

1238.2322.01 – Principles of Strategy

2015/16

Course Section Details

Day	Hour	Classroom	Lecturer	Email	Telephone	Office
Tuesday Feb 16	09:15-12:00, 13:00-15:45	Recanati room 303	Dr. Uriel Stettner	urielste@tau.ac.il	03-6406330	441
Wednesday Feb 17	09:15-12:00, 13:00-15:45					
Thursday Feb 18	08:00-10:45, 11:15-14:00					

Teaching Assistant (TA): Eyal Sheetrit (eyalsheetrit@gmail.com)

Office Hours: By appointment

Course Units

4 ECTS (European Credit Transfer and Accumulation System) = 1 course unit

By making higher education comparable across Europe, ECTS makes teaching and learning in higher education more transparent and facilitates the recognition of all studies.

Course Description

This core course deals with the craft of strategy formulation and implementation that drive competitive organizations. The course provides insight into how to identify and choose a superior competitive position, how to analyze a strategic situation, and finally how to create the organizational context to make the chosen strategy work. As such, the objectives of this course are twofold: 1) to explore conceptual frameworks and models which will assist you with analyzing competitive situation and strategic dilemmas and gain insight into strategic management; 2) to help you acquire experience in dealing with strategic issues.

We start by defining the logic of strategy and how strategy relates to different measures of firm performance. We then move to the analysis of the external competitive environment, looking at industry structure, value chain dynamics, and assess how a firm can select the best position within this environment. Based on this analysis, we consider specific

actions a firm can take within a particular market or industry to gain competitive advantages. Such business strategies include vertical integration, cost leadership and product differentiation. These alternative strategic choices may offer valuable opportunities, yet may entail tremendous uncertainty. We then turn to strategic options available to the firm seeking to gain competitive advantages by operating in multiple businesses simultaneously. Such corporate level strategies include strategic alliances, diversification, and acquisitions.

Course Objectives

Upon completion of the course, the student will be able to:

1. Differentiate between different domains within the corporation to which strategy may be applied
2. Analyze a firm's internal resources and capabilities to determine its source of competitive advantage.
3. Analyze a firm's external business environment, identify suitable strategies and discuss their implementation.
4. Apply conceptual models which clarify the interactions between industry, competition, firm resources, and the structure and development of firm capabilities.
5. Evaluate alternative mechanism for firm expansion and diversification

Assessment and Grade Distribution

Percentage	Assignment	Date	Group Size/Comments
100	Final exam	TBD	The written exam will cover all class materials (cases, readings, lectures, discussions, etc.) learned during the course of the course. It will be an in-class, closed-book, closed-computer, written exam and <u>may</u> consist of true/false, multiple choice, and short essay questions.

*According to University regulations, a student must be present in every lesson (Article 5).

* The lecturer reserves the right to have a student removed from a course if the student is absent from a class with mandatory participation or did not actively participate in class. (The student will remain financially responsible for the course irrespective of his/her removal from the course)

Course Assignments

Throughout the course, we will analyze a few cases and make strategy recommendations. In doing so, we will build on readings (e.g., book chapters, articles, etc.) which provide the theoretical and conceptual basis for the class session during which the case will be discussed. For each lecture topic, you may be asked to present your insights to the class.

Should a student become unable to complete an assignment or course requirement, s/he must notify the TA of the course in advance via email

Grading Policy

As of the 2008/9 academic year the Faculty has implemented a grading policy for all graduate level courses.

This policy applies to all graduate courses in the Faculty, and will be reflected in the final course grade.

Accordingly, the final average of the class for this course (which is a core course) will fall between 78-82%.

Additional information regarding this policy can be found on the Faculty website.

Please note: In order to register for advanced elective courses in Strategy your grade in this course must be at least 78%.

Evaluation of the Course by Student

Following completion of the course students will participate in a teaching survey in order to evaluate the instructor and the course for the benefit of the students and the university.

Course Site (Moodle)

The course site will be the primary tool used to communicate messages and material to students. It is, therefore recommended to periodically check the course site in general, periodically, before each lesson, at end of the course as well. (For example: exam details and updates regarding assignments)

Course slides will be available on the course site.

Please note that topics which are not covered in the slides, but are discussed in class are considered an integral part of the course material and may be tested in examinations.

Course Outline*

Week	Date	Topic(s)	Required Reading	Comments
1	Feb 16	Introduction	[1]	
2	Feb 16	External Analysis	[2]	
3	Feb 16	Internal Analysis	[3]	
4	Feb 17	Competitive strategy I: Cost versus Differentiation	[4]	
5	Feb 17	Firm boundaries and Transaction Costs	[5]	
6	Feb 18	Corporate-level strategy I: Make vs. Buy vs. Ally		
7	Feb 18	Corporate-level strategy II: Diversification		

*Subject to change

Required Reading

- [1] Samsung Electronics, HBS Case 9-705-508
- [2] Porter, M. E. "The five competitive forces that shape strategy." **Harvard business review** 86.1 (2008): 78.
- [3] Barney, J.B. "Looking Inside for Competitive Advantage", **Academy of Management Executive**, 1995, vol 9(4), pp. 49-61
- [4] Hill CW. 1988. Differentiation versus low cost or differentiation and low cost: a contingency framework. **Academy of Management Review** 13(3): 401–412.
- [5] Jacobides, Michael G., and Stephan Billinger. "Designing the boundaries of the firm: From "make, buy, or ally" to the dynamic benefits of vertical architecture." **Organization science** 17.2 (2006): 249-261.

Recommended Reading

Internal and External Analysis

- ✚ Barney, J. B. 2002. Gaining and sustaining competitive advantage. Chapter 1
- ✚ Grant, R. M. 2009. Contemporary strategy analysis. Wiley. Chapter 3
- ✚ Barney, J. B. 2002. Gaining and sustaining competitive advantage. Chapter 7

Competitive Strategy

- ✚ Barney, J. B. 2002. Gaining and sustaining competitive advantage. Chapter 7

Corporate Strategies

- ✚ Ireland, R. D., Hoskisson, R. E., & Hitt, M. A. 2009. The management of strategy (9th ed.). South-Western Cengage Learning, Chapter 6
- ✚ Hill and Jones, Strategic Management, Chapter 9
- ✚ Ireland, R. D., Hoskisson, R. E., & Hitt, M. A. 2009. The management of strategy (9th ed.) South-Western Cengage Learning , Chapter 5

Innovation

- ✚ Moss Kanter , Innovation: The classic Traps, Harvard Business Review 11/2006
- ✚ Adner R., Match Your Innovation Strategy to Your Innovation Ecosystem, **Harvard Business Review**, 4/2006
- ✚ Types of Innovation: Several Types on Many Fronts (Excerpted from **Managing Creativity and Innovation**)