



Stuart School of Business

BUS 480 BUSINESS POLICY AND STRATEGY

Credit: 3 credit hours	Instructor: Dr. Jianwen (Jon) Liao, Associate Professor of Strategy and Entrepreneurship
Office Hours: M. W. 11:30am – 12:30am; 2:00 – 3:00pm	Phone: 312.567.3895
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COURSE DESCRIPTION

Solving business problems from an upper management perspective by integrating and applying previous coursework in marketing, finance, accounting and operations management. Through analyzing cases and using business simulation, students will develop strategies and formulate policies to attain business objectives. This course presents a conceptual and analytical framework for understanding the operation of the firm within the global business environment. Some of the factors in the strategic management process include:

- ❑ Defining the mission statement of an organization
- ❑ Setting objectives and targets
- ❑ An assessment of external environment as well as competitive position
- ❑ An analysis of internal strengths and weaknesses
- ❑ Formulating corporate, business and international strategies
- ❑ Formulating organizational and functional strategies
- ❑ Implementation and control

The course emphasizes the use of group decision-making, self-directed work teams, and formal group reports and presentations.

TEXTBOOK:

Hitt, M., R.D. Ireland & R.E. Hoskisson (2007) Strategic Management: Competitiveness and Globalization. Southwestern Publishing

SUGGESTED READING

“The World Is Flat” by Thomas Friedman (Farrar, Straus and Giroux, 2005),

COURSE OBJECTIVES

This course serves as a capstone course for students in their senior year. In it, students are provided with the opportunity to INTEGRATE their inter-disciplinary knowledge in analyzing organizations from the perspective of senior management. Specifically, the course is designed to achieve the following objectives:

- ❑ Acquaint students with the basic concepts underlying the field of strategic management.
- ❑ Equip students with the essential analytical skills needed to integrate previous study in marketing, finance, operations, and management to examine an organization as a total entity and identify and discuss central issues in complex problems presented in current business cases.
- ❑ Provide students with the research skills that enable them to gather and interpret information about key external and internal factors and use this data to generate and evaluate alternative strategies to solve business problems.
- ❑ Enable students to apply their conceptual and analytical skills in formulating a comprehensive strategic plan and present the results of a complete strategic analysis in both written and oral formats.
- ❑ Require students to perform ethic reasoning in various strategic decision making scenarios
- ❑ Enable students to practice team work when facing complex strategic decisions

Overall, there are several levels of learning which can occur. These levels include:

- ❑ Knowledge of facts. Knowing the facts, concepts, theories, and models relevant to the field of study.
- ❑ Knowledge of applications. Knowing a) the situations in which the facts, concepts, theories, and models apply and b) the methods and procedures for applying them.
- ❑ Analytical skills. Being able to figure out the ramifications, implications, limitations, and variations of the facts, concepts, theories, and models to synthesize new knowledge and new applications.
- ❑ Skill in applying. Being able to successfully apply the facts, concepts, theories, and models to analyze and solve real-world problems.

Your goal is to learn at the fourth level -- that is, to acquire some proficiency in using the knowledge available. These levels of learning are hierarchical -- that is, no level can be attained unless the levels below it are attained. The learning objectives, teaching methods, and performance appraisal methods are designed in conformance with these beliefs. Hence, we will emphasize level 1 and level 2 knowledge, but we will also strive to develop level 3 and level 4 abilities. You will have the opportunities to practice at level 3 and level 4 and will be assessed at all four levels.

There will be much material presented in this class. Business Policy and Strategy is a big subject. Having taught similar classes before, I am able to make a few comments and suggestions.

- ❑ Stay current. The pace and quantity are high. If you fall behind it will be difficult to catch up. Each section always builds directly on previous material, the subject as a whole is cumulative.
- ❑ Be prepared for class. It will be difficult to follow the discussion or participate if you have not read the material. I will come to class assuming you have read the material and have a basic understanding of the concepts, tools, and techniques. Classes are designed to reinforce the key points, clear up questions concerning the basics, and introduce important advanced issues.
- ❑ Course material will be delivered using a variety of approaches but built on the assumptions that effective (and lasting) learning requires that students take an active role in the learning process. In this environment the professor serves as a manager, organizer and facilitator and students are expected to play an active (not passive) role by reading assigned material, contributing to class discussion and participating in group decisions. In doing this learning for all (including the professor) is enhanced.
- ❑ While I will do everything I can to facilitate the experience, you are the one who will be doing the lions share of learning.

