



STRATEGY

Course # 1238.2322.01

Semester B – 2011/2012

Lecturer: Dr. Barak Aharonson

Course Time: Tuesday 8:15- 11:00
& Thursday 11:30-14:15
(2nd half of semester A)

Classroom: Recanati 303

Office Hours: By Appointment

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Course Focus

This course focuses on the competitive strategy of the firm, examining issues central to firms' long- and short-term competitive position. The course develops a set of analytical frameworks that enable students to explain performance differences among firms and that, in turn, provide a structure for making strategic decisions to enhance firms' future competitive positions. The first module of the course analyzes strategy at the business unit level, introducing tools of industry analysis and competitive positioning. The later part of the course considers corporate strategy, examining the economic logic for firms to diversify across businesses and for vertical integration decisions across stages of the industry value chain. The final segment of the course addressed the challenges of adaptation and change.

Overview: The primary goal of the course is to enhance your ability to understand, formulate and assess an organization's strategy

- Assessing the external conditions in the organization's environment
- Assessing the internal conditions in the organization's environment
- Understanding how the organization derives value
- Assessing the organization's competitive advantage and sustainability

The course incorporates readings drawn from scholarly professional and business journals and books as well as in-class simulations/exercises.

Course Materials

There is a required course reader. The reader containing all the course readings will be available prior to the start of the course. You will need to prepare the material for our first class. Additional items may be located on the course website. Also the readings for the classes may change so make sure you check the class website before class.

Electronic Access to Course Materials

The course website at Virtual Tau: <http://virtual.tau.ac.il>

Course Requirements

- Quiz in Class Up to 20%
- Mini Projects Up to 18%
- Session 11 Up to 2%
- Final Project - The rest of the grade

Class Quiz

There will be up to 10 quizzes each makes up 2% of the grade. Should there be less than 10 quizzes the rest of the grade will allocated to the final project. There will be no makeup for quizzes – hence be on time to class.

Class Attendance

There are only 12 sessions. Attendance is mandatory. Lack of attendance will result in grade loss 1% for the first class missed 2% for the second class missed (making it 3%) and so on. Given the nature of the course, it is suggested that students not only attend all sessions but also actively participate in class discussions for maximum course benefit.

For the final exam all the material covered in the readings, in class and in your peers' presentation and work will be included.

I look forward to meet all of you.

I-MBA PROGRAM READINGS AND ASSIGNMENTS

SESSION 1 Dec. 27, 2011 Tuesday	INTRODUCTION TO STRATEGY
Lecture Topic	<ul style="list-style-type: none"> • Introduction to the course • What is Strategic Management • Organizing into groups of two
Readings	<ul style="list-style-type: none"> • Syllabus...truly fascinating reading • “What Is Strategy?” By: Porter, Michael E. Harvard Business Review, Nov/Dec96, Vol. 74 Issue 6, p. 61-78
Assignment	<ul style="list-style-type: none"> • We start easy today

SESSION 2 Dec. 29, 2011 Thursday	EXTERNAL ANALYSIS
Lecture Topic	<ul style="list-style-type: none"> • Porter’s 5 forces
Readings	<ul style="list-style-type: none"> • “The Five Competitive Forces that Shape Strategy” By: Porter, Michael E. Harvard Business Review, Jan2008, Vol. 86 Issue 1, p78-93, 16p
Assignment	<ul style="list-style-type: none"> • Be prepared to talk about the reading.

SESSION 3 January 3, 2012 Tuesday	EXTERNAL ANALYSIS (CONTINUE)
Lecture Topic	<ul style="list-style-type: none"> • Hambrick’s Dimond • Other external models
Readings	<ul style="list-style-type: none"> • Chapter 12 – “Industry Analysis” in David Besanko, David Dranove, Mark Shanley, and Scott Schaefer, Economics of Strategy, 5th edition, 2010, Wiley • Donald C. Hambrick and James W. Fredrickson 2001. “Are you sure you have a strategy” Academy of Management Executive
Assignment	<ul style="list-style-type: none"> • Be prepared to talk about the reading.

SESSION 4 January 5, 2012 Thursday	EXTERNAL ANALYSIS (CONTINUE)
Lecture Topic	<ul style="list-style-type: none"> Practicing external analysis
Readings	<ul style="list-style-type: none"> Only about the industry of your organizations
Assignment Due	<ul style="list-style-type: none"> Perform an external / industry analysis on the organizations you chose using the porter 5 forces, In a three page (max 6 sides) 12 font Times New Roman, double space and one inch margins on all sides. Compare the 5 forces as they relate to each of the two organizations you are analyzing in this industry. For each of the forces explain why do you think that the two firms are difference, use examples. After the analysis write minimum two paragraphs summarizing your findings and conclusions about the differences across the 5 forces. Submit a copy of this paper at the beginning of the class. Create a presentation for this analysis and be prepared to present it and talk about it in class (recommended 1 slide for each of the forces – for both firms and one slide for conclusion. Post the presentation before class. The presenting groups will be selected during class.

