Corporate Strategy Analysis

Winter Intensive, 2010

Preliminary Syllabus

Professor Robert M. Salomon
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Office hours: By Appointment

REQUIRED READING

- Coursepack (Coded CP in schedule) – ** TEXTBOOK INCLUDED IN COURSEPACK**
- Blackboard articles (Coded BB in schedule)

COURSE OVERVIEW

This course focuses on the strategic management and understanding of multi-product, multi-location and multi-business firms. We examine the following topics:

1. Why do we have firms?
2. What determines firm boundaries?
3. Why do we have multi-business firms?
4. How do multi-business firms create or destroy value?
5. How are multi-business firms managed?

Whereas Business Strategy Analysis focuses on strategically managing individual businesses, Corporate Strategy Analysis focuses on the strategic management of issues specific to the multi-business firm. For example, corporate strategy issues for Disney might include whether or not Disney should own a range of businesses (including theme parks, restaurants, television networks, etc.), how those businesses should be entered (e.g., internal development, joint ventures, acquisitions, etc.), and how they can be synergistically combined to create value. Business strategy for Disney would include issues such as how the ABC network should be positioned vis-à-vis its competitors, or how the competitive advantage of Disney’s theme parks should be maintained.

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:

- Participation (and in-class activities) 25%
- Individual Case Analysis 35%
- Group Final Exam 40%

**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 one (1) individual assignment. The individual assignment should be typed **double-spaced, 12 point Times New Roman Font,** with **one-inch margins** all around. Your assignment should be no longer than **3 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.

**Group Assignments.** You will work in **groups of 3-5** to submit one (1) final exam. The group assignment should be typed **single-spaced, 12 point Times New Roman Font,** with **one-inch margins** all around. Your analysis should be no more 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 must be original. You should analyze the case you are given; this means **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 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 assignment** 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 individual assignment. **An electronic copy of the final assignment must be submitted via e-mail within one week of the last day of class. 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
   November 15, 2010
   Case: Nucleon
   Question available on Blackboard

Final Exam: Due One Week from Class 5
   December 20, 2010
   Case: TBD
   Question available on Blackboard

COURSE SCHEDULE

See Attached
# SCHEDULE

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<thead>
<tr>
<th>Class</th>
<th>Topics and Reading Assignments</th>
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<tbody>
<tr>
<td>1</td>
<td><strong>Boundary of the Firm</strong></td>
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<td>Part 1 – Reading: Chapter 5, pp. 116-135 (CM)</td>
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<td>Part 2 – Reading: Vertical Integration: Fisher Body/GM Revisited (BB)</td>
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<td>2</td>
<td><strong>Resources and Rents – Scale and Scope</strong></td>
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<td>Part 3 – Reading: Chapter 2, skim; Chapter 3; Chapter 5, pp. 135-146 (CM)</td>
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<td>Part 4 – Reading: Nuleon, Inc. (CP)</td>
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<td><strong>FIRST ASSIGNMENT DUE!! SEE QUESTION POSTED TO BLACKBOARD!</strong></td>
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<td>3</td>
<td><strong>Diversification</strong></td>
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<td>Part 1 – Reading: Chapter 4 (CM)</td>
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<td>Part 2 – Reading: Vivendi: Revitalizing a French Conglomerate (CP)</td>
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<td>4</td>
<td><strong>Modes of Diversification</strong></td>
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<td>Part 1 – Reading: When to Ally and When to Acquire (CP); Managing Strategic Alliances, pp. 45-51 (do not read sections on capability) (BB)</td>
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<td>Part 2 – Reading: Honda-Rover: Crafting an Alliance (CP)</td>
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<td>5</td>
<td><strong>Mergers and Acquisitions</strong></td>
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<td>Part 1 – Reading: Are You Paying Too Much for That Acquisition? (CP); Economist Article (BB)</td>
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<td>Part 2 – Reading: DaimlerChrysler Post-Merger Integration (CP)</td>
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<td>6</td>
<td><strong>Corporate Governance</strong></td>
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<td>Part 1 – Reading: Chapter 8 (CM)</td>
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<td>Part 2 – Reading: Economist articles (BB)</td>
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***This schedule is a guideline only. I reserve the right to change the schedule as necessary.