MGMT 3015
Corporate Strategy
Semester 1, 2013

This course covers the formulation and implementation of strategies by corporations and businesses. The forces and factors that influence the choice of strategies, and their success or failure are examined. Topics include external analysis of opportunities and threats, internal analysis of capabilities and competencies, choice of strategy at functional, business, corporate and global levels, alignment of structures and controls with strategies and evaluation of strategies. The course draws upon case studies to highlight key concepts in strategic decision-making.

<table>
<thead>
<tr>
<th>Mode of Delivery</th>
<th>On Campus</th>
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<tbody>
<tr>
<td>Prerequisites</td>
<td>At least 48 units</td>
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<tr>
<td>Incompatible Courses</td>
<td>BUSN3015/COMM3015 Corporate Strategy</td>
</tr>
<tr>
<td>Course Convenor/Lecturer:</td>
<td>Dr. Alex Eapen</td>
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<tr>
<td>Office hours for student consultation:</td>
<td>TBA</td>
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</table>
Corporate strategy entails making decisions about where and how a business firm competes. In this course, we will focus on understanding the economic principles underlying strategy decisions. We will first examine the economic determinants of the scope of the firm. Following that, we will examine the various types of market structures that firms could be embedded in, and how these affect their conduct and behaviour. Finally, we will explore competitive strategies that could potentially yield sustainable advantages for firms. The overall aim is to gain, by the end of the course, a robust understanding of the economic principles that underpin strategy.

Learning Outcomes

Upon successful completion of the requirements for this course, students will be able to:

1. Analyse an organisation’s internal and external environments by applying appropriate theories, models, and/or frameworks;
2. Formulate appropriate strategies to gain a competitive advantage at both business and corporate levels;
3. Evaluate competing strategies; and
4. Communicate strategies or strategic alternatives both in writing and verbally to facilitate organisational decision-making and problem-solving.

Proposed Assessment (Summary): Assessment for this course will be confirmed after consultation with students at the first lecture of the semester. If there are any changes to the assessment, those changes will be publicised on Wattle.
### Assessment Task

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Due Date</th>
<th>Linked Learning Outcomes</th>
</tr>
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<tbody>
<tr>
<td>Research report (major assignment) You will review, synthesize, and integrate existing literature pertaining to a specific strategy topic, and provide an empirical application)</td>
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<tr>
<td>1. Part A- literature review</td>
<td>15%</td>
<td>Week 6 (25 March)</td>
<td>1, 2, 3, 4</td>
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<tr>
<td>2. Part B – Full report</td>
<td>35%</td>
<td>Week 13 (27 May)</td>
<td>1, 2, 3, 4</td>
</tr>
<tr>
<td>3. Class participation</td>
<td>10%</td>
<td>Ongoing</td>
<td>1, 2, 3, 4</td>
</tr>
<tr>
<td>4. Final exam</td>
<td>40%</td>
<td>Exam period</td>
<td>1, 2, 4</td>
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### Research-Led Teaching
- The lectures content will be based on the rigorous scholarly research in the field of Corporate Strategy including the lecturer’s own research.
- The research report assessment is very much research-led. Students will need to rely on past scholarly research for frameworks to apply, but also employ their own research into analysing quantitative or qualitative data pertaining to the strategy of a firm.

### Feedback

#### Staff Feedback

Students will be given feedback in the following forms in this course:

- There will be some time set apart in tutorials to reflect on students’ understanding of the material covered in lectures. In this respect, students will get feedback on their understanding.
- Students will get feedback on part A of the research report assessment.
- Students will have the opportunity to get feedback on their final exam if they chose to have it.

#### Student Feedback

ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.
For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to:
http://unistats.anu.edu.au/surveys/selt/students/ and
http://unistats.anu.edu.au/surveys/selt/results/learning/

Policies
ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University’s academic standards, and implement them. You can find the University’s education policies and an explanatory glossary at: http://policies.anu.edu.au/

Students are expected to have read the Code of Practice for Student Academic Integrity before the commencement of their course.

Other key policies include:
• Academic Progress
• Assessment of Student Learning
• Assessment Review and Appeals
• Course Assessment: Consultation and Finalisation
• Student Feedback on Teaching and Learning
• Insert College policies on extensions, late submissions, etc as appropriate

General Information about College policies, processes, and procedures

For more information on relevant polices, procedures and rules, go to your course Wattle site. The relevant information is posted in two items at the top of the central panel in Wattle.

Item 1 is a link to Key issues explained: Policies, Programs, Courses and Assessments. In this section, you will find important information about a range of educational and administrative matters. If you can't find the link on your Wattle site, go to http://cbe.anu.edu.au/Current_Students/general_info/student_info.asp.

Item 2 is called Online social interaction, Netiquette and more.
COURSE SCHEDULE
A more detailed week-by-week schedule is available at the end of this document.

