Brandeis University
International Business School

BUS 260a
Competition and Strategy

Course Syllabus

V1

Spring 2018

Fridays, 9:30-12:20
International Hall

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Office: Lemberg 258
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Course website: www.strategygroove.com
## Course Outline

- **SM** stands for Garth Saloner, Andrea Shepard, and Joel Podolny, *Strategic Management* (Wiley; any edition is fine); this is the textbook for the course, available in the bookstore.
- **Cases and required articles** are in case packet: [http://cb.hbsp.harvard.edu/cbmp/access/72375796](http://cb.hbsp.harvard.edu/cbmp/access/72375796)
- **Recommended articles** are available on the Business Source Premier database offered by Brandeis Library. See end of this syllabus for instructions on how to get these.

## Class and Date | Topic | Readings (see full assignments!)
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### Introduction

1. **1/12**
   - Introduction to strategic thinking
   - “Prelude Corp.”
   - SM, Chapter 1, 2.

### I. Industry Analysis

2. **1/19**
   - How to analyze industries (Porter’s Five Forces)
   - “The Five Competitive Forces that Shape Strategy,” Porter
   - “Cola Wars: Coke vs Pepsi”
   - SM, Ch. 6, sec 6.3 and pp. 136-144.

3. **1/26**
   - How industry structure shapes strategy
   - “Crown Cork & Seal in 1989”
   - SM, Chapter 7, sec. 7.2-7.3.
   - “What is Strategy?” Porter
   - Industry analysis (selected teams)

### II. Competitor Analysis

4. **2/2**
   - How to analyze competitors I
   - “Adolph Coors and Brewing Ind’y”
   - SM, Chapter 3, sec. 3.2-3.3 and 3.7
   - “Core Competence,” Prahalad/Hamel

5. **2/9**
   - How to analyze competitors II
   - “Wal-Mart Stores in 2003”
   - SM, Chapter 9, sec. 9.2.
   - “Competing on Resources,” Collis
   - Competitor analysis (selected teams)

### Midterm Evaluation

- **(2/15)** Exam case will be emailed to you in the morning (day before exam)

- **2/16** *Midterm exam -- 2hrs in normal class time*. No class after that.
III. Location and international strategy

7 3/2 Industry evolution, and special issues in high tech industries
    • “Microsoft, 1995 (Abridged)”
    • “Microsoft in the PRC, 1993”
    • SM, Chapter 12, sec. 12.2, 12.4.

8 3/9 How location shapes competitive advantage (Porter’s Country Diamond)
    • “Comp. Advantage of Nations,” Porter
    • “Hoechst and German Chemicals”
    • “Hoechst in the USA (A)”
    • Paper topic due

9 3/16 How firms exploit locational advantages
    • “Globalization of CEMEX”
    • SM, Chapter 13, sec. 13.3-13.5.
    • Country Diamonds (selected teams)

IV. Scope of the firm and corporate strategy

10 3/23 Understanding the scope of the firm
    • “Arauco (A)”
    • SM, Chapter 10, sec. 10.1-10.3
    • Emerging-mkt MNCs (selected teams)

11 4/13 Corporate advantage and acquisitions
    • “Newell: Corporate Strategy”
    • SM, Ch. 4, sec 4.1-4.2 and 4.4-4.6
    • Skim: SM, Chapter 14.
    • Corp structures (selected teams)

V. Leadership and Responsibility

12 4/20 Leadership and change
    • "GE’s Transformation: Jack Welch"
    • “Corporate Advantage,” Collis

13 4/25 Personal and corporate responsibilities
    • “Parable of the Sadhu” McCoy
    • “Strategy & Society,” Porter/Kramer

5/2 Final Paper due for graduating students

5/9 Final Paper due for all other students
Course Description

Course objectives. The performance of any firm -- international or domestic -- depends on the design and implementation of its strategy. This strategy must take account of the industry environment around the firm, the position and strategies of rivals, and the firm's own capabilities and goals.

This course is a fast-moving, broad-ranging, and intensive survey of the most important concepts, techniques, and frameworks in business strategy. We will explore big ideas and key concepts and apply them to decisions using case studies. Cases are drawn from a wide range of industries, and include US and non-US firms.

