportunity to make up missed classes:

There will be a variety of opportunities to make up missed classes so the probability of being required to take the final exam can be reduced. Ask your Professor for details.

If you do not understand any aspect of the attendance policy, please ask your professor to explain it further.

Primary criteria for demonstrating learning:
In order to earn a passing grade you must satisfactorily complete ALL projects and assignments including the class presentation. You may not omit any assignment including the presentation.

<table>
<thead>
<tr>
<th>Points</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>4500 1 semester project (Case study – Corporate Research)</td>
</tr>
<tr>
<td>2.</td>
<td>4500 2 exams: Two intra-semester exams plus a final exam</td>
</tr>
<tr>
<td>3.</td>
<td>1500 3 Corporate Merger Exercise (Team Credit)</td>
</tr>
<tr>
<td>4.</td>
<td>900 4 Super Bowl Debate (Team Credit)</td>
</tr>
<tr>
<td>5.</td>
<td>100 5 Evaluation by your team members [Peer Evaluations]</td>
</tr>
<tr>
<td>6.</td>
<td>250 6 Two Strategy Essays</td>
</tr>
<tr>
<td></td>
<td>11750</td>
</tr>
</tbody>
</table>

Meaningful class participation is expected of everyone; HOWEVER, students who contribute to the class discussion above and beyond the minimum threshold will be awarded bonus credit.

PLEASE NOTE:
Assignments WILL NOT be accepted electronically.
NO email attachments PLEASE!

1 Semester Project: See pages 13 and 16 through 23.
2 You must take the two intra-semester exams but you may be exempt from the final. If you are eligible for exemption from the final exam the score on your first two exams will be converted to the equivalent of three exams by dividing the scores you earned by .6666. If you have questions please ask your professor.
3 Merger Exercise: Complete details on Pages 10 and 24-28
4 Debate Complete details on Pages 10-12 and 29
5 Peer Evaluation: How well your team thinks you performed. (Did you make a meaningful contribution to the team?)
6 Essays that do not meet written specifications will be returned to students. Students will be given seven days to rewrite and resubmit for a grade change during the fall and spring semesters. During the summer students will be given two days because of the compressed semester. Each essay should be two to three pages long. Essay # 1 should identify and discuss what you have discovered about the operating activities of your target and benchmark companies. Can you identify any specific aspect of their corporate strategy or change of any strategy? Essay # 2 should identify and discuss interesting corporate decisions and behaviors for your target and benchmark companies. BE SURE TO PUT A "CREATIVE" AND PROFESSIONAL LOOKING COVER PAGE ON YOUR ESSAYS. See page 15
1. Graded Activities: Teams

I) Teams:
The class will be divided into six (6) teams.

Your team will be expected to elect a President, Vice President, and Secretary.

These OFFICER positions have VERY IMPORTANT responsibilities.

Each officer will be rewarded with extra credit if he or she performs to the expectations of his or her team and to the expectations of the professor.

Job descriptions for each officer are provided below.

What is the purpose of the Team?
Four important objectives of the TEAM:
(1) To provide you with intellectual, technical, and creative assistance as you work on your semester project and other "graded" class assignments
(2) To provide you with another opportunity to practice your abilities of persuasion and your verbal and written communication skills.
(3) To assist you in refining your critical thinking skills by questioning and challenging you to explain your thinking and reasoning.
(4) To provide you with the opportunity to make a significant contribution to the class debates and earn a grade commensurate with the team's success.

What does the Team do?
Your Team will be expected to meet at least once weekly and it is the responsibility of the President to organize the meetings. The secretary will document the meetings including the names of those in attendance and those absent. The first term secretary will submit this report to the Professor at the halfway point in the semester and this will be the basis of assigning the bonus credit to the Secretary, the Vice President, and the President. A similar report will be due from the second term secretary at the end of the semester.

Teams will:
Teams will be assigned specific activities. These will include but are not limited to:
(1) The group culture exercise
(2) Preparation for the Merger Exercises
(3) Preparation for classroom exercises
(4) Preparation for the exams as a study group
(5) Assisting each other with individual semester project problems
(6) EVALUATE the contribution of each other member of their team (see pp. 30-31)
Teams are expected:

Team members are expected to attend the meetings agreed upon by the majority.
✓ If you are consistently unable to attend meetings please notify the Professor immediately.
✓ You will be assigned to another team. Do not wait because if you routinely miss team meetings it will affect your course grade.
✓ Your team is extremely important to you. If you have any difficulty with the team you are on, please see your professor immediately so that you can be reassigned.

