MGT 682
Graduate
Strategic Management
2019
Tuesday/Thursday 8:45 AM – 10:05 AM
Room: BB 231
Professor: Ray Van Ness

Syllabus
**Masters: Strategic Management**

*What is this “MANAGEMENT” course about?*

1. It is about assessing corporate strengths, weaknesses, opportunities and threats.
2. It is about contemplating effective corporate strategies for capitalizing on strengths to take advantage of opportunities and shoring-up weaknesses and minimizing threats.
3. It is about refining **TEAM WORK ABILITY**
4. It is about refining **PEOPLE SKILLS**
5. It is about refining **CRITICAL THINKING SKILLS**
6. It is about refining **COMMUNICATION SKILLS**
   a. Practice communicating technical information
   b. Practice communicating sometimes “dry” but important data
   c. Practice capturing and holding the attention of others
7. It is about refining **POWER OF PERSUASION SKILLS**
   a. Effective managers must develop strong persuasion skills
   b. Aristotle, the Greek philosopher, identified three methods of persuasion and effective managers have mastered each:
      i. Logos = Persuasion by reasoning
      ii. Pathos = Persuasion by emotional appeal
      iii. Ethos = Persuasion by Character

*You are encouraged to practice each of these persuasion skills.*

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**What is this course NOT about?**

1. It is NOT to introduce numerous new technical concepts, *although there will be some.*
2. It is NOT specifically about new TECHNICAL skills, *although you will have the opportunity to REFINE your current technical skills-set.*
Prerequisite: 3 Credits of graduate course work

Bulletin Description: “Develop an overall management viewpoint integrating the specific perspective of various specialized business functions. Comprehensive cases are used to provide experience in determining general enterprise objectives and policies, defining related problems, planning programs of action and appraising results.”

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COURSE FORMAT

The course is taught **experientially** in a workshop format including: (1) short student presentations of strategy concepts and (2) student analysis, discussion, and presentation of strategic issues related to specific publicly traded corporations (case studies). The course will also involve structured student debates. Since class activities will focus on assigned readings of strategic concepts and related case studies – **it is essential that these readings be completed before the class period where they will be discussed.** Core focus will include: strategic theory, crafting and executing strategy, analysis of the external environment, assessing resources and competitive positioning, generic strategies, strategies for foreign markets, strategies for specific industries and companies, strategic diversification, ethical decision-making, social responsibilities, corporate culture, and strategic leadership.

TEXTS AND MATERIALS

- *A Guide to Case Analysis* (Located on 682 course web page)
- **Course web page**: [http://www.albany.edu/faculty/vanness/682/682index.pdf](http://www.albany.edu/faculty/vanness/682/682index.pdf)
- **Cases as assigned by the professor**
COURSE PURPOSES

Strategic management considers an integrative set of issues that determine the future directions of organizations. The purposes of this course include:

To provide the student with the opportunity to participate in an environment where the real world of business is replicated to every extent possible and challenges and opportunities are identified and faced in a creative and effective manner.

To provide an opportunity to experience an environment of differences of opinion and observe how tensions from this environment can be healthy and creative.

To introduce and employ strategic concepts, and analytical frameworks that enhance abilities for identifying key issues, planning alternative courses of action, measuring progress, and setting the stage for achieving corporate goals.

To encourage students to learn from peers by encouraging free and open expression of ideas. The real world is not one of certainty, therefore, within the classroom; reasonable people (with different experiences) will view management differently. This creates a healthy and creative tension. Management, whether discussed in the classroom or discussed within a firm involves “making sense together.” The very idea of making sense involves a creative process and is personal (subjective). Conjectures and (subjective) knowledge based on your personal experiences are highly valued within the conversation of this class.

KNOWLEDGE/SKILLS/COMPETENCIES

It is expected that students will learn to: link theory and practice; develop an understanding of how to use strategic management tools to initiate and implement problem processes and to capitalize on opportunities; identify management strategies which are appropriate to various scenarios and evaluate alternatives; implement strategic research activities; evaluate and analyze facts to identify opportunities and threats in the external environment and strengths and weaknesses within the organization; develop financial projections for strategic assumptions; and understand and explain the importance of ethical reasoning and ethical decision-making.

