

BSP 3001B Strategic Management

Semester: 2020/2021 Semester 2
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I. Description

This module introduces key concepts, tools, and fundamental issues in strategy. The module is focused on the information, analyses, skills, and business judgment managers must use to craft strategies to maximize long-term performance in the face of uncertainty and competition. We will cover all essential aspects of strategic management: strategy analysis (internal and external), strategy formulation at different levels of the organization, and strategy implementation. We will also reflect on the strategic purpose of organizations, and their roles towards shareholders, stakeholders, and society.

Students will take the perspective of the general manager who has the overall responsibility for the performance of the firm. The general manager's most basic tasks are to understand the drivers of current firm performance, identify the changes that are most likely to affect future performance, and determine how to utilize the firm's resources to achieve a sustainable competitive advantage. At the end of the module, students will gain an appreciation for the challenges inherent to managing organizations and the nuances of formulating strategies in the face of an ever-changing environment. This module is designed as an integrative and interdisciplinary course, and draws together and builds on all the ideas, concepts, and theories from your previous introductory modules in economics, accounting, finance, and marketing.

II. Learning Objectives

The most interesting questions are those for which there is no immediate or obvious answer, and the field of strategy deals with exactly this type of question. In this module, the emphasis is not just on acquiring knowledge and applying frameworks. Students will be expected to exhibit traits of excellent strategists, including going beyond the tools offered, questioning received wisdom, extending and adapting the frameworks, and exhibiting critical thinking. The module will be problem-focused and managerially relevant. The learning objectives for this module are:

- **Theory and Concepts.** This module provides the key concepts, tools, and principles of strategic management. The module covers theories for in-depth industry and competitor analysis, for analyzing the impact of various forces (e.g. technological advances, government regulation etc.) on industry competition and evolution and for anticipating and predicting future industry developments. The module also examines the economic underpinnings of competitive advantages and the fundamental conditions that allow firms to create and sustain advantageous strategic positions. The module also covers concepts and theories for corporate strategy decisions such as diversification and vertical integration and global strategy decisions such as international expansion and growth.
- **Analytical Skills.** Theoretical concepts are a great aid to understanding, but by themselves are not enough to resolve real business problems. You also need a set of useful analytical tools and skills that can be applied to the data to question and validate the facts and premises assumed in the theories. Some of the tools are quantitative –

analyzing financial statements, calculating the effects of scale and learning on production costs, for example – while others are more qualitative. Learning how to apply these techniques and when to apply them is a key objective of the module.

The module will offer you experience in conducting a comprehensive strategic analysis of a company. This involves performing an in-depth external analysis of the firm's industry and competitors as well as a thorough internal analysis of the firm's objectives, strategies, competitive advantages and financial performance, identifying the key strategic problems faced by the business, formulating solutions for addressing them and developing an effective implementation plan.

- **Critical Thinking Skills.** The module will place a special emphasis on developing your critical thinking skills and enhancing your ability to present a thoughtful critique of others' arguments, analyses and supporting evidence. These skills will also help you to gather information, prepare thoughtful analyses and build compelling arguments.
- **Communication Skills.** The best analysis will have little effect if it cannot be communicated to others. Managers must be able to articulate their views coherently and persuasively. Perhaps 90% of a typical manager's day is consumed by communication. Time is often scarce. You must learn to make convincing arguments and to make them quickly. Developing this skill requires practice, and we will place a special emphasis on it in class through oral presentations, arguments, and written reports.

III. Materials

This module strives to be “paper-less” where possible. Readings and cases have been placed in LumiNUS, and all assignments should be done using LumiNUS.

There is no need to purchase a textbook. However, if you want to read more, I recommend the following *optional* book: Rumelt, Richard. *Good Strategy Bad Strategy: The Difference and Why it Matters*, Crown Publishing, Random House, 2013.

