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STRATEGIC MANAGEMENT
MBA Core Course
Autumn 2006

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Course Overview:

This course is about the 'big picture'. Where do you want to go with your organisation? What are you trying to achieve? Why? How? We will be exploring different concepts and tools that can help you understand the environment that a company finds itself in, the resources it needs to obtain, and the organisation it needs to build. Moreover, an explicit question will always be "and what do you *do*, at the end of the day?" We will focus on how you develop and implement a consistent and coherent strategy in today's business world.

To achieve this, we build this course on three pillars: strategic positioning, capabilities, and change. We start from the analysis of the external competitive environment, looking at industry structure, and assess how a firm can select the best position within this environment. We then move to an analysis of firm resources and capabilities, and focus on the firm's resource system, and examine the challenge of coordinating the pieces of the puzzle that underpin corporate success. We then turn to look at organisational change: How do you grow a company? What happens when a company's environment changes? And what do you do if you are in an environment that just keeps on changing? Finally, we look at strategy implementation, and at the way in which the organisational context enables or inhibits us to put this strategy into action.

Learning Objectives:

Throughout the course, we will introduce conceptual models and analytical techniques, but also try to move beyond them and provide you with a hands-on experience through case analysis. Our objective is to help you assess and successfully analyse ill-structured competitive situations, selecting and then effectively using the appropriate tools and frameworks.

Essential Readings

Title	Year	Author	Institution of Author
Contemporary Strategy Analysis: Concepts, techniques, applications. (Blackwell Publishers) 5 th Edition	2005	Robert M. Grant	Georgetown University, USA

Optional Readings

Title	Year	Author	Institution of Author
All the right moves: A guide to crafting breakthrough strategy” (Harvard Business School Press)	1999	Constantinos C. Markides	London Business School

Summary of Cases

Session number	Case name	Date of Issue	Country Setting	Industry
1	Nespresso	1995	Switzerland	Coffee
2	African Communications Group	1996	Tanzania	Telecoms
3	Leadership Online: Barnes & Noble vs. Amazon.com	2000	USA	Book
4	Fairmont Chateau Lake Louise	2003	Canada	Hotel
5	Rebirth of the Swiss Watch Industry 1980-92	2000	Switzerland	Watch
6 & 7	Integration	Group assignment and presentations		
8	McKinsey	2000	USA	Consultancy
9	Oticon	2002	Denmark	Hearing Aid
10	Sabena Belgian World Airlines: Weytjens' First Assignment	1994	Belgium	Airline

Assessment

	Individual (%)	Group (%)	Total (%)
Class Participation & Individual Assignments	30		30
Paper		20	20
Exam	50		50
Total	80	20	100%

Key Dates for Assignments

Title of assignment	Week due
Group Project	Session 7 (end of the day) i.e. 9pm
Individual Assignments	Assignment 1: Week 2 Assignment 2: Week 3 Assignment 3: Week 4
Exam Date	December 7 th deadline (handed out December 4 th)

Class Schedule

Session 1: Introduction: "What is Strategy?"

Preparation:

Case: Nespresso

1. Based on the case, has Nespresso been a success so far?
2. What should Nespresso do?

Follow-up reading:

- Grant, chapter 1

Optional follow-up reading:

- Markides, chapters 1, 3-4
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Session 2: Positioning: "Industry Analysis"

Preparation:

Individual assignment 1 due in class

Case: African Communications Group

1. How attractive is the pay-phone market in Tanzania?
2. What is your opinion of their strategy and their projection of financials (see exhibit 7)?

Follow-up reading:

- Grant, chapter 3
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Session 3: Positioning: "Industry Evolution"

Preparation:

Individual assignment 2 due in class

Case: Leadership Online: Barnes & Noble vs. Amazon.com

1. How has the structure of the book retailing industry evolved over time?

Follow-up reading:

- Grant, chapter 4
- W. Chan Kim & Renee Mauborgne. *Value Innovation: The Strategic Logic of High Growth*. Harvard Business Review 1996

Optional follow-up reading:

- Markides, chapter 2
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Session 4: Capabilities: “Value Chain Activities”

Preparation:

Individual assignment 3 due in class

Case: Fairmont Chateau Lake Louise

1. What strategy should Fairmont Chateau Lake Louise choose?
2. What facilities do they need to develop?

Follow-up reading:

- Grant, chapters 7-9
- Michael E. Porter. *Competitive Strategy Revisited: A View from the 1990s*. 1994

Optional follow-up reading:

- Markides, chapters 7-8
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Session 5: Capabilities: “Resource Analysis & Competitive Advantage”

Preparation:

Case: Rebirth of the Swiss Watch Industry, 1980-1992

1. Why did the Swiss Watch Industry take so long to respond to the introduction of the quartz watch?

Optional reading:

- Dorothy Leonard-Barton. *Core Capabilities and Core Rigidities: A Paradox in Managing New Product Development*. Strategic Management Journal 1992. Vol. 13, Special Issue

Follow-up reading:

- Grant, chapters 5 & 10
 - Jay Barney. Looking inside for competitive advantage. Academy of Management Executive 1995. Vol.9 issue 4.
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Session 6 & 7: Integration: Assignment Session

Case will be distributed the previous week in class

Sessions will run on Friday (all day) for all 4 streams

Session 8: Growth & Change: “Organizational Environment”

Preparation:

Case: McKinsey & Company: Managing Knowledge and Learning

1. What has enabled McKinsey to grow?
2. What value does McKinsey create for its customers?

Follow-up reading:

- Grant, Chapter 6

Optional follow-up reading:

- Freek Vermeulen & Harry Barkema, *Pace, Rhythm and Scope: Process Dependence in Building a Profitable Multinational Corporation*. Strategic Management Journal. 2002, 23: 637-653

Session 9: Growth and Change: “Adapting to Environmental Change”

Preparation:

Case: Oticon

1. What are the sources of Oticon’s problems?
2. What strategy would you advise Kolind to follow?

Follow-up reading:

- Grant, chapters 11 & 17

Optional follow- up reading:

- Bjorn Lovas & Sumantra Ghoshal. *Strategy as Guided Evolution*. Strategic Management Journal 2000. Vol. 21, 875-896
- Nicolai J. Foss. *Selective Intervention and Internal Hybrids: Interpreting and Learning from the Rise and Decline of the Oticon Organization*. Organization Science 2003, Vol. 14, 3: 331-349

Session 10: Growth & Change: “Strategy Implementation”

Preparation:

Case: Sabena Belgian World Airlines: Weytjens’ First Assignment

1. What personal, business and environmental factors influence Erik Weytjens’ decisions and actions? In what way?
2. What is your assessment of the situation at Sabena catering and how ready is the organisation for change?

Optional follow-up reading:

- Markides, chapter 10