STUDENT RESPONSIBILITIES

Everyone (including me) should come to class *on time, prepared, and willing* to participate in open discussion. Students are expected to read course materials and prepare for course assignments in advance of the class session in which they will be covered. Students are also responsible for material and assignments covered during their absence. You are encouraged to interact with fellow classmates and work in groups to discuss course materials. Everyone is encouraged to challenge and critically analyze any concepts, theories, or opinions offered (remembering that politeness and respect should govern). Everyone is encouraged to share his/her experience, knowledge, and insight with the rest of the class. Over the years, I have found that working in small groups, self-selected by motivated students, can significantly enhance the learning process. You are encouraged to work together in such groups in all phases of study for this class.

COURSE ACTIVITIES

Each class will include discussion of chapters, case analysis and group activities. These activities encourage you to develop the critical thinking, communication and managerial skills necessary to further your understanding of the subject.

1. Class Discussions and Participation

The learning experience in a course like this one depends heavily on each student being prepared to actively participate in every class session. We all have experiences that will enrich the topics and direction of discussion in the course. This means that you need to be fully acquainted with the readings, cases and other assignments for a given session. Positive participation includes attendance, active involvement in all in-class exercises and discussions,

and maintenance of a classroom demeanor which encourages the participation of others. You will be evaluated on the quantity as well as the QUALITY of your contribution and insights.

2. Case Studies & Strategic Exercises

Cases will be assigned before the class or during the class to enhance your understanding of the concepts and theories related to a particular chapter. Case discussion provides an opportunity for you to put the techniques and methods into practice. Each student is expected to be familiar with the case before our formal discussion. A team will be randomly selected to kick off our class discussion. Strategic Exercises will be conducted in class throughout the semester. Each team will be charged for finding interesting articles and reporting back to the class.

3. Group Project

Each student will be randomly assigned to a team. The team task is to produce a term paper and make two formal presentations during the course of delivery. The project will be 40% of your grade, including both the written report (20%) and the group presentations (10%). The written report is due at the final week. More detailed guidelines for the group project are provided in *Guidelines for Group Project*.

Written report should be coherent and virtually error-free. All citations, bibliographies, etc., for the project must be in accordance with the Publication Manual of the Academy of Management Review. For detailed instruction about the project report, please refer to Instructions for Case Analysis.

COURSE OUTLINE¹

Week	Topics	Assignments
1	Course Overview Chapter 1 Strategic Management and Strategic Competitiveness	<ul style="list-style-type: none"> ➤ Team Formation ➤ Project: <ul style="list-style-type: none"> a) Company Selection by each team b) Collecting basic background information of the company selected ➤ Find an example of a company that has recently changed its strategy. Identify whether this change was the outcome of a formal planning process or whether it was an emergent response to unforeseen events occurring in the company's environment. What was the strategic issue the company was facing? Why it is a strategic issue, not an operational issue? ➤ Identify a company's mission statement and analyze the key components of a mission statement
2	Chapter 2 the	<ul style="list-style-type: none"> ➤ Project: Conduct an external environment audit of the company

¹This schedule is a guideline only; instructor reserves the right to change the schedule as necessary.

3	External Environment: Opportunities and Threats, Industry Competition, and Competitor Analysis	<p>selected. The analysis should include:</p> <ul style="list-style-type: none"> a) An analysis of general external environment. b) Porter's five-force analysis, and competitive analysis c) Threats and opportunities facing the company <ul style="list-style-type: none"> ➤ Find an example of an industry that has become more competitive in recent years. What makes the industry more competitive? ➤ Find an industry with increasing or decreasing entry barriers, an industry with increasing or decreasing threats of substitutes, an industry with increasing or decreasing threats of bargaining power of suppliers, and an industry with increasing or decreasing bargaining power of buyers.
4	Chapter 3 the Internal Environment: Resources, Capabilities and Core Competencies	<ul style="list-style-type: none"> ➤ Project: Conduct an internal audit of the company selected, including <ul style="list-style-type: none"> a) Value chain model b) Financial analysis (historical comparisons and industry benchmark) c) Strengths and weaknesses of the company <p>Find an example of a company that has sustained its competitive advantages for more than ten years. Identify the source of the sustainable competitive advantages and describe why it has lasted so long.</p> <p>Test 1 of Chapter 1, 2, 3</p>
5	Project presentation (I)	
6	Chapter 4 Business-level Strategy.	<ul style="list-style-type: none"> ➤ Project: Analyze and critically evaluate the company's strategies at the Business level, corporate level and international level. <ul style="list-style-type: none"> a) Why did the company choose such a strategy? Advantages and disadvantages? b) Recommendations for change. ➤ Find an example of a company that pursues one of the generic business-level strategies (cost leadership, differentiation, focus). What are the advantages and disadvantages of its strategy?
7	Chapter 5 Competitive Dynamics	
8	Chapter 6 Corporate-level Strategy Chapter 7 Acquisition and Restructuring Strategies	<ul style="list-style-type: none"> ➤ Find a company that has recently made an acquisition. Why did the company choose the target to acquire? What were the motives? What were the outcomes of the acquisitions? Same as the top management expected? <ul style="list-style-type: none"> a) A company that acquired/merged with another company in a different industry b) A company that acquired/merged with another company in the same industry c) A company that divested one or more lines of businesses in the last few years
9	Chapter 8 International	<ul style="list-style-type: none"> ➤ Provide an example of a Multinational corporation (MNC) and analyze the followings related to its internationalization efforts