IV. Format

The module contains two interrelated formats: 1) lectures and 2) cases. Each class will have two parts (with a 15-minute break):

- One part of the class will be interactive lecture based on the key topic of the session.
- The other part will be an active discussion of the assigned case. Students will be asked questions, encouraged to interact with the professor and their classmates, and expected to participate in the discussion.
- **Be active!** This is not a class where you are expected to merely memorize concepts and theories. Apply the knowledge you gain from lectures, readings, cases so you can best prepare for the next assignments and thus enjoy the process of learning.
- **Electronic devices policy:** Laptops and tablets are allowed for the purpose of in-class exercises and/or note-taking. Smartphones are prohibited during class time unless otherwise specified. If the module is offered in a hybrid format (i.e., in-classroom as well as online over zoom), it is advised to bring laptops or tablets to the class, so you can logon to zoom even when you are physically present in the classroom. Doing so is likely to offer a better learning experience given the complexities of a hybrid class.

What is the case method? The case method is a teaching approach that places students in the role of people who faced difficult organizational decisions. Students are confronted with the complexities of a situation and are asked to use the information available to diagnose the problem(s), identify reasonable actions one might take, and defend their decisions against alternative strategic possibilities.

Things to keep in mind about cases:

- ***Dealing with uncertainty/ambiguity.*** Uncertainty arises from having less information than what one would like. Ambiguity arises from having information that suggests contradictory interpretations. Cases, just like situations in the real world, can contain too little information, too much information, irrelevant information, and contradictory information. While cases do not have obvious “right” answers, some answers are clearly better than others. The goal is to sift through the available information, to apply analytical rigor to arrive at what you believe to be the best strategic decision, and to provide others data (both qualitative and quantitative) to defend your decision.
- ***Engagement is crucial.*** The case method—and your learning experience—is highly dependent upon: (1) your preparation, active listening, and participation, and (2) your classmates' preparation, listening, and participation. Some students will not agree with you, and you may be asked to defend your argument. I will push you to defend your argument as well. Such rigor is acceptable and will contribute to the learning and success of the module so long as it is directed at each other's arguments and not at individuals.
- ***Cold-calling.*** In order to foster this engagement, I will frequently call on those of you who do not have your hands raised (a.k.a. cold-calling). This is a standard practice across strategy sections. I may also cold-call during the course of non-case discussions. Keep in mind that when cold-called, your aim should not be to provide a perfect answer or analysis. Rather, your goal is to provide the class with a succinct, well-supported response that seems most reasonable to you.
- ***A safe space to improve.*** My goal is to create a safe environment where students can let go and “try out” new ideas and new arguments. Since we are all going to be in this situation at one point or another, let us make sure we are sensitive to how challenging this can be and respectfully support one another in growing together as a class.

Keys to case preparation. Cases require careful preparation before coming to class. The following is a suggested list of steps to guide your case preparation.

1. Rapidly read the assigned case to gain a general understanding of the industry, the firm and the key strategic issues faced by the firm.
2. Carefully review the case discussion questions provided for the case on LumiNUS to learn more about what issues require special attention.
3. Carefully re-read the case, taking notes that sort information, facts, and observations under a number of relevant headings.
4. Formulate theories or hypotheses about what is going on as you read ("the company loses money on small orders"), modifying or rejecting them as new information surfaces ("Table 2 shows that shipping costs per unit are higher for small orders, but only for long-distance shipments").
5. Perform quantitative analyses, “crunching” whatever relevant numbers are available. Use these numbers to provide quantitative support wherever possible, particularly when exploring various hypotheses as to the nature and importance of certain phenomena. If the requisite data are not available in the case, precise descriptions of what data are missing often triggers ideas for making creative use of the information that is available.

6. **When you arrive in class.** You should have the following prepared:
 - a. A reasonable list of the key takeaways from this case
 - b. A deep understanding of the case facts
 - c. Well-supported answers to the case questions (questions will be posted on LumiNUS several days beforehand)
 - d. A definitive position on the core issues in the case
7. **Be prepared.** By “prepared,” I specifically mean that these deliverables should be written down, documented, or readily available to draw upon in a dynamic case discussion. Everyone prepares differently. However, from my experience, it often does not work out well to have a loose grasp of what you think about something and hope that it comes out right when called upon.

Study Groups. I encourage students to meet regularly in study groups to discuss cases before class meets. Working in groups will give you a chance to learn from your colleagues, saving you time from trying to understand the case alone. It also provides an opportunity to discuss ideas in a setting approximating the management teams that are typically charged with these tasks.