<table>
<thead>
<tr>
<th>Week/Session</th>
<th>Summary of Activities</th>
<th>Assessment</th>
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<tbody>
<tr>
<td>1 (18 – 22 Feb)</td>
<td>Introduction and economics primer</td>
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<tr>
<td>2 (25 Feb – 1 Mar)</td>
<td>Economics primer (contd.)</td>
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<tr>
<td>3 (4 Mar – 8 Mar)</td>
<td>The horizontal boundaries of the firm</td>
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<tr>
<td>4 (11 Mar – 15 Mar)</td>
<td>Horizontal boundaries (contd.)</td>
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<tr>
<td>5 (18 Mar – 22 Mar)</td>
<td>The vertical boundaries of the firm</td>
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<tr>
<td>6 (25 Mar – 28 Mar)</td>
<td>Vertical boundaries (contd.)</td>
<td>Part A of research report due on 25 March</td>
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<tr>
<td>(Mid-semester break)</td>
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<tr>
<td>7 (15 Apr – 19 Apr)</td>
<td>Strategic alliances</td>
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<tr>
<td>8 (22 Apr – 26 Apr)</td>
<td>Strategic alliances (contd.)</td>
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<tr>
<td>9 (30 Apr – 3 May)</td>
<td>Industry and competitor analysis</td>
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<tr>
<td>10 (6 May – 10 May)</td>
<td>Industry analysis (contd.)</td>
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<tr>
<td>11 (13 May – 17 May)</td>
<td>Strategic positioning</td>
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<tr>
<td>12 (20 May – 24 May)</td>
<td>Strategic positioning (contd.)</td>
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<tr>
<td>13 (27 May – 31 May)</td>
<td>Review</td>
<td>Full research report due on 27 May</td>
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<td></td>
<td>Examination period</td>
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ASSESSMENT REQUIREMENTS

Assessment Tasks

1. Research report (major assignment)

The research report will be your major deliverable in this course. More details on the assessment will be provided in due course, but it essentially involves selecting an interesting question pertaining to a strategy topic, undertaking a review of the academic (and practitioner) literature to see what we know about this topic, synthesizing your findings from the literature review in your own conceptual model, and, finally, offering an empirical application of your model. For example, a key issue when thinking about the horizontal scope of a firm is whether or not diversification into new product markets is a good thing. Some firms like General Electric are very diversified, while others tend to focus predominantly on one or two core businesses. Similarly, some firms choose to diversify across geographic regions, while others are less multinational. Which of these strategies is better? Once you identify an interesting question of this sort, you will then look at the literature to see what we already know about this question. In the case of diversification, for example, you will find that scholars have shown that certain types of diversification (e.g. into related products and markets) help profitability more than unrelated diversification. In the
case of geographic expansion, you may find research showing that multinationality
does not monotonically increase performance. After a certain point, there are
diseconomies of scale, which negatively affects performance. Based on your reading
of the literature, you will come up with your own original conceptual model as a
potential answer to the question you started off with. And finally, as the final part of
your report, you will provide some kind of an empirical application of your model.
This could take the form of a case study of a company wherein you see your
conceptual model playing out, or, if you are econometrically savvy, you could collect
some empirical data and do some quantitative analysis. The results of your analysis
could either support or refute your model.

There are two deliverables related to this assessment. Just before mid-semester you
will submit a preliminary version of the report. This will be expected to contain details
pertaining to your choice of research topic, as well as your literature review. You will
get feedback on this. You then need to incorporate this feedback, extend the report
to the conceptual model and empirical evidence, and submit the full version as your
final report. This will be due at the end of the semester.

More details on this assessment will be provided in class.

**Participation**

This course is discussion-oriented, which means that each student must be prepared
to contribute to class and tutorial discussions by either directly participating in the
discussion or bringing interesting issues to the attention of the class, tutorial group,
tutor, and lecturer. You can expect to be cold-called at any stage to help in the
discussions. Discussion questions based on the lecture material will be provided
each week, and you are expected to come to the tutorials prepared to discuss the
answers to these questions. The extent to which you contribute to the discussion of
cases and articles will influence your participation mark.

You will be provided with more information in class on how participation will be
graded. But in general, this course values quality more than quantity, so students
who provide insightful ways to further tutorial discussion will be rewarded.

If you cannot attend a session, please inform the Tutor beforehand.

**Examination(s)**

The final examination will be a closed book one and consist of a combination of
multiple choice and short essay type questions (some of which may be based on a
short case study). The exam duration will be 2 hours plus reading time, and an
introduction to the exam be provided in one of the last few classes of the semester.
The exam will be comprehensive and will cover all topics covered in the course.
Questions will require that you to both identify and more particularly demonstrate that
you are seeking to apply course materials/models/concepts/frameworks. The exam
will test a deep understanding of topics, and the ability to apply marketing tools to
make better decisions.

Exam scripts can be viewed after the release of end of semester grades. You must
refer to the School website for dates and times that exam script viewings are held.
You must provide your student identification card to view your exam script. Scripts
cannot be taken from the Office area.