SESSION 5 January 10, 2012 Tuesday	INTERNAL ANALYSIS
Lecture Topic	<ul style="list-style-type: none"> RBV VIRO model
Readings	<ul style="list-style-type: none"> Barney, J.B. “Looking Inside for Competitive Advantage”, Academy of Management Executive, 1995, vol 9(4), pp. 49-61
Assignment Due	<ul style="list-style-type: none"> Be prepared to talk about the reading.

SESSION 6 January 12, 2012 Thursday	INTERNAL ANALYSIS (CONTINUE)
Lecture Topic	<ul style="list-style-type: none"> Porter’s value chain Scale and Scope Other
Readings	<ul style="list-style-type: none"> Chapter 2 – “Economies of Scale and Scope” in David Besanko, David Dranove, Mark Shanley, and Scott Schaefer, Economics of Strategy, 5th edition, 2010, Wiley
Assignment Due	<ul style="list-style-type: none"> Be prepared to talk about the reading.

SESSION 7 January 17, 2012 Tuesday	INTERNAL ANALYSIS (CONTINUE)
Lecture Topic	<ul style="list-style-type: none"> Practicing internal analysis
Readings	<ul style="list-style-type: none"> Only about your organizations
Assignment Due	<ul style="list-style-type: none"> Perform an internal analysis on the organizations you chose using the VRIO model In a three page (max 6 sides) 12 font Times New Roman, double space and one inch margins on all sides. Compare 5 key resources as they relate to each of the two organizations you are analyzing in this industry. For each of the resources explain the differences across the two firms using the VRIO model, use examples. After the analysis write minimum two paragraphs summarizing your findings and conclusions about the differences across the 5 resources. Submit a copy of this paper at the beginning of the class. Create a presentation for this analysis and be prepared to present it and talk about it in class (recommended 1 slide for each of the resources – for both firms and one slide for conclusion. Post the presentation before class. The presenting groups will be selected during class.

SESSION 8 January 19, 2012 Thursday	Competitive Advantage
Lecture Topic	<ul style="list-style-type: none"> What is competitive advantage? How do organizations create a competitive advantage? How does the competitive advantage impact the organization's ability to extract value in the industry value chain?
Readings	<ul style="list-style-type: none"> Chapter 3 – “Competitive Advantage” in Garth Saloner, Andrea Shepard, and Joel Podolny, Strategic Management, 2001, Wiley Creating competitive advantage” Pankaj Ghemawat (HBS 798-062)
Assignment Due	<ul style="list-style-type: none"> Be prepared to talk about the reading.

SESSION 9 January 24, 2012 Tuesday	Sustaining Competitive Analysis
Lecture Topic	<ul style="list-style-type: none"> How sustainable is a competitive advantage? Can an organization ensure sustainability of a competitive advantage?
Readings	<ul style="list-style-type: none"> Ch. 5 – “Sustaining Superior Performance” in Pankaj Ghemawat, Strategy and the Business Landscape, 2010, Pearson
Assignment Due	<ul style="list-style-type: none"> Be prepared to talk about the reading.

SESSION 10 January 26, 2012 Thursday	Competitive Analysis (Continue)
Lecture Topic	<ul style="list-style-type: none"> • Practicing competitive analysis
Readings	<ul style="list-style-type: none"> • Only about your organizations
Assignment Due	<ul style="list-style-type: none"> • Perform a competitive analysis on the organizations you chose using Ch. 5 – “Sustaining Superior Performance” • In a three page (max 6 sides) 12 font Times New Roman, double space and one inch margins on all sides. Identify and compare <u>three key competitive advantages</u> as they relate to each of the two organizations you are analyzing in this industry. For each of the competitive advantages explain the differences across the two firms using the model outlined in Ch. 5 – “Sustaining Superior Performance” in Pankaj Ghemawat, Strategy and the Business Landscape, 2010, Pearson. Use examples. After the analysis write minimum two paragraphs summarizing your findings and conclusions about the differences across the firms. Submit a copy of this paper at the beginning of the class. • Create a presentation for this analysis and be prepared to present it and talk about it in class (recommended 1 slide for each of the key competitive advantages – for both firms and one slide for conclusion. Post the presentation before class. The presenting groups will be selected during class.