Team Officers:

Each Team will elect three officers. These will include a President, Vice President, and a Secretary. The term served by each officer will equal approximately ½ the course semester. If an officer serves for more than one term in the same position, she or he will be eligible for double credit. If an officer serves in one position for one term and then serves in another position for another term, he or she will be eligible for credit as assigned to each position. For example if the President completes the term she or he will be eligible for 200 points and then if he or she serves as Vice President, he or she will be eligible for an additional 150 points. Again, the semester will be divided into two terms and officers will serve accordingly.

The President will be responsible for organizing and supervising the meetings. The President will also be one of the “debaters” for the class debates. The President will also be responsible for counting and organizing the votes at the class exercises.

Pres.: Extra Credit: 200 Points

The Vice President will function as the President if the president is absent and/or function as the Secretary if the Secretary is absent. The Vice President will be responsible for assisting the president in organizing the meetings and the VP will be part of the class exercises.

VP: Extra Credit: 150 Points

The Secretary will record the discussions of the Team meetings and take attendance (recording who was in attendance and who was absent). The secretary should specifically name each individual making a contribution to the meeting and state the nature and context of that contribution. Significant contributions by individuals can lead to additional bonus credit for that student. If you are unsure of how to document your report please refer to the guide on the course website. The 1st term secretary’s report will be submitted at the halfway point of the semester and the 2nd term secretary’s report will be due at the end of the semester. The Secretary is also expected to participate alongside of the President and Vice President in the class exercises.

Sec.: Extra Credit: 250 Points
2. Graded Activities: 
Class Exercises

The Class Exercises:

Overall Structure:
Teams will participate in three major class exercises: Two Merger Exercises and a Super Bowl Debate.

The class will be divided into six discrete teams and numbered 1 through 6.

Exercise # 1: “Merger Exercise 1”
- Team 1 merger; Team 6 is judge
- Team 2 merger; Team 5 is judge
- Team 3 merger; Team 4 is judge

Exercise # 2: “Merger Exercise 2”
- Team 6 merger; Team 2 is judge
- Team 5 merger; Team 3 is judge
- Team 4 merger; Team 1 is judge

Exercise # 3: “Super Bowl Debate”
- Team 1 will debate Team 5
- Team 2 will debate Team 4
- Team 3 will debate Team 6

Officers MUST be in the exercise:
Each team elects three officers (President, Vice President, and Secretary) for one half of the semester. Elections are held again for the second half of the semester. Officers who are serving in the first half of the semester can be reelected for the second half if the Team chooses to do so. All officers receive substantial extra credit for serving as officers for EACH term served. Each exercise will be between the three officers of one Team and their counterparts from another Team. Officers who do not participate will not receive ANY officer credit points. Officers MUST participate to earn their credit for serving as a team officer.

The Class Votes AND the Professor Votes:
All students in the class EXCEPT THOSE WHO ARE MEMBERS OF EITHER OF THE EXERCISE TEAMS will vote on a grade to be assigned to each participating team. Votes will be tallied by team and averages computed. The Professor will collect all the ballots and randomly audit the tabulations by the team Presidents.

Balloting will be confidential and by paper vote. Ballots will be tallied and averaged by each team’s President or other officer.
The Exercises are an important, graded class exercise.

**Merger # 1 and # 2:**
A perfect score is 750 points for each of the two merger exercises. The class will vote on 375 points and the Professor will vote on the other 375 points on each for a **Maximum possible: [375+375=750]** for each of the two.
**Grand total score possible of 1500**

**Super Bowl Debate:**
A perfect score is 900 points. The class will vote on 450 points and the Professor will vote on the other 450 points **Maximum possible: [450+450=900]**.
**Grand total score possible of 900**

**Voting:**
Voting is confidential and should be taken very seriously.

**Voters should consider:** Did the teams stay **TOPIC** focused as described below? Did the team appear to have done adequate research? Did the team appear prepared in other ways for the debate? Was the team convincing? Did the team AVOID READING SCRIPTS? Was the team interesting or boring? Was the team creative?

**Merger Activities: Rules and Timing:**

See Page 24 of this syllabus

**Super Bowl Debate**

See Page 29 of this Syllabus
Achievement numbers as shown in Table 1 will be assigned to each activity.