V. Module Evaluation

Your final assessment (Letter Grade) in this module derives from a final numeric score, which includes three grading components:

Grading Component	Weight
1) Individual Module Contribution	25%
2) Individual Write-Up	30%
3) Team Final Project	45%
TOTAL	100%

1) Individual Module Contribution (25%). Your responsibilities for all classes are as follows:

- A. **Attendance.** Attend all classes promptly and in their entirety. Missing class will affect your grade and more importantly your own and your classmates’ experience in the class. Attendance will be recorded right at the beginning of every class. Absences will only be excused for valid reasons such as being certified medically unfit by a doctor, having experienced a death in the immediate family, or being involved in a serious accident (note that this does not include sports trainings, cultural events, etc.). If you are absent for a valid reason, please email the instructor in advance of the class and provide documentary evidence in the subsequent class. If you expect to be away for a significant fraction of the semester, you would be well advised to drop this module. Failure to attend class will result in a low class participation score for that class.
- B. **Engagement.** Engagement occurs primarily in classroom discussions, whether those discussions surround cases, readings, current events, or the like. However, out-of-class engagement, on occasion, can supplement in-class engagement.
 - i. **In-class engagement.** As this is a case-based module, most of your learning will come through open discussions in class. Active, in-class engagement involves speaking up during class discussions, being clear about your own position and

defending it, and being willing to seek alternative perspectives on the situation. In-class engagement enables you to learn from your colleagues and to help them learn from you, which is what the case method is all about. You are expected to participate in the class by analyzing, commenting, questioning, discussing, and building on others' contributions. Well-executed engagement is not repeating case facts, monopolizing class time, or ignoring the contributions of fellow participants. The ability to present one's ideas concisely and persuasively, and to respond effectively to the ideas of others, is a key success factor in any leadership position. Case discussions will help you enhance these abilities.

- ii. ***Out-of-class engagement:*** While most of our learning occurs in class, out-of-class engagement can still provide a useful supplement. One useful out-of-class way to engage is to examine and apply relevant current events to in-class discussions. In this regard, students are allowed to engage in this manner by (1) emailing their instructor, or (2) posting on the relevant LumiNUS Discussion, links to current events articles or videos. Each post should be accompanied by a brief analysis and/or discussion about how the topics in the article/video enriches our understanding of in-class discussion(s). To the extent that your article and analysis provides something new to the class, be aware that I might ask you to comment on it briefly in class for the benefit of your colleagues. Out-of-class engagement is supplementary and does not fully excuse students from engaging in class.

- iii. ***How engagement is evaluated:*** Both in-class and out-of-class engagement will be evaluated quantitatively and qualitatively. This includes the number of times you engage supplemented in a rigorous manner by examining the quality of your engagement. With regard to quality, the specific dimensions that I look for include:
 - *Clarity* – is the comment succinct and understandable?
 - *Relevance* – does the comment bear on the subject at hand? Comments that do not link up with what the discussion is focusing on can actually detract from the learning experience.
 - *Causal Linkage* – are the logical antecedents or consequences of a particular argument traced out? Comments that push the implications of a fact or idea as far as possible are generally superior.
 - *Responsiveness* – does the comment react in an important way to what someone else has said?
 - *Analysis* – is the reasoning employed consistent and logical?
 - *Evidence* – have data from the case, from personal experience, from general knowledge been employed to support the assertions made?
 - *Importance* – does the contribution further our understanding of the issues at hand? Is a connection made with other cases we have analyzed?