PROFICIENCY MEASUREMENT (OUTCOMES ASSESSMENT)

Students will demonstrate their expertise by:

- Identifying crucial factors that impact strategic decision-making, implementation, and evaluation.
- Conducting an organizational resource-based situational analysis.
- Assessing the environment and evaluating the volatility of the industrial position of a specific company.
- Developing comprehensive business strategies through a scenario planning process.
- Evaluating corporate competitive positions.
- Evaluating alternative strategic actions.
- Communicating conclusions clearly through both written and oral presentations.
**Ethics:**
Concepts of ethics and ethical reasoning will be integrated throughout the course. Since a primary emphasis within 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:**

Absences, late arrivals to class, and/or early departures will affect your course performance.

Attendance at every scheduled class for the entire class time is very, very important. A significant amount of work for this course will be done within small groups and then presented to the entire class. It is essential that each student attempt to attend every session since this is the primary opportunity to contribute to the group and the class. Obviously, if you are not in class you cannot participate.

Also, arriving late or leaving early is disruptive and your ability to contribute to and learn from the class activities will be hampered. Arriving late and leaving before a class is ended will be counted as time absent from class. Absences hurt everyone. Of course, there may be instances where absence is necessary but since the quality of learning is associated with classroom involvement, any student who misses 4 hours of class time for any reason (late arrival, early departure, or missed classes) will be required to demonstrate course competency by taking a comprehensive final exam.

ALL ABSENCES ARE CONSIDERED NECESSARY SO NO DOCTOR’S EXCUSES, PLEASE. The required final exam is not meant as a disciplinary action, it is intended to ensure academic integrity. **If you are required to take the final exam and do not do so, a zero [0] will be averaged into your exam grades.**

If there is any part of this policy that you do not understand, please ask your professor immediately.

**Final Grade Conversion: Total points you earn divided by 10000**

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

Classes are structured to maximize student involvement. Teams will TAKE OVER.

There are a series of activities that requires the involvement of everyone:
1. Strategic Management Concepts Presentations (Each team will present twice)
2. Case Study Presentation (Each team will present twice)
3. Investment Exercise
4. Video Presentation
5. Quizzes (Two – NOT TAKEN AS A TEAM) & Optional final exam

Note: Teams are comprised of two (2) to three (3) people.

Concepts: Presentations & Follow-up Questions

1. ➔ Concepts Presentation/Discussion:
   Each class will have a “Concepts Segment” presented by an assigned Team(s). There will be two (2) concepts presentations for each team. The first will be presented by your team only and the second will be presented by your team in cooperation with another other teams.

   The quality of the presentations will be evaluated and graded by the non-presenting class members and by the professor. The grade will be assigned to each member of the team.

   The Professor will assign bonus points to individual students who ask thought-provoking, graduate-level questions of the presenters. This grade will be awarded ONLY to the individual student not to entire teams.

Case Studies: Presentations & Follow-up Questions

2. ➔ Case Presentation/Discussion:
   Case Studies will be assigned to teams for presentation and discussion. All students in this course will be expected to read and express knowledge of each case study assigned BEFORE the CLASS BEGINS. You will be graded on your knowledge of the case.

   The quality of the presentations will be evaluated and graded by the non-presenting class members and by the professor. The grade earned will be assigned to each member of the team.

   The Professor will assign bonus points to individual students who ask thought-provoking, graduate-level questions of the presenters. This grade will be awarded ONLY to the individual student not to entire teams.
3. **Video Presentation:**
Each team will create a 2-part video examining thoughts related to:
1. Good and Bad Corporate Strategies
2. Good and Bad Corporate Cultures. Include sensitivity issues associated with gender considerations and other forms of harassment and/or discrimination.

4. **STRATEGY (INVESTMENT) Exercise:**
Each team will pick a company in which to invest. The team will examine its strategic actions including its strategic decisions related to acquisitions of other firms. Each team will present their investment decisions and provide reasoning for those decisions.

5. **Quizzes:** Two mid-semester exams and one final exam. Obviously, these are taken individually.

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**Final Grades:**

Final letter grades will be determined as a percentage of points earned divided by the total possible points.