Learning goals. The readings, study assignments, class sessions, projects, and papers in this course are designed to help you:

- Understand the role of strategy in business
- Develop an approach to diagnosing strategic issues
- Learn frameworks and concepts that are useful in strategic thinking
- Apply strategic thinking in range of industry and company contexts
- Identify salient strategy issues from messy, real-world data
- Skills useful in strategic conversations – research, analysis, and presentation.

Course content. This course deals with issues of general management, not with technical economics or finance. Among the main topics covered are the following:

- Industry structure and dynamics
- Sources of competitive advantage
- Competitor analysis
- Location and international strategy
- Scope of the firm and corporate strategy
- Logic of acquisitions, foreign market entry, and integration
- Leadership, change, and responsibility

Course requirements. The workload will be heavy. Required readings will be HBS cases, HBR articles, and chapters from Saloner, Shepard, and Podolny, Strategic Management, which available in the bookstore. This is a book about both strategy and organization – for this course, we will focus on the chapters about strategy. Students will need to read and analyze at least one case for every class and are expected to participate in class discussions.

- The case packet will be available for purchase online at the link on the top of page 2 of this syllabus: http://cb.hbsp.harvard.edu/cbmp/access/72375796
• **Some articles**, as noted in the class assignments, are available for free on the Business Source Premier (BSP) database of Brandeis Library; see end of this syllabus for details of each article. (You will need your UNET account info to sign on to BSP.)

• **Lectures and some handouts** will be available on [www.strategygroove.com](http://www.strategygroove.com). Students are strongly encouraged to subscribe to this WordPress site (it’s free), so that they are notified when materials are added to the site. **This site will be used instead of LATTE, which is not used.**

**Relationship to other courses.** There are no formal prerequisites, but it is assumed that students have a background in micro-economics and business studies, and are able to analyze financial statements. The course is required as a core course for MBA students. The course is also useful to MAief students concentrating in Business. For further information, contact the instructor at [bgc@brandeis.edu](mailto:bgc@brandeis.edu).

**Team presentations.** In the second class, students will be assigned to a team and a topic, based on their background and interests. These teams will be responsible for a short presentation later in the course, which will aim to apply big ideas from the course to a context familiar to the students in the team, or that they can learn about with minimal research.

**Learning by the case method**

Because this course is based on the case method of learning, class participation by all students is critical. This method of learning is based on three premises. First, we can all learn a great deal from each other’s points of view and experience. Second, we often learn more by questioning each other and debating issues than by listening passively or by reading alone. Third, there is no “one best way” to manage complex business problems; rather, we must search for alternatives and weigh them critically.

In order for this method to work, we must all be prepared to go beyond case facts in the discussion. We will assume that everyone has prepared the case and readings thoroughly—there is simply no time to explain or reiterate case facts. Our discussions will aim to be analytical, not descriptive. This does not mean that we will ignore the facts; to the contrary, students should strive to back up their arguments with the facts of the case. In sum, I will expect three P’s from students in every class:

• **Presence:** You are expected to prepare for and attend all class sessions. It is your responsibility to catch up on material for any class that you miss. You may be excused from class if you are ill, or for urgent family or personal reasons, or if you are selected for a school trek. Under those circumstances, you may make up work by submitting a written analysis, upon agreement with instructor (optional). Attending career fairs, interviews, lunches, internships, team meetings, or other career-related events are **not** excused absences. You need to make your own trade-offs about these, i.e. decide which are important enough for you to miss class. You will not be penalized for the fact that you missed an occasional class for such reasons, but you will obviously miss the material
presented and miss a chance to participate in class; there will be no make-up assignments for these absences. Multiple unexcused absences for may carry a penalty in class participation.

• **Preparation:** You are expected to do the class assignments on time. This means that you are ready to start class or answer assigned questions if called on. In addition, it means that you have analyzed the case and exhibits, not just read them lightly. Where there is numerical analysis to be done to understand the financials or economics of the case, you will be expected to do this. It is often extremely useful to work in groups in preparing the cases for each class; you are encouraged to do this.

• **Participation:** You are expected to share your views and questions in class. Your class participation grade will depend on the cumulative quality of your contributions in class (see further below). This means that frequency of contributions counts, but also the quality of your comments. A good quality comment is one that applies relevant concepts to the facts of the case and that advances the discussion of issues on the floor. Listening patiently to your peers and engaging them respectfully will be valued.

