COLLEGE OF BUSINESS ADMINISTRATION
CALIFORNIA STATE UNIVERSITY SAN MARCOS
STRATEGIC MANAGEMENT IN A GLOBAL ENVIRONMENT
BUSINESS 444, Section 03, CRN22111, TTh, 10-11:50 a.m., Markstein 308. Section 04, CRN 22076, TTh, 1-2:50 p.m., Markstein 308.
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Office Hours: Tuesday and Thursday, 3 to 4 p.m. Also by appointment.

Required Books:
In addition to the textbook, I strongly urge you to read The Wall St. Journal on a daily basis plus other business publications (Fortune, The Economist, etc.).

Course Overview:
Strategic Management in the Global Environment is an integrative, capstone course that assumes students have taken the required courses in each of the functional areas such as Accounting, Finance, and Marketing. Its purpose is to provide an opportunity for students to study and analyze issues associated with top management decision making and the organization as a whole. The course will allow students to bring together all of their learned functional skills (accounting, finance, marketing, operations management, etc.) and apply them to the study of business problems faced by top management.

Admission to the Course
Because this is an intensive course emphasizing lecturettes/discussions/cases/case presentations, the class size limit is strictly upheld. The policies for crashing the course are attached.

Course Goals:
The overall objective is to familiarize students with strategic thinking in complex business situations, and more specifically:
- TO LEARN the modern models and theories that can be used to help management
identify, analyze and solve strategic issues within a global environment;
- TO PRACTICE strategic decision making through specific case analyses;
- TO COMMUNICATE your ideas through class discussions, report writing and group presentations.

Operations/Dynamics of the Class:

A number of teaching and learning techniques will be used, including: class presentations of books by leading-edge theorists and practitioners/managers, a few exercises, class lectures, case discussions, video case studies and group presentations.

In the third class, eight teams will be formed. You can select your team members if you so desire, but I will assign membership on teams during the third class if you have not acted. Four is the ideal number, and I try to assign only four to a team. Three or five on a team is also possible, but the important constraint is that there must be eight teams. You should try to have students with different functional backgrounds on your team, e.g., Marketing, Management, and Finance/Accounting. In the fifth class, each team gives the instructor the three top cases from eight cases it would like to present, rank ordered, #1 being the most preferred case. The 8 cases that will be the starting point of each team’s group report are: L’Oreal, Mark and Spence, Viacom, Humana, Daimler-Chrysler, Whole Foods, Nucor, and Lucchetti. Please note that several additional cases have been assigned for class discussion. Each team will make two presentations during the semester, the first of which is a summary presentation on one chapter of the Hitt book. The team will summarize the major points of the chapter and develop several (at least five) questions that can be used as the basis of short-essay questions. There are three exams in the class. I will consider using the questions each team has developed or some variation thereof. Each team should give me a hard copy of your chapter presentation (PowerPoint) and questions at the beginning of each class. Each team should also give a copy of the questions to each student in the class before the presentation. This summary presentation must be completed in 20 minutes or less. Professor Gannon will review the questions with the class; it is not necessary for the team to include a discussion of these questions. If the team presentation goes over 20 minutes, Professor Gannon will ask the team to stop at that point. This will hurt the team grade. It is important to keep within time limits. Typically each team receives two points if it shows it is prepared and stays within the 20-minute time limit.

Professor Gannon employs the Socratic Method in class, calling on students directly and answering their questions within the time constraints of the class period. You are expected to be actively involved in this class. This entails doing any assigned reading before the class meets so that you can be intellectually stimulated and stimulating.

I will take class attendance at the beginning of each class. You can miss three classes without influencing your final grade. Each unexcused absence beyond three decreases your final grade average by one point, that is, you must provide a legitimate excuse (e.g., a doctor’s appointment) for an absence. Please note the following example, which is for illustrative purposes only: If your final average is 90 but you have eleven unexcused
absences, your final grade in the distribution is 79. Thus the student’s final grade is reduced from an A (90 or above) to a C (70 to 79). This is assuming that a C is between 70 and 79, B is between 80 and 89, and A is 90 or above. Senior Experience does not count as a legitimate excuse unless your professor indicates that your attendance at the final presentation (and only the final presentation) is required and conflicts with the class time. Work does not count as a legitimate excuse. If you arrive late for class and attendance has already been taken, it is your responsibility to see me immediately after class. If a student consistently arrives many minutes late for class, Professor Gannon reserves the right to treat the lateness as an unexcused absence, although he will try to be tolerant.