**Percentage Scale:**

- A = 96-100
- A- = 90-95
- B+ = 87-89
- B = 83-86
- B- = 80-82
- C+ = 77-79
- C = 73-76
- C- = 70-72
- D = 61-69
- E = < 61
Maximum Points possible for individual assignments

Important note about points for each activity – See below

1a. 1st Concepts Presentation:
Each Team presentation to class (two presentations)
(1) Class assesses (1000 points)
(2) Professor assesses (1000 points)

1b. 2nd Concepts Presentation:
Each Team presentation to class (two presentations)
(1) Class assesses (1000 points)
(2) Professor assesses (1000 points)

2. Case Study Segment:
Team presentation to class
(1) Class assesses (1000 points)
(2) Professor assesses (1000 points)

3. STRATEGY (INVESTMENT) Exercise:
(1) Class assesses (1000 points)
(2) Professor assesses (1000 points)

4. Video Presentation
(1) Class assesses (1000 points)
(2) Professor assesses (1000 points)

5. Quizzes:
(1) Test one (Computer scored)
(2) Test two (Computer scored)
(3) Final Exam (Computer scored)

1 All points are for perfect performance. Since it is unlikely that every performance will be perfect, points will be awarded as a percentage of perfect.
**Method of computing points awarded for activities**

**CAUTION!**

NO POINTS will be awarded to any team member who does not participate in a classroom activity. If you miss class you cannot participate. If you cannot attend a class and wish to earn credit you may petition the professor to assign a case study to you. Whether your request is granted is solely the option of the professor. If it is granted you will be assigned a case study and you will then write a five to seven page summary paper. If the paper submitted is acceptable to the professor it will be assigned the same grade achieved by the team for the exercise missed by the paper's author.

**Achievement numbers as shown in Table 1 will be assigned to each activity.**

<table>
<thead>
<tr>
<th>Achievement # for student 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>
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<tr>
<td>7 = Contributions were adequate (met the low end of minimum expectations)</td>
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<tr>
<td>8 = Contributions met the high end of expectations. They were carefully considered and clearly focused.</td>
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<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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Achievement numbers will then be converted using Table 2 to a percentage to be multiplied by the full value of the activity.

For example, if a 400-point activity were rated as an "8" the conversion table would result in – [400 x .85 = 340]. In other words, the total points awarded for a specific activity to the individual team or student would be 340. If you have any questions about the grading format please ask the Professor.

<table>
<thead>
<tr>
<th>Table 2</th>
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<tbody>
<tr>
<td>10 = 1.00 x exercise value</td>
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<tr>
<td>9 =  .95 x exercise value</td>
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<tr>
<td>8 = .85 x exercise value</td>
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<tr>
<td>7 = .74 x exercise value</td>
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<tr>
<td>6 = .64 x exercise value</td>
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<tr>
<td>5-1 = .50 x exercise value</td>
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CASES –
Two Steps to Each Analysis

You will be assigned a textbook case study (See team assignment page above). **What do you do next?** There are TWO (2) steps

✔ 1. **Step One: Preparing the Case:**

*Don't just report facts!!*

Assess the **MEANING** and **FUTURE IMPLICATIONS** of the facts.

1. Study the case assigned.
2. Ask the professor for helpful "hints" to assist in your task.
3. Go online and download the most recent 10k for the company as supplemental information as to what has happened recently.
4. **Read letters to Shareholders**
   – look for key points and highlight these in your presentation
5. **Read proxy statements**
   – look for significant issues or shareholder proposals and highlight these in your presentation
6. **Review the Balance Sheet**
   – (a) Report on the current ratio and how it has changed.
     Comment on the significance (or implications) of their specific ratio
   – (b) Report the ROA (Return on Assets). What is it, what was it in the previous period, and how does it compare to the nearest competitor?
   – (c) Report the ROE (Return on equity). What is it, what is it in the previous period, and how does it compare to the nearest competitor?
   – (d) Report any other ratios that seem significant to you
7. **Review the Income Statement**
   – (a) Report the percentage change in revenue. How does this compare to the nearest competitor? [*Horizontal Analysis & cross-sectional analysis*]
– (b) What is the ratio of net income to revenue? How has it changed from the preceding period? How does this compare to the nearest competitor? [Vertical Analysis]

– (c) Certainly there are many other interesting items on the Income Statement? What are these and how are they likely to impact future strategies?