Table 1

<table>
<thead>
<tr>
<th>Achievement # for DEBATE activities</th>
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<tbody>
<tr>
<td>Achievement will be assessed on a scale of 1 to 10</td>
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<tr>
<td>1 – 5 = Completely unacceptable</td>
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<tr>
<td>6 = Contributions were poorly considered or sloppily expressed</td>
</tr>
<tr>
<td>7 = Contributions were adequate (met the low end of minimum expectations)</td>
</tr>
<tr>
<td>8 = Contributions met the high end of expectations. They were carefully considered and clearly focused.</td>
</tr>
<tr>
<td>9 = Contributions significantly exceeded expectations. They were carefully considered, clearly focused, and thought provoking. Excellent!</td>
</tr>
<tr>
<td>10 = Contributions were shockingly profound and insightful. They reflected surprisingly creative (out of the box) thinking – (Fantastic!!!)</td>
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Each team member will vote and then hand their ballot to the team president. The president will add the total value for all votes and then divide by the number of voting members.

For example if the ballots were scored by individual voters as 7, 8, 9, 10, 8, 7. The total would be 7+8+9+10+8+7 =49. 49 would then be divided by 6 voters for an average score of 8.1667. 49/6 = 8.1667.

8.1667 then would be converted to the score of 735 points on the 900 point scale.

900 x .81667 = 735

If you have any questions about the grading format please ask the Professor.
3. Graded Activities: Semester Case Study

The Case Study Research is a semester-long project; hence it is referred to as your semester project. It IS NOT a “Paper”!

Please do not forget your Case Study is a semester long project. You should begin immediately!

Details will be provided during the first class. You will select a publicly traded corporation (referred to as your “target company”) and become an EXPERT on this company. You will assemble a database of financial and non-financial information from and about your target company. You will study its industry and identify the unique factors in this industry that may influence your target company’s performance. You will also create a database of information related to a “benchmark company.” A benchmark company is a strong and successful competitor of your target company. Once all the data are collected you will examine your target company’s performance in the context of its industry. You will also compare the target company’s performance to its performance of the preceding year and to the performance of the benchmark you have chosen. The comparison will involve a very specific method detailed in your textbook and explained in class.

After you have completed your research and evaluated your target company (use the Performance Scorecard analysis software to organize your data), you will write a 50-page (or more) PROFESSIONAL SUMMARY of your research and your conclusions about the firm's performance. The page count DOES NOT include the Cover Page, Table of Context, Citations, or the Appendices.

4. Graded Activities: Exams

Exams:
There will be three exams, two within the semester, and one final exam. You may qualify for an exemption from the final exam. Your professor will provide additional details. If you miss one of the semester exams you will simply make it up during the final exam period. (All make up exams will be given during the final exam period.)

Missed Exams:
If you miss an exam you may take a makeup exam during the final exam period. Since anyone taking a makeup exam will have the benefit of extra study time, some questions might transcend specific points in the semester. If you do not understand this or anything else, ASK YOUR PROFESSOR. The Final Exam is divided into two parts. Part one will be "primarily" equivalent to exam one, so if you miss exam one, you will simply take Part one of the final. (Of course, it will not be exactly the same exam and may contain some questions from test two). If you miss exam two during the regular semester, you will simply take part two of the final which will be "primarily" equivalent to exam two. If you are required to take the entire final exam, you will take parts one and two plus a multi-part essay.
Missed exams will be graded as Zero and will adversely affect your course grade so please try to avoid missing an exam and if you do, be sure to take the appropriate part of the final exam.

**Final Exam:**
If you meet specific criteria, the Final Exam will be optional. **No exam grades are dropped** so if you take the final exam, it will be averaged into your test scores. This means that the **final exam can lower or raise your class average.** Ask your Professor for more details.

**The Final Exam WILL NOT replace a test already taken.**

**Qualifying for a Final Exam exemption:**
If you did not miss four (4) hours of class time (make up classes cancel missed classes 1 for 1) during the semester and if you have a passing grade you are exempt from the final exam. However, if you miss four hours of class time you will be required to take the comprehensive final exam to demonstrate your understanding the course material. **Again: if you miss four hours of class time for any reason and have not made up those misses, you must take the entire final exam.** This is not a punishment; it is an effort to guarantee academic integrity and equality. It is meant to help everyone.

