Biz/Competitive Strategy
Fall, 2010

Preliminary Syllabus

Professor Robert M. Salomon
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Office hours: By Appointment

REQUIRED READING

- Coursepack (Coded CP in schedule)
- Blackboard articles (Coded BB in schedule)

COURSE OVERVIEW

This course focuses on issues related to business/competitive strategy. We will examine how firms can organize their activities to achieve profitability, and why some firms earn economic profits while others do not. Some of the specific questions we will address include:

1. What role does industry structure play in profitability?
2. How does competition influence profitability?
3. What are the generic strategies that firms use to position themselves for profitability?
4. How can businesses exploit their internal resources and capabilities to achieve profitability?
5. What role does innovation play in the pursuit of profitability?

Obviously, the answers to these questions are interrelated, and not mutually exclusive. Moreover, the managerial decisions and actions that underpin such decisions materially affect not just the success, but also the survival of business enterprises. The hope then is that this course will help students develop managerial skills in the formulation of business strategies, and to introduce students to a set of analytic tools that aid them toward that end. The ultimate goal is to gain insight into how to optimally manage business units to generate sustained competitive advantage.

COURSE STANDARDS

The greatest value from graduate education is seldom realized immediately upon graduation. Such value is realized over a lifetime, and comes not from having a “bag of tricks” but rather from developing analytical, and problem-solving, skills. One of the most valuable abilities that you can develop and sharpen in graduate school is the ability to think critically and strategically, and to speak and write in a logical and compelling manner.
Accordingly, this is not a lecture course. You are responsible for a large portion of your own development. You are required not only to attend classes, but also to carefully prepare for each class and contribute actively to class discussion. The compressed nature of the course makes it crucial that you prepare the assigned material for every class.

COURSE GRADING

Grading will be based on the following:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Participation (and in-class activities)</td>
<td>25%</td>
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<tr>
<td>Individual Analyses</td>
<td>40%</td>
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<tr>
<td>Group Final Exam</td>
<td>35%</td>
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**Participation.** I will use a number of in-class activities to explore concepts and tools used in the course. Your effort and contribution on these activities will determine your participation grade. I will cold-call students frequently, and at random.

**Individual Assignments.** You are required to complete two (2) individual assignments. The individual assignments should be typed double-spaced, 12 point Times New Roman Font, with one inch margins all around. Your assignment should be no longer than 2 pages.

**Group Assignment.** You will work in groups of 3-5 to submit one (1) final assignment. The deliverable will utilize the tools and concepts of the class. It will require case analysis. A good case analysis should include (but is not limited to) the following components:

1. Brief Introduction & Key Issues
   - Identify the key issues involved

2. External Analysis
   - Macro-environment analysis
   - Analysis of environmental trends
   - Porter’s 5/6 Forces
   - Competitor analysis

3. Internal Analysis
   - Assessment of firm’s strengths and weaknesses vis-à-vis competitors
   - Sources of competitive advantage/core competences
   - Sustainability of advantages
   - Financial statement analysis – i.e., what financial statements say about firm health

4. Analysis of the business strategy of the firm
   - Identify the firm’s strategic positioning
   - Analyze how that strategy is aligned with, and how it has helped, achieve firm goals
   - Describe how/if the identified strategy creates value

5. Recommendations
   - Make specific and actionable recommendations
   - Justify the recommendation
   - Analyze how this recommendation helps the firm achieve its corporate-level strategy
   - Consider implications for the firm’s financial standing
The group assignment should be typed single-spaced, 12 point Times New Roman Font, with 1 inch margins all around. Your analysis should be no longer than 5 pages – excluding title page, references, and exhibits. Exhibits should be on their own pages, following the references. All exhibits should be referred to in the text of the analysis. You do not need to repeat information from the case in your analysis – you should write your analysis assuming its reader has read the case.