8. Per Share Data
– (a) What is the company’s basic EPS (Earnings Per Share) and how has it changed from the preceding period? How does this compare to the nearest competitor?

– (b) What is the company’s diluted EPS (Earnings Per Share) and how has it changed from the preceding period? How does this compare to the nearest competitor?

– (c) Did the company declare dividends? If so, what were they and how did they change from the preceding period? How does this compare to the nearest competitor?

9. Review the Statement of Cash Flows
– (a) Examine cash flows from Operating Activities.

– (b) Is the number healthy?

– (c) How does it compare to the preceding period?

– (d) Does the change suggest anything about future challenges?

– (d) How does this compare to the nearest competitor?

10. Beta
– (a) Compare the company’s Beta to the closest competitor.

– (b) What does this suggest to you?
2. **Step Two: Presenting the Case**

1. **Introduce** and describe the specifics of your textbook Case to the Class – including your assigned Case Questions

2. **Offer your solutions** to the Class AND ask the class for suggestions

3. **Post Mortem Analysis** – (after the event discoveries) Report the discoveries from your current 10k analysis to the issues in the textbook case.

   Linking an older case study can be tricky but it can also provide insights into how specific challenges and strategies have influenced subsequent corporate performance.

4. **Open the discussion** to the class AND answer questions by class and Professor

5. **Summarize** and End (Professor will signal when this should be done)

   **Use Power Points for your presentation**
Case Study DOs and DON'Ts

A common reaction to a case is “I don’t have enough information.” While this predicament will also be true for many of your “real-world” business decisions, you must still select a course of action. This requires you to make reasonable assumptions, conduct the analysis accordingly, and act based on the available information. Re-stating the case facts is not enough (and often not even necessary). While the reading materials will provide you with a framework, *there are no simple formulas.* (Please remember: Not every case must – or even should – have a SWOT analysis!) Begin with the general assignment question and conclude with recommendations as to what the company should do in the future or generalize your learning to similar situations. Hence, while the assignment question for each case serves to open up your analysis and the class discussion, it is just the starting point. The readings, discussions with classmates, prior courses, work experience, overall knowledge, and a lot of thought should provide additional information, insights, and ideas for your analysis. And while it is interesting to know subsequent events, the purpose of case analysis is *not* to update the case. (Indeed, the course Web site contains sufficient additional information.) Besides, recent actions taken are not necessarily the correct ones, as if there is ever a “correct” answer.

Do not offer large pieces of factual information. The executive team does not need it. Why would managers read a generic background on their own company? You don’t waste the CEO’s (or instructor’s) time. Similarly, don’t extract lengthy quotes from the case and especially don’t hit the “print” key too quickly when viewing articles on the Internet. Instead, summarize, synthesize, and integrate all available information.

Do not offer your gut feelings (unless you have a successful track record in business). While your opinions are valued, they must be substantiated with thorough analysis and critical thinking. Superficial or obvious statements are not welcome.

Do demonstrate your understanding of the reading materials. The purpose of cases is to learn and apply concepts, so it is critical you integrate information from the text and assigned articles, a Web site that discusses the topic (not the case), the company Web site or other update that informs your analysis, and/or a self-assessment or exercise that applies the topic to you personally.

Provide your analysis. Conduct financial, organizational, and environmental analysis as necessary. Again, do not repeat do not repeat do not repeat the case. Instead, you should gather relevant information and cite the source(s). Or, identify potential problems and areas for further study when information is insufficient, inadequate, and unavailable. Or, offer your insights (without repeating, repeating, repeating the case).

Be creative. Here is your opportunity to communicate your view of the case and topic in your own special way. You should not feel obligated to follow a specific approach, but you should address the requirements covered here.

Make your recommendations. You might be used to analyzing cases to identify and discuss “What Happened To Our Previous Strategy?” (“Aha – That’s What Went Wrong!”)
Since strategy requires actions about the future, your recommendations should examine what to do at the end of the case and not what they should have done in the past.