If you are exempt from the final exam the sum of your grades on the first two tests will be increased. The total will be **divided** by .6666. If you do not understand this, please ask your Professor.

**NO RETESTS:**
Once an exam has been taken the grade becomes FINAL. **[NO RETESTS]** So, please study and if you are not ready for the exam – don’t take it. You can take an equivalent exam during the final exam period. This is entirely your decision and it will not be counted against you in any way, shape, or form. **THE FINAL EXAM CANNOT REPLACE AN EXAM ALREADY TAKEN.**

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**5. Graded Activities: Extra Credit**

**Extra Credit**

Extra credit is available in several forms such as:

- Serving as an officer
- Contributing to class discussions and activities in a meaningful way above and beyond the minimum threshold
- Perfect attendance
- Serving as a Timekeeper at the debates
- Other assignments by the Professor
6. Graded Activities: Essays

Two Interim Strategy Essays – (Each 2-3 pages)
Essay # 1 should identify and discuss what you have discovered about the operating activities of your target and benchmark companies. Try to identify specific aspects of their corporate strategy or change of strategy. Essay # 2 should identify and discuss interesting corporate decisions and behaviors for your target and benchmark companies. Essays will be graded on a Pass/Fail basis. Failing essays will be returned and students are strongly advised to speak with the professor about modifications. These can be resubmitted within 7 days for full credit consideration. Essays that have not been resubmitted within this time frame will not be accepted. They will be graded as "0." All passing essays will be awarded 125 points.

Writing

Professional Summary (PS)

OVERVIEW:
Your professional summary will be graded in three primary categories:

(A) Technical
– is it constructed exactly as requested?

(B) Aesthetic
– is it professional in appearance and devoid of distractions and blemishes? It should not have ink smudges, it should not have a heading on one page with the related content on another, it should have a perfectly aligned table of contents, and it should be, in every sense, an extremely professional “appearing” document.

(C) Content
– does the content address all the relevant areas of the project as outlined in the text? Does it demonstrate the ability to think critically?
**WRITING GUIDE FOR YOUR SEMESTER PROJECT**

Consider your Professional Summary to be an important business report. You need to be accurate and you need to be clear, complete, and concise. While you should not ramble on and on or overload the reader with countless facts and figures, you do need to integrate a sufficient number of these to add credibility to your statements. Consult your Performance Scorecard textbook for additional details.

How long should my PS be? Let the three Cs be your guide (Clear, Complete, and Concise). However, as a general rule approximately 50 pages are considered appropriate. More than 50 pages is okay.

What should be included in my PS? The PS will be divided into three broad categories (Introduction, Central Content, and Summary) and these will contain several important segments.

Each category and segment should be clearly labeled. Do not forget to devote an appropriate amount of time and attention to THE INTRODUCTION, THE CENTRAL CONTENT, and THE SUMMARY. Each of these generic segments is crucial to a logical and professional summary of your discoveries and conclusions.

**Introduction:**

This is a very important part of your report and it should stimulate interest and “hook” the reader. In other words, make the reader want to continue.

- Include a brief history of the company
- State the names and positions of top corporate officers
- Identify the members of the board of directors and include:
  - Their ages
  - Their field of experience
  - Are they inside directors or outside directors?
  - Board member tenure and Other relevant data
  - DO NOT cut and paste data from company site and limit your board discussion in the introduction to two pages. You may place other board data in an appendix.
- Indicate why you selected this particular company on which to become an expert.
- How did you select the benchmark?
- Provide some environmental context data (see details about the general and competitive environments in your Management textbook for guidance)
- Explain major trends and events in the target’s primary industry or industries.
- Give any general information that you believe will stimulate the interest of the reader of your report for example:
  - For example if the General Electric Company is chosen, the PS would include introductory information such as: NYSE: GE – Headquarters: 3135 Easton Tpke., Fairfield, Conn. – Company founded: 1892 – Activities: One of the largest and most diversified industrial corporations worldwide, GE manufactures products and offers services from appliances to locomotives and financial services. Stock performance: (State what the stock has done over the last five years.)
- Give any general information that will be particularly interesting, informative, and/or decision useful to the reader.
- Does the introduction appear long enough?
- Does it provide an adequate outline how the data were collected?
- Is there an adequate outline of the order in which the material and analysis will be presented in the document?
- Does the introduction effectively capture interest and attention? Why were these two particular companies selected for study?
Central Content:
This is the heart of your report. It should be objective and interpretative. In other words, you will report what you have observed and then you will interpret what you believe it means for future operations.