Class times are Friday 9.30 – 12.20, with a 15min break in between. Please be on time; we start sharply at 9:30. Late arrivals are disruptive. If you need to arrive late or leave early, please warn me beforehand. Please eat something before class or during the break. If you must bring something to eat into class, please avoid snacks that may be distracting to your neighbors.

In most class sessions, we will discuss the assigned case in the **first part of class**, which may last between 90min and 120min. Short lectures may be folded into this part of class at any point – at the start of class, or when a topic comes up that deserves a short lecture. You will be expected to draw lessons from the class discussion with your peers, from the instructor’s comments and board notes, and from the lectures. The **second part of class**, after the break, will be devoted to team presentations, lectures, or other activities.

**Laptops** are not needed during class discussion and **should not be open**; even "quiet" screens are distracting to those around you. You should print the materials you need for class and take notes on paper, as it is not possible to analyze a case deeply without marking it up. Calculators are allowed in class, text-messaging and Internet access are not. These rules also apply strictly during the in-class mid-term exam too.

**Grading**

Students will be graded on a combination of the following:

• **Contributions to class discussions (40%).** I will keep a record of class performance for each student and determine a grade based on the frequency and quality of in-class comments. Work on occasional exercises and presentations will be counted as class
participation. Students will receive a midterm evaluation on class participation. To help me get to know you and remember your comments, you should always have your name card up. If you feel unsure about your participation, ask me.

- **A written midterm exam (25%).** This will consist of analysis of a case. On the day before the midterm, I will send you the case by email. The exam itself will take place during normal class hours. You will then be asked 2-3 questions about the issues in the case, which should be answered in writing during the 2-hr exam period. This is an open-book exam, i.e. you may bring books and printed notes (no computers or reading pads); but hand in only what you write in the exam class. The required analysis will be similar to what we do in class.

- **A final term paper (35%).** Final papers may be written by single individuals or by teams of 2 or 3 students. The final paper is an opportunity for you to delve more deeply into analysis of a real strategy, as discussed below.

**Final Paper**

You may choose to study any firm or organization, but your paper must contain the elements described below. To help you in selecting an appropriate topic, case, and approach, I will review and approve your paper proposal in advance. **Please submit a brief outline of 1-3 above during (or before!) our class on March 9.** This outline does not need to be detailed, but you should try to define your issue and approach and do some preliminary research to check if data are available to address the issue. If you are not sure about your focus, say so in the proposal, and I will try to guide you. We can meet to discuss the paper topic, but I prefer that you first try to develop a rough proposal.

The **paper outline** should cover these points, briefly:

- **Statement of the issue or question to be addressed.** You may choose any issue from those discussed in the course, but must state up front in the paper what you intend to address. In this section, give a short overview of where your issue fits in the field of competition and strategy and what concepts you will draw on to explore your issue.

- **Statement of the evidence (or case) you will use to address your issue,** that is, the firm or organization you will examine, and why this is a good context for your analysis. In selecting the case(s) you will examine, be sure you can get the information you need before you commit to the topic.

- **Choice of concepts or frameworks to be used in analysis.** You will see that there is often a choice of which approach to use in analyzing a strategic issue. But it is important to follow a systematic approach; the frameworks we will learn will help you do this.

The **final paper itself,** due at the end of the course, include the following elements:
• **Presentation of the most important facts about the case you are examining.** For this, you can use data from the business press, from annual reports, and from other sources. A useful place to start is with the online resources available through the Brandeis library; for a guide, go to: http://brandeis.libguides.com/Strategy. At any rate, in your actual paper, you should keep this section to a minimum – describe only what is needed for the reader to understand the context and to begin addressing the issues you are exploring. Do not write a full-fledged descriptive “case.” It is often best to provide the evidence “as you go” during the analysis, rather than as a stand-alone section.

• **Analysis of your evidence.** This is the body and most important part of the paper; use the evidence and the concepts to answer the questions you raised at the start. It is best to choose a clear focus and framework and use it throughout the paper. The grade for the paper will depend substantially on the depth, breadth, and clarity of your analysis.