**Assignment submission**

**Online Submission:** Assignments are submitted using the course Wattle site. Submitted assignments must include the cover sheet provided on Wattle. Please keep a copy of the assignment for your records.

**Hard Copy Submission:** Assignments must be submitted to the School Office and include a cover sheet. Email and fax submissions are not acceptable. You must keep a copy of assessment materials submitted for your records.

**Extensions and penalties**

Late assignments may attract penalties at the rate of 10% of the original mark deducted per day or part thereof. So, for example, if you submit the first draft of the research report 1 day late, you would lose 1.5 marks per day (i.e. 10% of the assignment’s 15% mark = 1.5 marks). You should note that even one minute late is considered to be a day late, so if the assignment is submitted one minute after the due date, it is considered to be one day late. You should make allowances for possible problems and not leave submissions until the last minute because no consideration for technical problems or unanticipated delays other than the Universities guidelines on extensions (see below) will be considered.

**Referencing requirements**

The Harvard or Oxford referencing styles are to be used. Links to documentation on proper referencing methods are available on the course website or from the ANU Library website: [http://anulib.anu.edu.au/lib_home.html](http://anulib.anu.edu.au/lib_home.html)

**Tutorial and/or Seminar signup**

Enrolment in tutorials will be completed online using the CBE Electronic Teaching Assistant (ETA). To enrol, follow these instructions:

2. You will see the Student Login page. To log into the system, enter your University ID (your student number) and password (your ISIS password) in the appropriate fields and hit the Login button.
3. Read any news items or announcements.
4. Select "Sign Up!" from the left-hand navigation bar.
5. Select your courses from the list. To select multiple courses, hold down the control key. On PCs, this is the Ctrl key; on Macs, it is the key. Hold this key down while selecting courses with the mouse. Once courses are selected, hit the SUBMIT button.
6. A confirmation of class enrolments will be displayed. In addition, an email confirmation of class enrolments will be sent to your student account.
7. For security purposes, please ensure that you click the LOGOUT link on the confirmation page, or close the browser window when you have finished your selections.
8. If you experience any difficulties, please contact the School Office (see page 1 for contact details).

**Workloads**
Students taking this course are expected to commit at least 10 hours a week to completing the work. This will include: lectures, tutorials, private study, Wattle

**Prescribed Texts and Reference Materials**

“Economics of Strategy” 6e (by Besanko, Dranove, Shanley, & Schaefer)

**Week by week schedule**

**Week 1 (18-22 Feb)**
Introduction to the course & economics primer We will also go through the course outline and assessments.

(No tutorial)

**Week 2 (25 Feb - 1 Mar)**
Economics primer (contd.)
Tutorial:
- Introductions & clarification of assessments
- Discuss questions on page 36 of the textbook

**Week 3 (4 Mar - 8 Mar)**
Horizontal boundaries
Reading: Chapter 2 of textbook

Tutorial:
Come prepared to discuss the following readings:

**Week 4 (11 Mar - 15 Mar)**
Horizontal boundaries (contd.)
Reading: Chapter 2 of textbook
Tutorial
Petroleum market case
Problems on page 94 of textbook

**Week 5 (18 Mar - 22 Mar)**
Vertical boundaries
Reading: chapter 3 of textbook
Tutorial case discussion:
Discuss questions on page 128 of textbook

Week 6 (25 Mar - 28 Mar)
*(29 March is Good Friday holiday)
Note: Part A of research report is due on Monday, 25 March)
Vertical boundaries (contd)

Tutorial case discussion:
Discuss questions on page 128 of textbook (contd.)

---Mid semester break ---

Week 7 (15 April - 19 April)
Strategic alliances - part 1

Tutorial case discussion:
“Swatch”
http://www.disegnoindustriale.com/progetti/swatch01eng.html
Report by Deloitte: http://www.deloitte.com/assets/Dcom-
Switzerland/Local%20Assets/Documents/EN/Survey/Watch/2012/ch_en_Swiss_Watch_Industry_
Study_2012.pdf

Discussion questions: TBA

Week 8 (22 April - 26 April):
Strategic alliances - part 2

Tutorial activity:
Case handout will be provided
(Please bring a calculator, or preferably, a computer to do some financial computations in this tutorial)

Week 9 (30 April - 3 May):
Industry and competitor analysis
Reading: chapters 5 and 8 of textbook

Tutorial:
Problems on page 192 of text

Week 10 (6 May - 10 May):
Industry and competitor analysis (contd)
Reading: chapters 5 and 8 of textbook

Tutorial activity:
Problems on page 192 of text
Competition in early days of the wide-bodied aircraft industry (Cabral)
Week 11 (13 May - 17 May):
Strategic positioning
Reading: chapters 9 and 11 of textbook

Tutorial activity:
Workshop research reports

Week 12 (20 May - 24 May)
Strategic positioning (contd.)
Reading: chapters 9 and 11 of textbook

Tutorial activity: TBA

Week 13 (27 May - 31 May)
Note: Full research report is due on Monday, 27 May
Review
Tutorial: review