The body should be divided into CLEARLY marked sections. The sections should include both a **quantitative (financial) analysis** and a **qualitative analysis**.

The primary focus will be the reporting of your findings. What performance characteristics did you notice and what do you believe will be the long-term implications of those performance characteristics? For example, if you are addressing issues of a financial nature, one of the many issues you might identify could be a significant trend in profitability as compared to the benchmark. If profitability is increasing faster than that of the benchmark it might encourage expansion or diversification *(be sure to address *ALL elements in the financial four as explained in your text)*. If you are addressing issues of a qualitative nature, you might comment on how the company treats its employees or what type of corporate culture exists and make a suggestion of how this might affect the company's performance in the future. Be sure to address all the items categorized in Organizational Citizenship and Strategic Planning in your text.

**Do not be wishy-washy.** With respect to the performance of your target company, you should express specific opinions and clear conclusions about what you believe is working well and about what needs to be improved. Be very precise about how you feel and why you feel that way. While you will be talking about two companies (the target and the benchmark), please remember that the primary focus (interest) of this professional summary is the target company NOT about the benchmark company. Specifically, address how well your target company is doing when compared to the prior year, and address how well your target is doing when compared to the benchmark.

Use subheadings. *(Clearly label paragraphs)*

- **QUANTITATIVE (Financial)** – There are four major elements and each should be carefully and completely addressed. Each of these should have a subheading as shown in your Management textbook.
  1. Profit, Equity, and Share Value management
  2. Debt management
  3. Cash management
  4. Asset Management

- **QUALITATIVE ANALYSIS** – There are two (2) segments to the qualitative analysis and these include: (1) Organizational Citizenship (Corporate Social Responsibility) and (2) Strategic Positioning.

  1. **Organizational Citizenship** This segment summarizes your sense of how well the management is interacting with employees, suppliers, competitors, the general community, and the government. It contains eleven major elements and you should consider each of these carefully. If you are unable to find data in a particular area, discuss this with your professor. The Prof may suggest you rate the category “3” (which really means I do not know) but each 3 rating can reduce the value of your work. Choose your “3” usage VERY CAREFULLY. **LOOK!** Be sure to discuss this with your Professor!! If the Prof approves, you are fine.
**Strategic Positioning** contains five major elements and each of these should be addressed.

Comment on the each of the following:
1. Vision and Mission
2. Competitive Advantage
3. Environment: External
4. Innovation
5. Plans and Progress

**Summary:**

Connect all of the parts of your professional summary by providing a cursory summary of your introduction and a cursory summary of your central content section. Then express a series of opinions and an overall conclusion about the target company’s performance. Cite specific details (events, facts, and/or figures) to justify each of your opinions. It is important to include facts and figures in the summary to justify statements and conclusions. In other words, what conclusions have been drawn about the company’s performance and why? It is essential to avoid expressing a series of unsupported opinions or making unsubstantiated statements. The report should be objective and professional with the appropriate embedding of statistics to instill confidence in the reader of your report.

**Balance is important** – your summary should be approximately as long as your introduction. Conclude with conviction and finality. Remember you are SELLING your point of view because you believe in the accuracy and importance of your report.

Again, do not hesitate to include details (events, facts, and/or figures) in your summary. What have you concluded and why have you drawn that conclusion? Your summary should close with a statement of your overall conclusion about the quality of management performance.

Please remember that no company will perform well in all categories. There will undoubtedly be multiple areas where the target has performed well and others where it has performed poorly. Once all the data are processed and placed in perspective it is easier (not easy) to judge the target company as a whole.

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**Be sure to read checklist below. Pay close attention to the Works Cited section.**
Checklist for your Professional Summary:

- Use **ONLY** companies listed on stock exchanges in the United States. (Only your professor can grant exceptions.)

- Companies (both target and benchmark) **MUST NOT HAVE A DEFICIT.**

- Length: It should be at least 50 pages long and this **DOES NOT** count the appendix.