• **Conclusions.** End with a section drawing the implications of your study for strategic thinking and decision making. What are the main lessons you learned? You do **not** need to provide recommendations to your firm.

**Paper length** depends on how many students are writing the paper. Papers written by individuals should be 10-15 double-spaced pages, not including exhibits; papers written by teams of two students should be 15-25 pages, and papers by three students should be 25-35 pages. Exhibits should be used and analyzed in the paper, not added as “padding.” Exhibits can be included in the flow of the text or at the back of the paper; if at the back, make sure that the text refers clearly to each exhibit, as needed. The final electronic file that is submitted to me (see below) should have exhibits in the same electronic file; do not send two separate electronic files.

Please be sure to **cite your sources and provide references.** All direct quotes, specific data, paraphrased text, all tables and graphics, and important arguments should be properly sourced with foot- or end-notes; a bibliography can be used as reference for general discussions. Every year I downgrade some papers because of insufficient referencing; papers that plagiarize the work of others in a major way are not treated so kindly. If you have any doubts or confusion about what we require, ask me and or see resources provided at Orientation. **You are responsible for reading and understanding our standards for Academic Integrity – if you have any questions, ask!**

Papers should be **submitted to me by email in PDF format** no later than the day listed in the schedule. Unexcused late submissions will be penalized. If you have a good reason for missing this deadline (e.g. illness), you will need to get an “Incomplete” from me before this date.

**How I treat poorly referenced papers.** If a paper handed in at the end of the course is poorly referenced, I will send it back to you for correction, unless the paper appears to be a clear case of plagiarism. The resubmitted paper, assuming referencing is satisfactory, will receive a 1/3-grade penalty for lateness. But no further action will be taken in these cases. Other violations of
academic honesty norms will be dealt with as described in the handbook of Student’s Rights and Responsibilities at Brandeis.

**Contacts**

**Email is the quickest way to reach me;** I usually respond promptly. You will also be expected to check your Brandeis email regularly, as I will send out notices to class from time to time.

I will have **open office hours** in my office (Lemberg 258) on Fridays when school is in session, 1.30-3.00. You do not need an appointment if you come during these open office hours. If you cannot come at these times and want to see me **by appointment at another time**, please contact me by email at bgc@brandeis.edu.

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Success in this four-credit course is based on the expectation that students will spend a minimum of 9 hours of study time per week in preparation for class (readings, papers, projects, team discussions, preparation for exams, and so on.)

You are expected to be honest in all of your academic work. **This includes proper citation of the work of others in your papers and presentations.** Potential sanctions include failure in the course and suspension from the university. If you have any questions about my expectations, please ask. If you have any doubts or confusion about what we require as a school, see materials provided by IBS at Orientation.

If you are a student with a documented disability on record at Brandeis University and you wish to have a reasonable accommodation made for you in this class, please see me immediately. Please keep in mind that reasonable accommodations are not provided retroactively.
Before we start . . .

**Required text:** Garth Saloner, Andrea Shepard, and Joel Podolny, *Strategic Management* (Wiley, any edition), available in the bookstore. Cited below as SM.

**Required cases:** All HBS cases are in the case packet, available for purchase here:

[http://cb.hbsp.harvard.edu/cbmp/access/72375796](http://cb.hbsp.harvard.edu/cbmp/access/72375796)

(Note that the cases may have been updated from previous years! You are responsible for the case listed in this syllabus.)

**Required and recommended readings:** All other articles are available from Business Source Premier (BSP). At the end of this syllabus there is a list of direct links to the articles, but you will also need your UNET account information to get into BSP.

**Recommended, if you have little background in business:** Ronald J. Ebert and Ricky W. Griffin, *Business Essentials*, any edition (Englewood Cliffs, NJ: Prentice Hall, 1999 or later). This text is used in the undergraduate course BUS 10a (“Functions of the Capitalist Enterprise”) and is on reserve in Goldfarb Library.

**Preparing for class:** Please follow the assignments below carefully. The readings are of two types – there is usually a conceptual reading from the text or an article, and an HBS case study.

The conceptual readings are there to give you definitions, tools, and approaches that will help you analyze the cases; they will also help you develop a general framework over the course of the semester. Usually, one conceptual reading applies to many cases, not just the one with which it is paired in an assignment. So feel free to review them later in the course and apply them to new cases. Remember: we do not study theory for its own sake, but to apply it to the real world, i.e. to the cases and in your paper.