	Strategy	a) Its motives and challenges b) Its dominant entry modes c) Its strategy
10	Chapter 8 (cont')	Test 2 of Chapter 4 5 6 7 8
11	Chapter 9 Cooperative Strategy	<ul style="list-style-type: none"> ➤ Project: Analyze the company's organizational structure and culture, and evaluate if there is a good fit between structure, culture and strategy. ➤ Find an example of a company that has recently changed its organizational structure or culture. What changes did it make? Why did it make these changes? What effect did these changes have on the behavior of people and the financial performance of the company? ➤ Project: Identifying the strategic issues facing the company and formulate strategic alternatives and make your recommendations
12	Chapter 10 Corporate Governance	
13	Chapter 11 Organizational Structure and Controls	
14	Chapter 12 Strategic Leadership; Chapter 13 Corporate Entrepreneurship and Innovation	
15	Project presentation II Project report due in class	
16	Test 3 Chapter 9 10 11 12 13	
	Written Case Analysis. This analysis should demonstrate a complete understanding of the elements affecting the corporation's strategy. Students should demonstrate mastery of "strategic thinking." In addition students should integrate material learned from courses throughout the BBA program and this course to prepare recommendations for solving key issues presented in the case. Students should demonstrate mastery of BBA-level problem solving. Students should be able to integrate insight, knowledge, and data to identify problems, generate solutions, and make recommendation based on an analysis of the alternatives.	

SUGGESTED GRADE COMPUTATION

Class Discussion and Participation	10%
Project Presentation (oral) I	10%
Project Presentation (oral) II	10%
Project Report (written)	20%
Tests and Quizzes	50%

WARNINGS

Basic professional courtesy to the students and the professor. 1) Turn off pagers and cellular phones during our class meeting; 2) don't run in and out the classroom, especially during presentation.

Make-up test. Under no circumstance, I will give make-up test unless you make arrangement with me before the test.

Absence. If you miss more than three sessions of our regular meeting, you will receive 0 point for class discussion and participation.

Free rider. Don't assume that you will be able to take credit for the project you barely participate. You may still receive 0 even the team report and presentation receive "A"

Academic Dishonesty - Your attention is drawn to the Code of Student Responsibility as it applies to Academic Dishonesty:

Plagiarism, cheating and other forms of academic dishonesty are prohibited. Plagiarism refers to the use of materials from books, notes, and other sources, in the student's written work without due credit to the sources used; it is the presentation of materials as if these are the student's own. Cheating refers to securing or giving help in a test, unauthorized copying of tests, assignments, reports, term papers, etc. Other forms of dishonesty would be taking a test in place of another student, etc.

FINAL THOUGHT

Evaluating academic performance is a complex and difficult process. While human beings cannot be pigeon-holed, they can be judged on the basis of their achievements. Grades reflect both effort and achievement, not effort alone. The following description (adapted from Williams, John, W. Clarifying grade expectations. The teaching Professor, 1993) typifies the participation and achievement levels expected in this course from an "A" student.

Attendance: "A" students have virtually perfect attendance. Their commitment to the class resembles that of the teacher.

Participation: "A" students are prepared for class. They always read the assignment. Their attention to detail is such that they occasionally catch the teacher in a mistake.

Curiosity: "A" students show interest in the class and in the subject. They look up or dig out what they don't understand. They often ask interesting questions or make thoughtful comments.

Retention: "A" students have retentive minds. They are able to connect past learning with the present. They bring a background with them to class

Attitude: "A" students have a winning attitude. They have both the determination and the self-discipline necessary for success. They show initiative. They do things they have not been told to do.

Talent: "A" students have something special. It may be exceptional intelligence and insight. It may be usual creativity, organizational skills, commitment - or a combination thereof. These gifts are evident to the teacher and usually to the other students as well.

Results: "A" students make high grades on tests - usually the highest in the class. Their work is a pleasure to grade.

Commit yourself to excellence and have a great quarter!!!

Americans with Disabilities Act (ADA) Policy Statement

Reasonable accommodations will be made for students with documented disabilities. In order to receive accommodations, students must contact the Center for Disability Resources. The Center for Disability Resources (CDR) is located in Life Sciences Room 218, telephone 312 567.5744 or disabilities@iit.edu.