Also, Professor Gannon will begin each class by taking attendance and then calling on a few students, asking specific but simple questions about the reading assigned for that day. If one or more students are unprepared, there is an automatic quiz generated. If you have read the material with any care, you should have no problem with any quiz. Typically the grade is pass or fail. A failure means that the student loses one point from the final grade in the course. Again, however, the student is allowed to miss three classes without influencing his or her final grade. If a student receives one failure but has missed only two classes in total without an excused absence, the one failure on the quiz is not counted in the final grade. In short, the grade described in the previous paragraph and this paragraph can be titled “the attendance/preparation” grade, and it is important, as the example in the previous paragraph suggests. Please note that quizzes will be given throughout the semester, including when the teams present their cases at the end of the semester, but before the team presents. So be prepared for class, as would be expected in business settings! Raising your hand and volunteering answers and points of discussion, while definitely and strongly encouraged, does not influence the final grade.

As an aside, the approach used in this class is closely related to what happens at management sessions and presentations. Some managers have not read the material before coming to the session and this becomes evident quickly, sometimes leading to embarrassment, a loss of face, and negative perceptions of them by senior management. Responding in group situations is essential when a person is performing managerial work. Hence this class will help to prepare you for future situations in many ways.

In the first part of the semester, the class will typically involve: Review of the assigned reading (by Professor Gannon individually for the first three chapters and by each of the eight teams for chapters 4 through 11 plus comments/questions by Professor Gannon), lectures by Professor Gannon, and other activity, such as seeing a video on Jack Welch of GE and discussing it.

When student teams begin case presentations (usually one team per class), other class members become, in effect, the Board of Directors of the company under discussion and there should be a lively interaction between the team members and the class members asking questions after the team presents. Professor Gannon meets immediately with each team after the presentation to discuss the written group case report and the individual presentations. This approach provides training and feedback on formal business presentations that students will confront in their working lives. Student ratings of other
team members – anonymous, of course – are taken immediately after the class and then discussed at these sessions.

As noted above, if you miss class and have a valid excuse, please give a note to Professor Gannon to that effect. Valid excuses include validated job interviews for work after graduation, and you should ask the hiring interviewer to provide you with a company business card with an e-mail address at which Professor Gannon can write to the person as a control measure. Similarly, illness is a valid excuse. Please ask your doctor or the Health Center to provide documentation on formal stationary and an e-mail address for confirmation. There must be some written confirmation of illness from a doctor or clinic.

For your written team reports and oral presentations, Professor Gannon has attached “Instructions for Analyzing Cases and Constructing Slides for Formal Presentations and Writing Group Reports.” You need to follow the instructions consistently and clearly. As indicated previously, Professor Gannon will try to assign a case to each team that is of interest to its members from the eight cases.

However, the case is merely the beginning of your reading, as you must find out what has happened since the end of the case in the Hitt book. For updates, see http://hitt.swcollege.com Use other sources as well, for example, the Wall St. Journal, Business Week, Fortune, etc. NOTE: YOUR WRITTEN REPORT AND CLASS PRESENTATION MUST BE CURRENT; IT DOES NOT BEGIN WHEN THE CASE ENDS IN THE HITT BOOK. Team members can also call the Public Relations Department of the company and its chief competitor for additional printed information. Of course, please visit and thoroughly analyze the company’s website and the websites of direct competitors.

As described in the attachment, “Instructions for Analyzing Cases and Constructing Slides...,” both in your written report and class presentation you should briefly summarize what the Hitt case describes and update the case to the current time. It is critical that your creative strategy is realistic in terms of the firm’s resources. You must also describe the strategy and its implementation in terms of stages, that is, year 1, year 2, etc. You must be realistic in terms of matching resources to your strategy in this description and explicit about this matching. Also, as noted above, in your team report and presentation the team should follow the Hitt model for analyzing a company but then explicitly supplement and highlight how you applied at least three of the six Sun Tzu principles and Ch. 7 of McNeilly. See “Instructions for Analyzing Cases and Constructing Slides...” for very specific instructions that each team must follow.