All of your work (individual and group) must be original. You should not use material that is beyond the scope or time frame of the case! While you may supplement financial information provided in the case (for example, with financial statements from competitors, etc.), you should be careful that the data pertains to the same years covered by the case. Any external information used must be properly referenced. Failure to properly reference any external source constitutes plagiarism. To avoid any confusion over the originality of your group work, your team should work alone, and should not utilize any analysis found on the web, performed for previous classes, or from any other source.

The individual and group homework assignments must be handed in to the instructor in hard copy at the beginning of class on the date it is due. I will not accept electronic copies of the homework assignments. Note: I will not accept late assignments. Further, I reserve the right to submit the case analyses to plagiarism-detection programs.

***PLEASE NOTE: At the end of this course you will be asked to evaluate your contributions, and those of your colleagues, to the group assignments. You will also be asked to evaluate class participation. These evaluations will be used to scale individual grades.

COURSE COMMUNICATION

A Blackboard website has been created for this course. You should check blackboard on a regular basis. The course syllabus, group membership information, lecture notes, class discussion questions, assignment information, and general course announcements will all be posted on the site.

OTHER ISSUES

Honor Code: Please remember that you are governed the MBA Honor Code. Moreover, every student is obligated to report any suspected violation of that code. You can find more information on the MBA Honor Code at http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797.

Students with Disabilities: If you are having trouble in class, I want to know about it as soon as possible. I will do my best to help students who, despite a sincere and solid effort, are experiencing difficulty. If you have a qualified disability and will require academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 998-4980) and provide me with a letter outlining recommended accommodations.
Important Dates to Remember:

Individual Assignment: Due Class 2
   October 4, 2010
   Reading: Ratios Tell a Story
   Question available on Blackboard

Individual Assignment: Due Class 5
   October 25, 2010
   Reading: Back Bay Battery
   Question available on Blackboard

Group Assignment: Due Class 6
   November 1, 2010
   Case: Progressive Insurance
   Question available on Blackboard

COURSE SCHEDULE

See Attached
<table>
<thead>
<tr>
<th>Class</th>
<th>Topics and Reading Assignments</th>
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<tbody>
<tr>
<td>1</td>
<td>Intro/What is Strategy</td>
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<tr>
<td></td>
<td>Part 1 – Reading: What is Strategy? (CP)</td>
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<td>Part 2 – Reading: Wal*Mart Stores, Inc. (CP)</td>
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<td>2</td>
<td>External Analysis</td>
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<td>Part 3 – Reading – The Five Forces that Shape Strategy / Ratios Tell a Story (CP)</td>
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<td><strong>INDIVIDUAL ASSIGNMENT DUE!! SEE QUESTION ON BLACKBOARD!</strong></td>
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<td>3</td>
<td>Internal Analysis</td>
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<td>Part 1 – Reading – Looking Inside for Comp. Adv. / Value Chain / Positioning (BB)</td>
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<td>Part 2 – Reading – Apple Computer, 2006 (CP)</td>
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<td>4</td>
<td>Competitive Rivalry</td>
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<td>Part 1 – Reading – Anticipating Competitive Dynamics (CP)</td>
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<td>Part 2 – Reading – Dogfight Over Europe: Ryanair (CP)</td>
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<td>5</td>
<td>Innovation and Creative Destruction</td>
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<td>Part 1 – Reading – Creative Destruction (CP)</td>
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<td>Part 2 – Simulation – Back Bay Battery</td>
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<td><strong>INDIVIDUAL ASSIGNMENT DUE!! SEE QUESTION ON BLACKBOARD!</strong></td>
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<td>6</td>
<td>Summary and Review</td>
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<td>Part 1 – Guest Speaker TBD</td>
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<td>Part 2 – Reading – Progressive Insurance (CP)</td>
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<td><strong>GROUP ASSIGNMENT DUE!! SEE QUESTION ON BLACKBOARD!</strong></td>
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***This schedule is a guideline only. I reserve the right to change the schedule as necessary.***