SESSION 11 January 31, 2012 Tuesday	Organizational Structure
Lecture Topic	<p>Option 1</p> <ul style="list-style-type: none"> • What are the different types of organization's structure? • What is the impact of the organization's structure on the organization's performance? • TCE <p>Option 2</p> <ul style="list-style-type: none"> • Case analysis and practice for exam
Readings	<p>Option 1</p> <ul style="list-style-type: none"> • "Building Better Bureaucracies" by Paul S. Adler (Link: http://road.uww.edu/road/parbotek/250-745/WEEK4%20Bureaucracies.pdf) • Organization design: fashion or fit? By: Mintzberg, Henry. Harvard Business Review, Jan/Feb81, Vol. 59 Issue 1, p103-116, 14p <p>Option 2</p> <ul style="list-style-type: none"> • Case Analysis - Teva
Assignment Due	<p>For Option 1</p> <ul style="list-style-type: none"> • Identify and compare the structure of your two organizations in a one page (max 2 sides) 12 font Times New Roman, double space and one inch margins on all sides. Similar to the other paper 1) Explain what are the organizations' structure as per Mintzberg's article. 2) Explain your opinion about the organizations' structure using the readings. • Be prepared to talk about this in class <p>For Option 2</p> <ul style="list-style-type: none"> • Read the case and do an internal, external analysis and competitive advantage analysis. • Be prepared to talk about this in class

SESSION 12 February 2, 2012 Thursday	No Lecture
Lecture Topic	<ul style="list-style-type: none"> • Presentations of Final Projects • Recap of what we studied
Readings	<ul style="list-style-type: none"> • Non
Assignment Due	<ul style="list-style-type: none"> • Final Projects and Presentations

All pages are single side.

For the mini Projects

Select two publicly traded firms from two different industries that were incorporated in similar time frame (+2 years) and in the same country. Both need to be active firms. Compare the two firms using the models we use in class.

All the mini projects should be written in 12 font Times New Roman, double space and one inch margins on all sides.

External / Industry Analysis (Due Session 4) - Compare the 5 forces as they relate to each of the two organizations you are analyzing in this industry. For each of the forces explain why do you think that the two firms are difference, use examples. After the analysis write minimum two paragraphs summarizing your findings and conclusions about the differences across the 5 forces. Submit a copy of this paper at the beginning of the class.

Internal Analysis (Due Session 7) - Identify and compare **5 key resources** as they relate to each of the two organizations you are analyzing in this industry. For each of the resources explain the differences across the two firms using the VRIO model, use examples. After the analysis write minimum two paragraphs summarizing your findings and conclusions about the differences across the 5 resources. Submit a copy of this paper at the beginning of the class.

Competitive Advantage (Due Session 10) – Identify and compare **three key competitive advantages** as they relate to each of the two organizations you are analyzing in this industry. For each of the competitive advantages explain the differences across the two firms using the model outlined in Ch. 5 – “Sustaining Superior Performance” in Pankaj Ghemawat, Strategy and the Business Landscape, 2010, Pearson. Use examples. After the analysis write minimum two paragraphs summarizing your findings and conclusions about the differences across the firms. Submit a copy of this paper at the beginning of the class.

For the final Project

Select two publicly traded firms from the same industry that were incorporated in similar time frame (+2 years) and in the same country. One of them died or in closing stages and one successful or at least still alive. Compare the two firms using the models we used in class.

In a four page (max 8 sides) 12 font Times New Roman, double space and one inch margins on all sides:

External / Industry Analysis (See Session 4) - Compare the 5 forces as they relate to each of the two organizations you are analyzing in this industry. For each of the forces explain why do you think that the two firms are difference, use examples. After the analysis write minimum two paragraphs summarizing your findings and conclusions about the differences across the 5 forces.

Internal Analysis (See Session 7) - Identify and compare **5 key resources** as they relate to each of the two organizations you are analyzing in this industry. For each of the resources explain the differences across the two firms using the VRIO model, use examples. After the analysis write minimum two paragraphs summarizing your findings and conclusions about the differences across the 5 resources.

Competitive Advantage (See Session 10) – Identify and compare **three key competitive advantages** as they relate to each of the two organizations you are analyzing in this industry. For each of the competitive advantages explain the differences across the two firms using the model outlined in Ch. 5 – “Sustaining Superior Performance” in Pankaj Ghemawat, Strategy and the Business Landscape, 2010, Pearson. Use examples. After the analysis write minimum two paragraphs summarizing your findings and conclusions about the differences across the firms.

Conclusion – Given your analysis why do you think one firm was successful while the other fails / failed? Can the success be replicated to other firms in this industry / and other industries? Can this failure be avoided by other firms in this industry / and other industries?