- The appendix should include **ALL** worksheets and bar charts from your PSC analysis template. Be sure that you **DO NOT HAVE** any unallocated assets, liabilities, or expenses. **You MUST** include the number of outstanding common shares on the appropriate line on the balance sheet. **In addition** to printing ALL the worksheets from your PSC, **you are required to add to the appendix of your report – data directly from the company's website or an SEC site. You MUST** include the balance sheet, income statement, and statement of cash flows **from** your target company. You must also include data about the Board of Directors.

- Page number your report (Professional Summary).

- Include a table of contents with the appropriate page numbers.

- Do not number your cover or first page.

- The report (professional summary) should have a spiral binding, preferably metal or sturdy plastic.

- It should have a clear plastic cover on BOTH the front and back of the report. It should have TWO (2) covers: one visible through the clear plastic protective sheet and a second behind that and on top of the table of contents. The first and second covers should not be identical.

- Make sure that your table of contents is not wavy.

Be sure to include your security code.

- This is essential to your grade.
- There is one and only one security code per student.
- Reports with no security code will not be accepted and those with duplicates will be investigated for copyright violations and plagiarism. Please be careful.
- Your security/authorization code is embedded in the upper right of the target Income-Ratio tab of the software. **If you have difficulty in locating the code, please ask your Professor for help.**

Be sure to include a “Works Cited” page.

**Works Cited Page**

Every semester project is expected to have a formal Works Cited Page with AT LEAST 10 completely different sources.

**Read on....**

**No specific style guide is required** **EXCEPT** you are expected to **be consistent.** In other words, if you start out using an APA method, stay with it and do not change to some other method. If you start with the MLA or the RVN methods, stay consistent.

Completely different examples of citing works are below and you may use these if you wish.
Example of citing method:

Another Example of citing method:
If you have any questions PLEASE ask your Professor.
Mistakes!

UNNECESSARY MISTAKES ON SEMESTER PROJECTS

How to reduce your semester project grade:

1. Your grade will be reduced if you use a minus sign on the PSC Income Statement (except where directed to do so by your professor)

   **DO NOT USE MINUS SIGNS ON THE INCOME STATEMENT!**
   **IF YOU BELIEVE YOU NEED TO USE A MINUS SIGN ON THE INCOME STATEMENT – SEE YOUR PROFESSOR FIRST**

2. Your grade will be reduced if you use a minus sign on the PSC Balance Sheet (except where directed to do so by your professor)

   **DO NOT USE MINUS SIGNS ON THE BALANCE SHEET!**
   **IF YOU BELIEVE YOU NEED TO USE A MINUS SIGN ON THE BALANCE SHEET – SEE YOUR PROFESSOR FIRST**

3. Your grade will be reduced if you do not carefully follow the following guidelines. You almost always have to use SOME minus signs in the Cash Flow section of the PSC. If you do not do so where appropriate, your grade will be reduced.

   ➔> When cash is "Provided" no minus sign is necessary
   ➔> When cash is "Used" a minus sign is a MUST
   **IF YOU ARE NOT SURE – SEE YOUR PROFESSOR FOR HELP**

4. Your grade will be reduced if you incorrectly report the number of common shares of stock outstanding on PSC the balance sheet
   (See the very last line.)

5. Your grade will be reduced if you leave the last line of the PSC blank (number of common shares outstanding) [see # 4 above]
6. Your grade will be reduced if you do not report dividends for your target company if they have been paid. To determine if dividends have been paid, go to the Statement of Cash Flows and look under FINANCING ACTIVITIES. If dividends are shown here, your company has paid dividends and you must report the dividends. **DO NOT REPORT THE AMOUNT SHOWING IN THE STATEMENT OF CASH FLOWS.** That is total dividends and you need dividends PER SHARE.

7. Your grade will be reduced if you do not show ANY OPERATING EXPENSES. A company cannot operate without operating expenses.

8. Your grade will be reduced if you do not show any INTEREST EXPENSE when a company has debt. If you cannot find the interest expense it must be estimated. There is a purple cell at the bottom of the target company's Income Statement in the PSC. Hold the cursor on the red triangle and it will tell you exactly what to do. If the benchmark company has no reported interest expense, repeat the process above.

9. Your grade will be substantially reduced if you do not include copies of the Income Statement, Balance Sheet, and Statement of Cash Flows from your target company's AND benchmark’s website or an SEC site. → **DO NOT USE** third parties such as Yahoo!finance to access Income Statements, Balance Sheets, or Statements of Cash Flow.

10. Your grade will be significantly reduced if you do not include ALL the tabs from your Performance Scorecard analysis template.