Even though the conceptual readings are important, in class we will usually focus on analyzing the cases, not on reviewing concepts in the abstract. In the process of discussing the cases, the use of the concepts will become clearer. But this means that you should prepare the case carefully and fully – using the assignment questions as loose guidelines, you should read and analyze the case, work the numbers in the exhibits, formulate your conclusions, and prepare to share your work in class through discussion and debate.
Tips for Preparing, Participating, and Learning in Case Classes

1. **Read the assignment questions and think** about how this case and the questions fit in the course. What have we done so far? What appears to be the topic for this class?

2. **Skim the case;** this means:
   - Read opening paragraphs and the
   - Look at every exhibit to see what kind of data are offered
   - Read quickly a few parts of the case to glean the main themes
   - Go back to the assignment questions: What will you need to focus on in the case?

3. If there is an additional reading that is to be used in analyzing the case, read that next, or decide what other *tools you need to attack the case.* Sometimes additional reading is optional; in that case read it later. Use your judgment in allocating reading time.

4. **Read the case** and mark up useful information. Don’t highlight all of it; just scribble and highlight as needed to bring out the most important facts and issues. Keep an eye out for case facts that may be useful in answering the assigned questions or the main issues.

5. **Analyze the exhibits;** this means:
   - Identify what important messages they contain that speak to the issues
   - Do some calculations to get beyond the numbers that are presented (e.g. ratios)
   - Spend extra time on exhibits that seem to be core to the issues, skim over others

6. **Prepare your analysis,** this means:
   - Write down your answers to the assignment questions, in bullet or short form
   - Make reference to case facts to support your answers
   - Write down any additional issues that may be interesting to bring up in class

7. **Discuss your analysis** with fellow students; this means:
   - Get together in a study group or over coffee or dinner
   - Hear the perspectives of others; share insights; get tips for your analysis
   - “Rehearse” with them how and what you would say in class

8. You are now **ready for class!**
   - If you are lucky, you will be called to start class; open with your best shot
   - Otherwise, raise your hand and jump into the discussion with additional thoughts
   - Early in a class, you can usually use your prepared analysis; later, topics may evolve

9. **When you get the floor:**
   - Try to connect (build, debate) to what was said before, or to the issues “on the floor”
   - Try to explain your idea and argument, using facts to back it up, and be ready to elaborate
   - Don’t be concerned about your speaking skills or accent: We *will* listen!

10. After class, jot down **what you learned,** including
    - New insights about the topic or about how to approach the subject next time
    - Tips to yourself about case analysis and preparation
**Study Assignments**

*Note: For each class, the assignment usually includes one or more cases and one or more conceptual readings (article or chapter). In class, we will discuss the cases, while applying the concepts. In other words, you must study and "prepare" each case, using the assignment questions to guide you. Look carefully at the assigned pages, as in some cases you do not need to read the whole case or chapter.*

*See page 2-3 of this syllabus for a summary of readings and for reminder of where to get the materials. You are responsible for acquiring the materials and following this syllabus.*
Introduction

Friday, 1/12

Introduction to strategic thinking

Required readings:

- “Prelude Corp.,” in case HBS packet. (Even though this is our first class, you are expected to have acquired and prepared this case by the time we meet.)
- SM, Chapters 1 and 2.

Study questions:

1. What was Prelude’s strategy up to 1972? Evaluate how the various pieces of this strategy fit together.
2. What key forces in the environment shaped the success of firms in Prelude’s industry?
3. Evaluate how well Prelude’s strategy responds to these forces.
I. Industry Analysis

Friday, 1/19

*How to analyze industries*

**Required readings:**

- “The Five Competitive Forces that Shape Strategy,” Porter in HBS case packet. Study this carefully, as we will use this framework extensively. It is also discussed in the textbook.
- SM, Chapter 6, especially 6.3 and pp. 136-144.

**Study questions:**

1. Be sure you understand Porter’s “Five Forces” model discussed in the article and in section 6.3 of the book; many of the concepts in pp. 136-144 elaborate on this model. Apply the model to the case. We will use this model in the next few classes.
2. Why is the soft drink industry so profitable? Consider this question for two separate segments of the industry: (1) concentrate producers and (2) bottlers.
3. Why do concentrate producers want to integrate vertically into bottling?
4. How has the rivalry between Coke and Pepsi affected the industry’s profitability?

