

Business Strategy Analysis

B01.1101.01

Course Overview

Fall 2001

About This Course

“Business Strategy Analysis”

- **Every Game Has Two Levels**

- 1) **Tennis; hit, serve, forehand, backhand = Tactical, Doing Level**
- 2) **When to Use Strokes, Where to Place Ball, Where to Stand and When to Rush the Net = Strategic Level**

- **This Course Looks at Game of Economic Competition at the strategic level**

- **How to Analyze the Game; Framework into Which to Fit the “How to Do Its” in the Program**

- **In Because Students Taking Competitive Strategy courses in 2nd Year said: “We Needed This Up Front”**

The Focus of This Course

- Business Level Strategy
 - Free Standing Business
 - SBU in Corporation
 - Not Corporate Strategy

- Choosing Attractive Markets in Which to Compete

- Choosing How to Compete

- Gaining Competitive Advantage vs Rivals

- Competing in Dynamic Environments

- Process and Content of Business Strategy

Specifically, In This Course You Will Learn:

1. How to Apply Fundamental Rules of Competitive Strategy to Marketplace Competition
2. How to Create Superior Value for Customers and to Capture Enough to Create Economic Profit for the Firm
3. How to Analyze Competitive Markets and Define the Firm's Strategic Situation
4. How to Formulate Business Strategy
5. How to Use the Firm's Resources (Products, Operations, Sourcing, Technology, Finances) to Gain Competitive Advantage

The Argument This Course Makes

A Theory of Strategic Competition

- Need for Competitive Advantage
- Game is Worth Playing: Gains vs Losses Are Attractive

Marketplace Exchanges Create Value for Buyer & Seller

- Firm's Objectives to Create and Capture Value
- Sufficient to Earn Economic Return on Amount Bet

Marketplace Competition is About Creating Superior Value

- Customers Define and Perceive Value

Competitive Markets Approach Efficiency

- Economic Profits Require Economic Advantage
- Whatever its Source: The Advantage Must Have Effect at Product/Market Level

Firms Have Choices About How, Where, and When to Compete

- Value Proposition (Product/Service)
- Customer Segments to Serve
- When to Enter
- Place in Industry Value Chain
- Internal Value Chain Choices
- Internal Organization

This is Normative Argument

- All Successful Strategies Achieve the Above
- Process by Which Gained Seldom Linear

How This Course Fits With Other Core & Breadth Courses

Understanding Firms and Markets

- The Science Underlying This Course
- Basic Concepts

Data Analysis and Modeling for Managers

- Understanding Data Analysis
- Presenting Data Usefully

Managing Organizations

- How Formal Organizations Structure Themselves
- How Formal Organizations Formulate and Implement Strategy
- How Individuals Work Within Organizations

Financial Accounting and Reporting

- External Reporting of Firm Performance

Marketing: Delivering Value to Customers and Businesses

- How Marketing Function/Department Manages Demand Side Strategies and Activities
- Represent Customers and Market Assets Within Firm and in Strategy Formulation

Foundations of Finance

- The Theory of Capital Markets
- Valuation of Financial Assets

Competitive Advantage for Operations & Information Technology

- How Operations & IT Functions/Departments Manage Supply Side Strategies & Activities
- Represent Firm's Operational Capabilities and Assets in Strategy Formulation

Next Semester

Corporate Strategy & ISE

- How Economies of Scope and Synergy Create Value Above Sum of Individual Business Units
- Manage Portfolio of Businesses
- Real World Application of Business Strategy Analysis, Corporate Strategy, and other core courses.

The Schedule of the Course

Session/Date	Topic	Assignments
1 - 9/5	Course Introduction	
2 - 9/10	A Theory of Competitive Advantage	Competitive Marketing
3 - 9/12	Competitive Advantage in Economic Competition	Strategy (CMS) Reading 1
4 - 9/17	Formulating Competitive Strategy	Ghemawat, Chapter Two
5 - 9/19	Creating Superior Value	Ghemawat, Chapter One; CMS Reading 2
6 - 9/24	Superior Value Through Operations & Cost Structure	Ghemawat, Chapter Three; CMS Reading 3
7 - 9/26	Defining the Competitive Situation	CMS Reading 4
8 - 10/1	Technology as a Source of Value	Case: INTEL/AMD (Discuss/Submitted)
9 - 10/3	Superior Value Through Operations & Cost Structure	CMS Reading 5
10 -10/8	Strategy in a Dynamic Setting	INTEL/AMD Returned
11 -10/10	Competing on Technology and Operations	Case: WAL-Mart (Discussed)
12 -10/15	Strategic Competition and Cooperation	Ghemawat, Chapter 4; CMS Reading 6
13- 10/17	Course Wind-Up	Case: Barco (Discuss/Submitted)
10/25	Final Exam (4:30-5:50)	Case: Browser Wars (Discussed)
		Case: Dell Online, HBR Interview with Michael Dell (Discussed); Barco returned

Grading Information

Grading will be based on the following

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|-----------------------------|------------|
| 1. Final Exam | 50% |
| 2. Intel/AMD case (group) | 20% |
| 3. Barco Assignment (group) | <u>30%</u> |
| | 100% |