11. Your grade will be significantly reduced if you do not follow EXACTLY all of the guidelines for writing your semester project.

12. Your grade will be significantly reduced if you do not include the Beta, Historical Share Price, EPS, and Diluted EPS.
There is only one security code assigned to each student. It is crucial to your grade.

All this identifying data must be included.

Your name:
Course section #
Pin:
Security code:

"Security Code" will be assigned by THE PUBLISHER.

Notice binding

Include the ticker symbol

PSC
Performance Scorecard analysis template must be accessed from the PUBLISHER.
Few would argue that government antitrust policy has had an effect on merger and acquisition (M&A) activity but on what factors does this policy really focus? The focus of the enforcement authorities (the Antitrust Division of the Department of Justice and the Federal Trade Commission) toward mergers has experienced numerous changes over the years. Changes have been driven by both economic as well as political factors.

In the early 1960s, guiding factors were viewed in terms of structural parameters such as market concentration and the portion of the total market the new combined firm would command. Beginning in the early 1980s, the importance of efficiencies associated with mergers was emphasized to governing authorities by political lobbyists. Attorneys and lobbyists for merger-desiring companies insisted that the 1960s were a time of misguided thinking:

1. It was misguided by perceiving cost savings associated with mergers as a threat to open competition by larger firms and drive a profit-centered frenzy.
2. It was misguided by suggesting that any cooperative behaviors on the part of corporations would change their strategic actions in such a way as to decrease choices and increase costs for consumers.
3. It was misguided in thinking any increase in concentration of corporate focus by means of mergers would increase the probability of collusion.
4. It was misguided in thinking mergers would permanently eliminate large numbers of jobs and wield extreme damage on small and/or disadvantaged communities.

By the late 1980s, the corporate push-back appeared to have motivated the FTC to modify and relax its stance on corporate mergers and acquisitions. However, in recent years the FTC has resumed its tough anti-merger rhetoric. Interestingly though, to this point it has taken few actions to actually prevent mergers or acquisitions from moving forward.
Nevertheless, it is possible that the tough talk has affected proposals for mergers and acquisitions since corporate attorneys and other M & A experts tend to examine comments of the FTC and structure their proposals in a congruent manner.

So, let’s assume we need a tougher thinking, talking, and acting FTC to prevent undesirable M & A activities. One team will assume the position of FTC judge and attempt to prevent inappropriate mergers. This team of FTC judges will consider the case brought before them by the merger-desiring team and then carefully consider the facts. They will either approve or disapprove the merger but in either case they will CLEARLY STATE THEIR REASONING.

The second team, Team “Merger” will attempt to make a strong case for the appropriateness of the merger and attempt to convince the FTC judges they should approve the merger.

I. Thus, there will be two (2) teams involved in this exercise (skit).
   1. Team “FTC judges”
   2. Team “Merger”

II. Two companies will be selected by the Professor as merger candidates. The names of the two companies will be given to both Team Merger and Team FTC Judge. Each team will research and collect decision-useful information on each company.

III Remember: Team Merger wants the merger to be approved and Team FTC Judges must determine and rule on whether the merger is appropriate.

IV. Since in most mergers there is a dominant firm, Team Merger will be the Top Executives (TMT) of the dominant firm – (the company wishing to take control of the merged firms). This team will make a strong case as to why the firms should be allowed to merge.

V. Both teams are expected to perform due diligence in supporting their positions.
   a. Team Merger will make the case as to why they should be allowed to merge by addressing issues of:
      i. Who will benefit by the merger?
ii. How will customers be affected?
iii. How will they benefit by the merger?
iv. What will change as a result of the merger?
v. If nothing changes, why have the merger?
vi. How many total employees do the two firms currently have?
vii. How many employees will the two firms have after the merger?

b. Team FTC Judge will ask appropriate questions to either validate the other team’s desire to merge or to reject the merger. Issues shown above as points to be addressed by Team Merger should also be asked by the FTC judges.

Teams will earn a grade based primarily on their due diligence –
1. Did they do sufficient research?
2. Do they seem to understand what they are discussing?
3. Did they adequately consider their arguments?
4. Did they present their argument or questions in a clear manner?
5. Grades will be determined by both a class vote and by the Professor

Team “FTC judges” –
Your job is not NECESSARILY to prevent mergers and acquisitions but rather to ask the tough questions so as to ascertain that a merger or acquisition will not harm:
1. Consumers
2. Employees
3. The Environment
4. The Shareholders
5. The Community

Investigate:
1. How will the company change the way it does business?
2. Will it reduce the number of employees?
3. Will it dominate the market and minimize competition?
4. Will it better serve customers?

