

# **Business Strategy Analysis**

**B01.1101.10**

## **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	Presentation Notes Due
1 - 9/10	a) Course Introduction	Competitive Marketing	
	b) A Theory of Competitive Advantage	Strategy (CMS) Reading 1	
2 - 9/17	a) Competitive Advantage in Economic Competition	Ghemawat, Chapter Two	
	b) Formulating Competitive Strategy	Ghemawat, Chapter One; CMS Reading 2	
3 - 9/24	a) Creating Superior Value	Ghemawat, Chapter Three; CMS Reading 3	
	b) Superior Value Through Operations and Cost Structure	CMS Reading 4	
4 - 10/1	a) Defining the Competitive Situation	Case: INTEL/AMD (Discuss/Submitted)	
	b) Technology as a Source of Value	CMS Reading 5	
5 - 10/8	a) Superior Value Through Operations and Cost Structure	INTEL/AMD Returned Case: WAL-MART (Discussed)	
	b) Strategy in a Dynamic Setting	Ghemawat, Chapter 4; CMS Reading 6	
6 - 10/15	a) Competing on Technology & Operations	Case: Barco (Discuss/Submitted)	
	b) Strategic Competition & Cooperation	Case: Browser Wars (Discussed)	
7 - 10/22	Wind-Up	Case: Dell Online, HBR Interview with Michael Dell (Discussed); Barco Returned	

Final Exam TBA

## **Grading Information**

Grading will be based on the following

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