

THE UNIVERSITY OF TEXAS AT ARLINGTON
MANA 5336 - BUSINESS POLICY

Spring 2007

Section : 002

Instructor: : Abdul Rasheed
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Office Hours : By appointment

Class Time : Tuesday 7-9:50 Location: Room 253

Required Text : Grant, R.M. Contemporary Strategy Analysis: Concepts, Techniques and Applications. (5th edition) Blackwell Business, 2005.

Cases need to be separately purchased from the book store.

Course Description

The focus of this Business Policy course is on corporate level and business-unit level strategy formulation and implementation. It requires the application of the knowledge and techniques learned in the earlier courses in an integrated fashion. The basic theme of the course is the concept of strategy which encompasses the relationship between a business enterprise and its environment. The topics to be covered include industry analysis, internal analysis, achieving and maintaining different types of competitive advantage, and management of the diversified corporation.

Along with text material, case studies will be used in this course as a mechanism for the development of analytical and decision-making skills and highlighting the reality of organizational and environmental uncertainties in strategic decision making. In short, this course attempts to encourage an integrated, multifunctional, "general management" perspective of the organization and its environment. You will be required to study the assigned text and cases, analyze them and share your insights with the rest of the class.

Evaluation and Grading Procedure

The final grade for the course will be based on performance in the following:

Exams	:	55
Term Paper	:	35
Class Participation	:	10

Exams: There will be two exams, one midterm and a final. These will be closed- book, in-class exams requiring essay type answers.

Term Paper: You will work in groups of four to analyze a case. Assignment of the cases and explanation of the assignment will be provided later.

Class Participation:

Active participation is expected from students in the course. Both the quality and quantity of participation will be evaluated by the instructor in calculating your grade.

Attendance is a necessary but not sufficient condition to get a satisfactory class participation grade.

Student Learning Outcomes:

After completing the course the student will be able to:

1. Conduct an industry analysis
2. Conduct an analysis of a company's external environment
3. Conduct a company's internal analysis and identify strengths and weaknesses
4. Identify and evaluate a company's strategies at the business level
5. Identify and evaluate a company's strategies at the corporate level
6. Analyze issues associated with implementation of a firm's strategies.
7. Evaluate strategic options available to a company and make recommendations regarding the most appropriate future strategy for the firm.

This is a cell phone free class. Make sure that your phones are switched off at all times.

Session	Date	Topic/Assignment
1.	Jan 16	Introduction/Administrative Matters Ch 1: The Concept of Strategy
2.	Jan 23	Ch 2: Goals, Values, and Performance Ch 3: Analyzing the Industry Environment
3.	Jan 30	Ch 4: Intra-industry Analysis
4.	Feb 6	Corporate Governance <i>Reading:</i> Hitt, M.A., Ireland, R.D., & Hoskisson, R.E. "Corporate Governance." pp.300-333. Case: <i>Sears, Roebuck & Co.</i> (13 pages) <u>Issues for Analysis</u> 1. What does a SWOT analysis tell you about Sears? 2. Describe the corporate governance issues related to Sears and explain how corporate governance mechanisms have affected the strategy and performance of Sears. 3. What do you see as the weaknesses and strengths of U.S. corporate governance systems based on the insights from the Sears case?
5.	Feb 13	Ch 5: Analyzing Resources and Capabilities Case: <i>Crown Cork and Seal in 1989 #9-793-035</i> (22 pages) <u>Issues for Analysis</u> 1. What are the most significant factors affecting competition in the metal container industry? 2. What strategy does Crown Cork have for competing in this industry? 3. What advantages, if any, does a firm the size of Crown Cork have over American Can and Continental Can? How do you explain the comparison shown in Exhibit 3 in the case? 4. What recommendations would you make to management?

6. Feb 20 Ch 7: The Nature and Sources of Competitive Advantage
Ch 8: Cost Advantage
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7. Feb 27 Ch 9: Differentiation Advantage

Case: *Google Inc. #9-806-105* (34 pages)

Issues for Analysis

1. What were the key factors behind Google's early success?
 2. Do you expect the search business to become more concentrated? Is search a winner-take-all business?
 3. In renewing its deal with AOL, could Google afford to pay AOL more than 100% of the revenue generated from AOL searches? How did Microsoft's maximum affordable bid for AOL's search traffic compare to Google's?
 4. In addition to enhancing its core search businesses, should Google also branch out into new arenas? Which of the following would you recommend: (1) building a full-fledged portal like Yahoo!; (2) targeting Microsoft's desktop software hegemony; and/ or becoming an e-commerce intermediary like eBay?
 5. Do you view Google's distinctive governance structure, corporate culture, and organizational processes as strengths or potential limitations?
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8. Mar 6 **MID TERM EXAMINATION**
(Will cover chapters 1-9, and Session 4, except chapter 6)
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9. Mar 20 Ch 11: Technology-based Industries and the Management of Innovation
(Read Chapter 10 in preparation for this class)

Case: *Matching Dell #9-799-158* (22 pages)

Issues for Analysis

1. How and why did the personal computer industry come to have such low average profitability?
 2. Why has Dell been so successful?
 3. How big was Dell's competitive advantage before competitors started efforts at matching Dell? Calculate Dell's advantage over Compaq in serving the corporate customer.
 3. How effective have competitors been in responding to the challenge posed by Dell's advantage? How big is Dell's remaining advantage?
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10. Mar 27 Ch 12: Competitive Advantage in Mature Industries
Ch 13: Vertical Integration and the Scope of the Firm
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11. Apr 3 Ch 14: Global Strategies and the Multinational Corporation

Case: *BRL Hardy: Globalizing an Australian Wine Company* #9-300-018 (20 p)

Issues for Analysis

1. How do you account for BRL Hardy's remarkable post merger success?
 2. What is the source of the tension between Stephen Davies and Christopher Carson? How effectively has Steve Millar handled their differences?
 3. Should Miller approve Carson's proposal to launch *D'istinto*? Why/why not?
 4. What recommendation would you make to the organization concerning the conflicting proposals for *Kelly's Revenge* and *Banrock Station*? What would you decide to do as Carson? As Millar?
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12. Apr 10 Ch 15: Diversification Strategy
Ch 16: Managing the Multibusiness Corporation

13. Apr 17 Ch 6: Organization Structure and Management Systems

Case: *Automation Consulting Services* #9-190-053 (11 pages)

Issues for Analysis

1. How should the ACS founders deal with the problems they have identified? Be as specific as possible in making recommendations for each of the four offices.
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14. Apr 24 **CLASS PRESENTATIONS**

15. May 1 **CLASS PRESENTATIONS**

May 8 FINAL EXAM 8.15 TO 10.45 P.M