FTC judges – you MUST do your own homework to investigate the two companies. You should do AS MUCH WORK as the team attempting to get the merger approved.

Take this seriously!!!!
Team “Merger” –

You are expected to do your homework on the two companies selected by the Professor. You can select either company to be the takeover firm. In a merger, usually one company is the dominant player so we should make that assumption.

You are expected to research both firms thoroughly. You will then make a solid case that the merger/acquisition will not have negative consequences on consumers, investors, employees, or the community.

Merger Structure and Consequences –

How will the firm change as a result of the merger and who will be affected and how will they be affected?

Discussions will include but not be limited to:

1. Corporate governance structure (before and after merger)
2. Vision, mission, and strategy of new firm
3. Conditions of the general environment making the merger logical
4. Conditions of the competitive environment such as not to become a monopoly
5. The executive talent – How the TMT is uniquely qualified to head the new organization
6. The Satisfaction Chain – how customers, employees, and shareholders will be benefited or at least, not penalized.
7. The impact on the environment and community if the merger progresses
8. The board of directors –
   a. How many people are on the current two boards
   b. How many will be on the new board
   c. How will the boards change and why
      i. Consider issues of gender
      ii. Consider issues of diversity
      iii. Consider experience and background of board members
Merger Activities Rules and Timing:

(1) Team seeking merger will be allotted 10 minutes to introduce their two companies and to explain the positive dimension of their proposed merger.

(2) The judges will be given 5 minutes to confer privately followed by 5 minutes of discussion with the classroom audience. *Team Merger will leave the room during this discussion.*

(3) The judges will be allotted 5 minutes to respond to Team Merger's proposal. Team Merger will return and the judges will indicate their initial predisposition either to allow the merger to move forward or to reject the merger. Under EITHER situation, the judges will present AT LEAST three questions to Team Merger related to the potential merger. The questions must be in writing and very relevant to the potential merger.

(4) Team Merger will be given 5 minutes to confer privately.

(5) Team Merger will be given 5 minutes to provide a rebuttal to each of the judge’s questions in hopes of changing their minds.

(6) The judges will be given 2 minutes to confer as to whether they are satisfied with the answers presented by Team Merger.

(7) The judges will then issue their final opinion and each vote independently. Votes will then be given to the Professor: 1 minute

→ Team Assignments and companies to be used are posted on the course website.
The Great Debate

Rules and Timing:

➢ (1) Each Team will be allotted 5 minutes to introduce their company with no interruptions from the other Team.

➢ (2) Each Team will have 5 minutes to compare and contrast their company to the other. Emphasize why the strategy of your company is superior to the strategy of the other company. FACTS TO SUPPORT EACH STATEMENT should be provided. There are no interruptions during this period.

➢ (3) Each team will be allotted 3 minutes to rebut arguments, criticize the rival company, and/or promote the strategy and performance of their firm. There are to be no interruptions.

➢ (4) Both teams will have 2 minutes to DEBATE vigorously for their team and/or against the other. Interruptions are fine at this point but blunt weapons are discouraged. NO LOUD VOICES – PLEASE!

Volunteer timekeepers will earn 25 bonus points.

CENTRAL FOCUS OF DEBATE:
Why an investor should invest in MY company rather than the company of the other team.
Peer Evaluation

is on the next page.
Please detach and give to your Professor
at the end of
the semester.
Detach and Present to Professor at end of semester
Confidential

Evaluate each person on your team and then put this form in an envelope, seal it, and give it to the professor

PEER EVALUATION FORM

Write in the name of the person being evaluated and then put an X in the number column to signify performance.

See scale below – 1 to 7 with 1 being the worst grade and 7 being the best.

*Do not evaluate yourself

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Your Team number (1-6): ______

Ratings:
[1] Did not act like a team member. Aloof and disinterested
[2] Talked about being a team member but made no measurable contribution.
[3] Made some contributions but was inconsistent in willingness to contribute.
[4] Contributed when asked but mostly willing to let others do the work
[6] Exceeded expectations
[7] Major contributor to team's work