**Team presentations:**

In this class, we will plan an exercise on *industry structure, strategy analysis, and competitor analysis* that will run over the next few weeks. The class will be divided into teams and each team will be given some material to study and present in future classes. You do not need to do anything now; all instructions will be given in class. If you miss this class, contact the instructor right away after class to hear your assignment.
Friday, 1/26

*How industry structure shapes strategy*

**Required readings:**

- SM, Chapter 7, especially sections 7.2 and 7.3.
- “What is Strategy?” Porter in *HBR*.

**Study questions:**

1. What were the most important competitive challenges facing the companies competing in Crown’s industry in the decades up to 1989?
2. Why did Crown perform so well during Connelly’s tenure (1957-1989)?
3. What should Avery do now to respond to emerging threats and opportunities in the industry, and why?
4. Critique Porter’s definition of strategy with the evidence in this case. Does his distinction between "strategy" and "operational excellence" make sense? What else do you learn from his article?

**Industry Analysis presentations (selected teams):**

If your team is assigned to this day, please analyze the *industry structure of the industry you have been assigned*. You do not need to provide extensive background about the industry; just go right into your analysis and end with a conclusion about the structure and attractiveness of the industry. Of course -- be sure also to prepare the case and readings above.
II. Competitor Analysis

Friday, 2/2

How to analyze competitors I

Required reading:

- “Adolph Coors in the Brewing Industry,” in HBS case packet.
- SM, Chapter 3, especially sections 3.2-3.3 and 3.7.
- “The Core Competence of the Corporation,” Prahalad and Hamel in HBR.

Study questions:

1. Coors was successful throughout the mid-1970s. What was its strategy historically?
3. What, if anything, might Coors have done differently to avoid its decline?
4. Contrast Prahalad/Hamel’s framework with Porter's. Which one applies to Coors?

Competitor analysis presentations (selected teams):

If your team is assigned to this day, please analyze how the strategy and performance of your firm compares to those of its rivals. You’ll need to decide which rivals to study – no need to cover all rivals, just one or two main ones. You do not need to provide extensive background about the industry, the firm, or the rivals; just go right into your analysis. You may want to tie your analysis to a brief analysis of the industry, but avoid presenting a full industry analysis. Of course -- be sure also to prepare the case and readings above.
Friday, 2/9

*How to analyze competitors II*

**Required readings:**

- SM, Chapter 9, especially section 9.2.
- “Competing on Resources” Collis, Montgomery in HBR

**Study questions:**

1. What are Wal-Mart’s sources of competitive advantage in discount retailing? How did Wal-Mart create these advantages?
2. Compare the performance and cost structure of Wal-Mart to that of an average retailer and explain the differences that you see.
3. Why are many communities so resistant to allow Wal-Mart to establish locally? Is Wal-Mart good or bad for the local community?
4. Is Wal-Mart too big?
Midterm Evaluation

Thursday, 2/15  
*Not a class, but be on the lookout: I will email the exam case to you.*

If, for any reason, you cannot receive the email in this way, talk to me beforehand. You will need this case in order to do take the exam the following day. The exam itself is open-book; bring the case itself to the exam.

Friday, 2/16  9.30-11.30  
*Midterm exam (in normal class time and place)*

You will be asked to answer 2-3 questions about the situation in the case; please bring the case with you, but do not hand in the case. You will get exam booklets to use and that is the only material you should hand in.
III. Location and International Strategy

Friday, 3/2

*Industry evolution*

*and special issues of high-tech industries*

**Required readings:**

- “Microsoft, 1995,” in HBS case packet. *Skip and ignore the (large) section called “New Growth Opportunities,” as we will not discuss that section.*
- SM, Chapter 12, section 12.2 and 12.4. You may skim the rest of the chapter.

**Study questions:**

For "Microsoft, 1995":

1. What accounts for Microsoft’s success in the Operating Systems segment up to 1995?
2. How have the forces of competition changed over time in this industry?
3. In Bill Gates’s view, what are the sources of Microsoft’s advantage?