2) Individual Write-Up (30%). Each student is required to hand in a strategy critique paper applying and analysing module concepts. This paper is **due before or by Session 9.**

The aim of the Strategic Critique Paper is to help you think more critically about a particular strategy framework. All strategy frameworks—including the ones we learn in class—are ultimately analytical tools, and as analytical tools they are bound to have shortcomings. In particular, many of the strategy frameworks we cover are abstracted from empirical observations of companies in Western contexts, and as such they often lose their usefulness when applied to the non-Western contexts, such as Asia. By critiquing a framework, analysing its shortcomings, and giving recommendations of how the framework can be improved, you will acquire a more nuanced understanding of strategy and become more effective in applying the frameworks we learn to real-life situations in your professional life. The specifics of the strategy critique paper are as follows:

- i. **Framework Selection.** You can pick any one framework that we covered in class or any one assigned reading (not the cases).
- ii. **Deliverable.** By the class of Session 9, turn in a written assignment with a maximum of 1,500 words (word limit does not include exhibits and references) summarizing the key arguments of the framework or the reading and your critique of the framework or the reading (use single-spacing, Times New Roman, font size 12, 1-inch margins). The critique should include:
 - a. A theoretical section where you discuss why the key ideas or assumptions underlying a framework (or the reading) are inadequate;
 - b. An empirical section where you draw upon the strategies and performance of a real-life company to illustrate your theoretical critique, and
 - c. A recommendation section where you discuss how the framework (or ideas documented in the reading) you critique could be improved.

3) Team Final Project (45%). The final component of the module is a team project. Your team can take on the roles of consultants, investment bankers, private equity investors or corporate managers to analyse the strategy of a real company of your team's choice. You will apply the concepts, analytical tools and frameworks of this module to analyse the company's external and internal environments, identify and analyse the key strategic problems it currently faces, and present a set of recommendations to maximize its long-term performance.

This project is intentionally open ended because each company and the issues it faces are unique, and thus you should tailor your analysis accordingly. The choice about the relative weight to put on different issues, theories, and concepts in explaining the firm's activities and derived recommendations is yours. I will evaluate your project based on whether the concepts you use in the analyses are relevant to the situation (i.e. did you pick concepts that best illuminate the firm's situation), applied appropriately (i.e. do they fit the context you describe, how your analyses incorporate relevant quantitative and qualitative data), and presented in a logical, coherent, and well-written manner.

Key milestones:

- i. **Team Formation:** Each student is required to form a team of 5 or 6 **by Session 3**. For better learning, please ensure diversity by gender and nationality in team formation.
- ii. **Project Outline (10%).** Each team is required to submit a project outline (no more than 3-pages of a word document, double spaced, Times New Roman, font size 12, with 1-inch margins) **by Session 8**.
- iii. **PowerPoint Presentation (35%).** Each team is required to make a PowerPoint presentation during **Session 11 and 12** of the module. I will provide more details on this later in the semester.

Peer Evaluations. Each of you will complete a peer evaluation of the members of your team with respect to the team final project. A copy of the peer evaluation form is posted to LumiNUS and is due by the end of **Session 12**. I will determine individual student scores for the team final project based on my assessment of the team's project quality, my observations of the team's working dynamics, and the information provided through your peer evaluations.

Academic honesty and plagiarism

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources. Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule – you have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubts, you should consult your instructor.

Additional guidance is available at: <http://nus.edu.sg/osa/resources/code-of-student-conduct>
Online Module on Plagiarism: <http://www.nus.edu.sg/celc/programmes/plagiarism.html>

SCHEDULE OF CLASSES

Note: Students, as authorized users of Harvard Business Review (HBR), are advised to access the HBR article(s) by themselves.

I. INTRODUCTION

Session 1 (Week of Jan 11). Introduction to Strategy

Reading Porter, Michael E. (1996) "What is Strategy?" *Harvard Business Review*, Nov/Dec, Vol.74, Issue 6, pp.61-78.

II. STRATEGY ANALYSIS

Session 2 (Week of Jan 18). Industry Analysis

Case Nanada, Steen, Wu, Booyar and Slater, "SoundCloud: Subscription Streaming?" *Harvard Business School (HBS) Case Series*.

Reading Porter, Michael E. (2008) "The Five Competitive Forces that Shape Industry," *Harvard Business Review*, Jan, Vol.86, Issue 1, pp.78-93.

III. STRATEGY FORMULATION – BUSINESS STRATEGY

Session 3 (Week of Jan 25). Positioning and Competitive Advantage

Case Collis, Wu, Koning and Sun, "Walmart Inc. Takes on Amazon.com," *HBS Case Series*.

