



Sofaer Global MBA

1238.2322.01 – Principles of Strategy

Module 2 – 2018

Course Section Details

Day	Hour	Classroom	Lecturer	Email	Telephone	Office
Monday	08:15-11:00	Recanati room 254	Dr. Uriel Stettner	urielste@tau.ac.il	03-6406330	441

Teaching Assistant (TA): TBD

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 Distribution¹

Percentage	Assignment	Comments
15 %	Case Analysis 1	Group Size: 3
15%	Case Analysis 2	Group Size: 3
70%	Final exam	The written exam will cover all class materials (cases, readings, lectures, discussions, etc.). It will be an in-class, closed book, closed-computer, written exam and <u>may</u> consist of true/false, multiple choice, and essay questions. The exam will be in Hebrew.

Course Assignments

Throughout the course, we will analyze 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.

Team assignment guidelines: The course is based on written, team based case analyses on the cases indicated in the course schedule. Each submitted analysis should address the study question(s) as posted on the course website. You will work in groups of three (3) students. Each analysis should **not exceed** three (3) typewritten pages, (with 1" margins, 12 point font, and 1.5 line spacing). You may place graphs and tables in a separate appendix which does not count towards your page limit. Answers should demonstrate correct use of the theoretical concepts and relevant analytic frameworks as well as provide convincing arguments supported by case data. Your group's answers should be based on your own group's analysis and reflect your original, individual, and independent thinking. A submission should include on a separate cover page the team members' ID numbers. Only students listed on the cover page will be eligible to receive credit for the analysis. The written case analysis is due any time before the class day in which it is being discussed. **Late submissions will not be accepted.** The written assignment will be submitted by one (1) group member via the course website.

¹ 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)

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 Outline²

Week	Subject	Readings (Due before class)	Assignment (Due before class)
1	Introduction		
2	External Analysis	1, 2, 3	
3	Internal Analysis	4	
4	Competitive strategy I: Cost Leadership	5	
5	Competitive strategy II: Differentiation & Case discussion (Samsung Electronics)		Case 1: Due before course lecture# 5
6	Corporate-level strategy I: Firm boundaries, Expansion decisions (Make vs. Buy vs. Ally) and transaction costs	6	Case 2 (Due within 2 weeks of last course lecture
7	Corporate-level strategy II: Diversification		

Required Cases

1. Case 1: Samsung Electronics, HBS Case 9-705-508
2. Case 2: Mobileye: The Future of Driverless Cars 715421-PDF-ENG

Required Reading

1. Camillus, J.C. (2008), "Strategy as a Wicked Problem." **Harvard Business Review**, 86(5): 99-106
2. Rumelt, R. 2011. The perils of bad strategy, McKinsey Quarterly: 1-10.
3. Porter, M. E. "The five competitive forces that shape strategy." **Harvard business review** 86.1 (2008): 78.
4. Prahalad, C.K. and Hamel, G. (1990). "The Core Competences of the Corporation." **Harvard Business Review**, 68(3): 79-91
5. Porter, M.E., 2007. "Understanding industry structure."
6. 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.

Note: Cases can be purchased at <http://cb.hbsp.harvard.edu/cbmp/access/71980061>

Recommended Reading

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

² Course layout and reading assignments are subject to change