For "Microsoft in PRC":

1. What was the emerging structure of the software industry in the PRC in the early 1990s?
2. Was this structure different from the same industry in the United States at the time?
3. What were the implications for Microsoft’s entry strategy at the time?

*Note: Paper outline due in next class! See p. 7 of this syllabus for description of the paper project and the outline that you will hand in.*
Friday, 3/9

How location shapes competitive advantage

Required Paper outline due: Please hand in a 1-3 page outline of your proposed final paper topic, stating the issue you will address, the main evidence you will use, and your conceptual approach (see p. 7 of this syllabus).

Required readings:

- “Hoechst and the German Chemical Industry,” in HBS case packet.
- “Hoechst in the United States (A),” in HBS case packet.

Study questions:

On the Porter article and the case on "German Chemical Industry":

1. How does the Porter "Country Diamond" differ from "Five Forces"? When would you use one or the other? Do they agree or disagree with each other?
2. Why did the German country advantage in chemicals arise and how did it develop over time? Assess Porter’s arguments in the light of your analysis of this case.
3. Does the Porter model still apply today? Why or why not?

On Hoechst in the USA:

1. Why does Hoechst want to expand in the United States? Does the Country Diamond help you analyze this question?
Friday, 3/16

How firms exploit locational advantages

Required readings:

- SM, Chapter 13, especially sections 13.3-13.5.

Study questions:

1. How has CEMEX managed to outperform its international rivals, first in Mexico and later in other countries?
2. Why did CEMEX enter foreign markets in the sequence that it did? How do the markets it has entered recently compare with the markets that it entered early on?
3. What benefits have CEMEX and its international rivals derived from globalization? More broadly, how can cross-border activities add value in this industry?

Country Diamonds team presentations:
If your team is assigned to this day, please analyze how country factors shape the competitiveness of the industry you are assigned. You do not need to provide extensive background about the industry or the country; just go right into your analysis. You may want to tie your analysis to a brief analysis of the industry, but avoid presenting a full industry analysis. Of course -- be sure also to prepare the case and readings above.
IV. Scope of the Firm and Corporate Strategy

Friday, 3/23

**Understanding the scope of the firm**

**Required readings:**

- “Arauco (A),” in HBS case packet.
- SM, Chapter 10, sec 10.1-10.3.

**Study questions:**

1. In what industries does Arauco compete? How different or similar are these industries?
2. What are the sources of Arauco’s competitive advantage?
3. Should Arauco own both forests and pulp production facilities?
4. Should Arauco build the Nueva Aldea project?

**Emerging-markets MNCs team presentations:**

If your team is assigned to this day, please **analyze how the firm you have been assigned has become a multinational company.** You do not need to provide extensive background about the industry, firm, or the country of origin of the firm; just go right into your analysis. You may want to consider how the firm first grew in local markets, and then what it did to go abroad. Of course -- be sure also to prepare the case and readings above.
Corporate advantage and acquisitions

Required Readings:

- SM, Chapter 4, sections 4.1-4.2 and 4.4-4.6. *(Note: This is our only class on the A-R-C framework, which is dealt with in several chapters of the textbook; it is a useful framework, so try to get the main idea in this class.)*
- Skim, as needed: SM, Chapter 14.

Study Assignment:

On ARC:

1. What use is the A-R-C framework in the field of strategy? Look over some of the cases we have had and apply it to one of them; come prepared to share an example or two.

On Newell:

1. How does "corporate" strategy differ from "business unit" strategy?
2. What has been Newell’s corporate strategy?
3. How did its acquisitions add value to the corporation?
4. What do you conclude about the value of highly-diversified conglomerates, such as those that were popular in the US in the 1960s (ITT, Textron) and that exist today in many developing countries?

Corporate Structures team presentations:
If your team is assigned to this day, please how the firm you have been assigned governs its diverse businesses. You do not need to provide extensive background about the industry, firm, or the country of origin of the firm; just go right into your analysis. You may want to consider whether the firm follows the logic of corporate advantage discussed in class. Of course -- be sure also to prepare the case and readings above.
V. Leadership and Responsibility

Friday, 4/20

Leading change

Required Readings:

- “GE’s Two-Decade Transformation: Jack Welch’s Leadership,” in HBS case packet.
- “Creating Corporate Advantage,” Collis and Montgomery in HBR.