Reading Brandenburger, A. M., & Stuart Jr, H. W. (1996) "Value-based Business Strategy," *Journal of Economics & Management Strategy*, 5(1), pp.5-24.

Due [Everyone should have a team by now.](#)

Session 4 (Week of Feb 1). Resources and Capabilities

Case Rothaermel and King, "Tesla Motors, Inc.," *HBS Case Series*.

Reading Barney, J. (1991) "Firm Resources and Sustained Competitive Advantage," *Journal of Management*, 17(1), pp.99-120.

Session 5 (Week of Feb 8). No Class This Week (Chinese New Year)

Note Use this time to make progress on Strategy Critique Paper + Team Final Project.

IV. STRATEGY FORMULATION – CORPORATE AND GLOBAL STRATEGY

Session 6 (Week of Feb 15). Corporate Scope and Diversification

- Case “DBS Transformation (A): Becoming a World-Class Multinational Bank,” *IMD Case Series*.
- Reading Collis and Montgomery (1998) “Creating Corporate Advantage,” *Harvard Business Review*, May/Jun, Vol.76, Issue 3, pp.70-83.
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Recess Week (Week of Feb 20)

Session 7 (Week of Mar 1). International Strategy

- Case Khanna, Palepu and Bullock, “House of Tata: Acquiring a Global Footprint,” *HBS Case Series*.
- Reading Khanna and Palepu (2006) “Emerging Giants: Building World-Class Companies in Developing Countries,” *Harvard Business Review*, Oct, Vol.84, Issue 10, pp.60-69.
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Session 8 (Week of Mar 8). Strategies in Emerging Markets and Developing Countries

- Case Singh and Duce, “Unilever in Vietnam,” *INSEAD Case Series*.
- Reading Porter and Kramer (2011) “Creating Shared Value: How to Reinvent Capitalism and Unleash a Wave of Innovation and Growth,” *Harvard Business Review*, Jan/Feb, Vol.89, Issue 1/2, pp.62-77.
- Due [Outline for Team Final Project is due.](#)
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Session 9 (Week of Mar 15). Community, Stakeholders and Social Impact Strategy

- Case Subramanian, Dhanaraj and Branzei, “Bayer CropScience in India (A): Against Child Labor,” 2011, *Ivey Publishing*.
- Reading Lee, M., Adbi, A., & Singh, J. (2020) “Categorical Cognition and Outcome Efficiency in Impact Investing Decisions,” *Strategic Management Journal*, 41(1), pp.86-107.
- Due [Strategy Critique Paper is due.](#)
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V. STRATEGY FORMULATION – NETWORKS, PLATFORMS AND ECOSYSTEMS

Session 10 (Week of Mar 22). Platform Businesses and Ecosystems

- Case Zhu, Zhang, Palepu, Woo and Dai, “Ant Financial (A),” *HBS Case Series*.
- Reading Zhu and Iansiti, (2019) “Why Some Platforms Thrive and Others Don’t,” *Harvard Business Review*, Jan/Feb, Vol.97(1), pp.118-125.

VI. STRATEGY IMPLEMENTATION

Session 11 (Week of Mar 29). Uncertainty and Options + Student PowerPoint Presentations (Team Final Project)

- Reading Trigeorgis, L., & Reuer, J. J. (2017) “Real Options Theory in Strategic Management,” *Strategic Management Journal*, 38(1), pp.42-63.
- Note Some teams (randomly selected and notified in advance) will make their Final Project PowerPoint Presentations in Session 11. Remaining teams will make their Final Project PowerPoint presentations in Session 12.
- Due Team Final Project Presentation (for some teams) is due.

VII. CONCLUSION

Session 12 (Week of Apr 5). Student PowerPoint Presentations (Team Final Project)

- Due Team Final Project Presentation (for remaining teams) and Peer Evaluation Form (for all teams) are due.

Session 13 (Week of Apr 12). Synthesis + Guest Speakers

- Guest Speaker Anuj Thapliyal, Head of APAC gTech, Google
(former Engagement Manager, McKinsey; MBA, IIM Calcutta)
- Guest Speaker Marie Cheong, VP Venture Build, ENGIE Factory APAC
(former Associate Director, KPMG; MBA, NUS Business School)