Lessons learned. What additional thing(s) do you now know about strategic management? Can you advance the topic or the field? Here is an opportunity to be creative, use personal experiences, synthesize and integrate the readings, and generalize your findings.

Attach supporting documents as Appendixes or Exhibits. The most important part is the tables and charts, graphs and graphics, pro formas and data analyses, WWW sites, etc. that reinforce, support, substantiate, and clarify your outline. They are not opportunities to elaborate your written discussion and should not be in prose! (For instance, do not discuss an outline topic “In greater detail”!) Please, please, please do not attach complete articles of any sort or use this as an opportunity to continue any aspect of your outline.

Case analyses must demonstrate the following:

➔ Insight (identify key issues)
➔ Analysis (avoid mere summaries of the case)
➔ Originality (be creative, innovative, imaginative)
➔ Effort (appearance, organization, overall style)
➔ Clarity (consistent writing style, format)
➔ Integration (incorporate other information and knowledge)
➔ Application of theory (ability to apply the reading materials)
➔ Thoroughness (comprehensiveness)
➔ Recommendations (strength and support; internal consistency)
➔ Practicality (recognize organizational realities; e.g., politics, culture, informal rewards)
➔ Generalize learning to the session topic (synthesize lessons from the case, Web sites, & readings)
➔ General interest (persuasiveness, stimulation)
STRATEGY-driven \textit{(Investing)} Exercise

STRATEGY-INVESTMENT EXERCISE

15-minute Power Point Presentation
10-minute Q & A period
2-minute grading period

It is a Graded Exercise (Both students and the Professor will grade the exercise)
STRATEGY-INVESTMENT EXERCISE

(27 minutes)

15-minute Power Point Presentation
10-minute Q & A period
2-minute grading period

This objective of this exercise is to focus your attention on the correlation between management strategies and corporate performance. Particular attention should be paid to the firm’s decisions related to acquisitions of other companies.

You should:

(1) Examine the background of the top management team,
(2) Identify the key corporate strategies, and
(3) Assess past performance and future potential.

It is a Graded Exercise (Both students and the Professor will grade the exercise)

1) Each team will make a 15-minute Power Point presentation to the class

   a. Each Team will be provided with an imaginary one million dollar investment fund ($1,000,000).
   
   b. The Team will be expected to select a company in which to invest the money.
   
   c. The Team will make a 15-minute Power Point presentation to the class using at least 6 of the financial matrices which appear in their Performance Scorecard AND at least 6 qualitative considerations as shown in the Textbook and on the Performance Scorecard.
   
   d. Financial considerations could include such items as:
      ➢ Beta
      ➢ Price/Earnings Ratio
      ➢ Return on Equity
      ➢ Return on Assets
      ➢ Dividend Yield
      ➢ Share Price growth
      ➢ Current Cash Coverage Ratio
e. **Qualitative considerations could include such items as:**
   - Relationship with employees
   - Customer loyalty
   - Sensitivity to Environmental concerns
   - Stockholder relations
   - The firm’s Vision for the future
   - The firm’s level of competitive advantage

During the 15-minute presentation, the Team **MUST** explain **why** they believe **the ratios** they’ve selected are important to their investment.

2) **After the presentation, the Team will answer class questions for 10 minutes**

**VOTING:** The class will be given 2-minutes to vote. All votes are to be strictly confidential.

3) Each presenting team will keep a daily record of the stock performance of their selected company and keep a daily log of how much their $1,000,000 original investment is currently worth. **All initial transaction costs should be ignored since the one million dollar original investment should be considered a net investment.**

4) **At the end of the semester, each team will report the class on what their original $1,000,000 is currently worth. This report will NOT BE A GRADE CONSIDERATION.**

This exercise is exhausting
1) Each team will create a video of at least 30 minutes in length.
2) The video will center on two different concepts as they have or could have occurred in your specific company as assigned by the professor:
   a. An assessment of the corporation’s good and bad aspects of strategy for future growth.
   b. An assessment of the corporation’s good and bad aspects of treatment of sensitive issues related to gender considerations and other forms of potential discrimination.
3) After completing the presentation, each team will lead a class discussion of issues related to discrimination issues and other bad behaviors by management.
4) The videos can include staged interviews, YouTube clips, etc. Be creative and have fun as you address these very important issues.