The grading will be determined as follows:

*First exam, 20%
*Second exam, 20%
*Third exam, 20%
*Team summary of chapter, 2% (group grade. Keep within time limit.)
*Written group report, 31% (group grade)
*Oral presentation, 7% (individual grade. Keep within time limit.)
Each exam is short essay in form. Please answer **only** the question asked, but do add sufficient description so that I know you understand the material. A paragraph is usually sufficient. There will be some choice for the student, e.g., select 5 of 7 questions. Each question will usually have several sub-parts. The student should be able to complete the examination comfortably in one hour and 50 minutes; no additional time will be given. But previous experience suggests that the student should allocate time strictly, e.g., if there are 5 required answers, devote about 20 minutes to each and move on. Otherwise, you will run out of time.

The team report will be graded in accordance with the instructions attached: Instructions for Analyzing Cases and Constructing Slides for Formal Presentations in Class and Writing Group Reports. It is expected that the proposed strategy is logical, creative and consistent; that the team is able to identify the resources, including financial, that can be used to implement the strategy; and that the implementation plan is clear in terms of specific actions and time lines over at least three years. Please see the attached instructions for very specific details.

Papers are generally between 25 and 30 pages in length, including exhibits, cover pages, list of full references, and tables of contents. Page limit is 40 in total, which includes the exhibits/slides and references but not the cover page or Table of Contents. Use 12-point type, double-spaced. Five points will be deducted for going over the page limit. Handing a paper in late automatically lowers the grade by 30 points. Once a team hands in its group report, it cannot change any slides/exhibits, and the team should use them all in the team presentation.

As indicated above, during the third class teams will be created. Students can create their own teams but the professor will finalize all teams by the end of the third class. Each team will then select three cases they would like to analyze for the report and rank them in order of preference (#1 is the highest rank) by the end of the fifth class period. Professor Gannon will try to give the teams the preferred cases if possible. Again, cases assigned for class discussion (see schedule at end) cannot be selected.

In addition, each individual in a team will be asked to allocate 100 points to all team members, including himself or herself, in terms of perceived contributions to the group case report and the summary presentation of the assigned chapters. As indicated above, these ratings are anonymous.

If a student is downgraded by other students in the group, Professor Gannon will take this fact into consideration in the final grading and will lower a student’s final grade. Sometimes a student will drop one letter grade because of these student evaluations, and it is possible to drop more than one letter grade and even fail the course if your team downgrades you significantly. In rare instances a team in previous sections of this course has given a student a zero grade!

Professor Gannon will provide an opportunity for a student who has been downgraded by fellow team members to meet with him and the team before the final grade in the course is assigned. This meeting generally occurs immediately after the class in which the team makes its presentation. At the beginning of the meeting, team members provide ratings of
one another and give them to Professor Gannon for his review. There is then a discussion of the team’s performance, both in terms of its report and its presentation, as well as a discussion of the peer ratings. Please be advised that peer ratings are a major part of the evaluation process, as they reflect the contributions of each team member as assessed by other team members. To avoid problems, the team should meet and schedule meetings throughout the semester, and assign tasks as soon as possible. Don’t wait until the last moment; it may be too late!

In the class case presentation, each team member must speak no less than 5 five minutes but no more than 10 minutes. Also, each student speaks only once during the presentation. Although we will assume that students have taken courses on oral presentations, students should remember that the major issue in a business presentation is being believed and accepted by the audience. Students should remember that PowerPoint slides are meant as means to an end; they are not the end itself. The team members must be clear, concise, and believable. You can have the greatest business plan in the world but, if those evaluating your presentation of it feel that you are not up to the task because of carelessness, lack of confidence, etc., you will not prevail in persuading anyone.

Sometimes students – and managers – are nervous when making presentations, and this detracts from their performance. A few tips:

* Only one student stands at a time, and that is to make the presentation. Sit down and relax.
* Realize that you have thoroughly prepared for the presentation, and that you are most probably more knowledgeable about the material than any one else in the room, including the professor. Take the attitude: The members of this audience are indeed fortunate in having such a knowledgeable and interesting speaker. On the other hand, don’t be overconfident.
* Giving a speech is much like playing a sport. Typically you start off by going slow and gradually you move in a more normal fashion, and sometimes you decelerate when you realize that you are moving too quickly. Thus you should speak clearly but slowly at the beginning; you will soon be speaking at a comfortable tempo. But if you start too quickly, you can easily get out of control.
* Seek out smiling faces in the audience that will help you to become comfortable. One technique is to move your eyes around the four corners of the room and look at friendly faces when doing so.
* Have a bottle of water on the desk to ensure that your throat does not become dry or take a throat lozenge such as Altoids five minutes before the presentation. But don’t chew gum!
* Don’t hide behind the podium. Remember, the major issue in a business presentation is whether the members of the audience like and respect you, and hiding behind the podium makes this impossible.
* Dressing formally for a presentation frequently increases the student’s level of confidence. At the very least, be presentable, e.g., don’t wear a baseball cap.
* If you have a soft voice, as does your Professor, project it by speaking firmly but in a relatively modulated (low) fashion. Do not shout.
* Never start a presentation until everyone is perfectly quiet. And never try to talk while others are talking. In this regard the norm in this class is that one person speaks at a time, and everyone will have a chance to speak, ask questions, and to give their opinions. But it is
extremely rude to talk, even in an undertone to another student, when someone else in the class is talking.

*Practice before a mirror or a friend.
*Watch diction. Avoid “you know” and other conversational fillers. Going slowly at the beginning will help significantly. You will automatically find your natural speaking pace.
*Realize that nothing is perfect, and that you are going to make mistakes, possibly be nervous, etc. But if you prepare well, the overall effect will be very positive, and this effect swamps everything else. NO ONE REALLY CARES IF YOU MAKE A FEW MISTAKES.

For each of the two presentations, the team can turn out one light in the classroom but not make the classroom totally dark. This deadens the presentation and puts us to sleep. The professor strongly discourages the use of notes. You may have some notes on 3 by 5 cards only, but you must place the notes on the table and use them only if it becomes necessary to do so. Use your PowerPoint slides to guide the presentation. Keep each slide simple and to the point, and do not use cartoons, moving objects, etc. A short video of three minutes or less in duration about the company is useful and is encouraged, but not a longer video. In general, you should average one slide per 90 to 120 seconds. I will critique all presentations, including the first one, with each team. Sometimes I will critique a presentation in class so that all of us can learn and improve.

In your presentation, as indicated above, avoid using jargon, e.g., “like,” “you know,” etc. Also, try to pronounce words clearly, e.g., “knowing” versus “knowin.” Poor diction and jargon tend to create a negative impression in many venues, including job interviews.

As indicated previously, Professor Gannon will meet with the team privately to go over the report, the team’s overall effectiveness during the presentation, and each student’s presentation. He will also obtain peer ratings before any discussion occurs and grades are handed out.

**Schedule of Assignments**

Jan 23  Introduction to Course.
Jan 25  Hitt, Ch. 1.
Jan 30  Hitt, Ch. 2. Teams are formed.
Feb 1  Hitt, Ch. 3. Assigned case: AMD in 2005.
Feb 6  Hitt, Ch. 4. Team 1 summarizes. Each team provides a sheet of priorities of cases desired ranked 1 (most desired case) to 3 from the eight selected cases.
Feb 8  Hitt, Ch 5. Team 2 summarizes. Assigned case: Wal-Mart Stores, Inc.
Feb 13  Hitt, Ch 6. Team 3 summarizes.
Feb 15  Assigned cases: Tata Steel and Bank One.
Feb 20  First exam. All assigned readings (including cases) and class notes.
Feb 22  Hitt, Chapter 7. Team 4 summarizes. Hitt, Chapter 8, Team 5 summarizes.
Feb 27  Case videos and group work on case reports.
Mar 1  Hitt, Ch. 9, Team 6 summarizes. Hitt, Ch 10. Team 7 summarizes.
Mar 6  Hitt, Ch. 11. Team 8 summarizes. Case: Lufthansa.
Mar 15  Second exam. Class notes and assigned readings, including assigned cases.
Oct. 20 McNeilly, Chs. 1 and 2.
Mar 22  Teams work on team reports.
Mar 27/29  Spring break.
April 2 On Monday, April 2, each team must submit its final report to Dr. Gannon’s office, Room 343, by 10 a.m. Submission after this time is late.
April 3  McNeilly, Chs. 3-5.
April 5  McNeilly, Chs. 6-7. Also case 14: Louis Gerstner (IBM)
April 12  Team 1 presents.
April 17  Team 2 presents.
April 19  Team 3 presents.
April 24  Team 4 presents.
April 26  Team 5 presents.
May 1  Team 6 presents.
May 3  Team 7 presents.
May 8       Team 8 presents.
May 10      Class review and wrapup.