Study Assignment:

1. Why did Welch do what he did in the 1980s and early 1990s?
2. What is Welch’s concept of strategic analysis?
3. How did he go about implementing strategy from his seat at the top of the corporation?

Special assignment (we will do this in the second "half" of class):
If you could transfer one aspect of Jack Welch’s management system at GE to companies with which you are familiar, what would that aspect be? Would you have to adapt the system to your company? If so, why and how? (Think about companies in your country, if not the USA, or where you have worked.)
Friday, 4/25

**Personal and corporate responsibilities**

**Required reading:**

- “Parable of Sadhu,” McCoy in HBS case packet. You must read this article; it is our “case” for the day. And then think about it!

**Recommended reading:**

- “Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility” by Porter and Kramer in HBR. You may skim this to get the key ideas.

**Study questions:**

1. Why do you think Bowen McCoy acted the way he did?
2. Did Bowen McCoy do the right thing? How do his actions relate to your individual ethics?
3. How does this parable relate to business ethics and corporate social responsibility?
Final Paper

*Wednesday, 5/2*    *Final papers of GRADUATING STUDENTS are due*

*Wednesday, 5/9*    *Final papers for ALL OTHER STUDENTS are due*

All papers should be in PDF format and contain all text and exhibits (i.e. please do not send separate documents or spreadsheets). Submit to bgc@brandeis.edu before midnight of the due date.

See pp. 7-8 of this syllabus for paper requirements and suggested content. Unexcused late submissions will be penalized. If you have a good reason for missing this deadline, you will need to get an “Incomplete” from me before this date.

**Remember to reference your sources properly.** Improperly references papers will be returned ungraded and may be subject to disciplinary action. If you have any doubts about our standards of Academic Integrity or the processes by which these are enforced, see materials presented at IBS Orientation.

Course requirements differ; in this course, the minimum you should cite are:

- All direct quotes and verbatim text
- All major ideas and arguments
- All graphics, charts, and data series (if you compile a chart or calculate a series, say where the raw data is from and say what you did)
- Any text taken verbatim from the web or another source
- Major portions of text that are paraphrased or drawn from another source
Selected Bibliography

Strategy and General Management


Ebert, Ronald and Griffin, Ricky. Business Essentials, any edition (Englewood Cliffs, NJ: Prentice Hall, 1999. (This is a good general introduction to business functions, and can serve as brush-up reading, if you feel that is useful in your study.)


Firm Strategy and Industry Structure


Scope of the Firm and Firm Capabilities


Technology Strategy and Innovation


**International Strategy and Management**


**Corporate Social Responsibility, Social Entrepreneurship, and Sustainable Development**

Bogle, John C. *The Battle for the Soul of Capitalism* Yale University Press, 2006


Recommended Readings available on Business Source Premier

Go to the BSP database, and search by title and author to get a PDF that you can save and read, but, which you cannot print. (The three readings that are required, shown here in bold, are also included in the HBS course packet, so you will be able to print them.)

To get to “Business Source Premier” by following these tabs on the IBS website:

→ Current Students → Academic Resources → LTS Library Research Guide → News & Articles tab

Title: The Five Competitive Forces That Shape Strategy. (REQUIRED READING – also in HBS Course Packet)
Authors: Porter, Michael E.

Title: What Is Strategy?
Authors: Porter, Michael E.

Title: The Core Competence of the Corporation.
Authors: Prahalad, C. K.; Hamel, Gary

Title: Competing on Resources
Authors: Collis, David J., Montgomery, Cynthia A.

Title: The Competitive Advantage of Nations.
Authors: Porter, Michael E.
Source: Harvard Business Review; Mar/Apr90, Vol. 68 Issue 2, p73, 17p

Title: Creating Corporate Advantage
Authors: Collis, David J.; Montgomery, Cynthia A.

Title: The Parable of the Sadhu. (REQUIRED READING— also in HBS Course Packet)
Authors: McCoy, Bowen H.
Source: Harvard Business Review; May/Jun97, Vol. 75 Issue 3, p54-64, 8p, 1c

Title: Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility
Authors: Porter, Michael E., Kramer, Mark

Last updated Dec 13, 2017 by BGC