
National Research University - Higher School of Economics

Faculty of World Economy and International Affairs

Course Syllabus and Description

Strategic Management of International Companies

Master of International Business Program

38.04.02 Management

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Moscow, 2019

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1 Course Summary

To succeed in the future, managers must develop the resources and capabilities needed to gain and sustain advantage in competitive markets—traditional and emerging. The way in which organizations attempt to develop such competitive advantage constitutes the essence of their strategy. This course introduces the concept of strategic management through readings, discussion and case analyses, and considers the basic direction and goals of an organization, the environment (social, political, technological, economic and global factors), industry and market structure, and organizational strengths and weaknesses. The emphasis is on the development and successful implementation of strategy in different types of firms across industries.

Course level: master, year 1, semester 2

Course length: 190 academic hours, 56 contact hours

ECTS Credits: 5

2 Course Objectives

1. Understand the nature of strategic competitiveness and develop the ability to analyze the competitive environment facing a firm, assess the attractiveness of the industry and isolate potential sources of competitive advantage and disadvantage.
2. Develop business level strategies by defining the type of advantage sought, scope of operations and activities required to deliver the chosen strategy. Assess the likely sustainability of firm strategies and competitive positions.
3. Discriminate among the types of data that general managers need to evaluate alternative scenarios. Make quantitative assessments of strategic alternatives and develop logical, coherent and persuasive analyses for a desired course of action.
4. Consider the actions of competitors and how that impacts your ability to reach your strategic goals. Develop courses of actions that incorporate the actions of multiple players in the marketplace.
5. Integrate knowledge and apply analytical techniques from various disciplines, including finance, accounting, marketing, operations, organization theory and organizational behavior, and particularly economics. The goal is to identify and analyze strategic issues and develop solutions in the form of actionable plans with the purpose of developing and sustaining competitive advantage.
6. Consider how to effectively implement plans within the constraints imposed by the complex behavior of individuals within organizations. Each student should be able to effectively communicate his or her conclusions in both oral and written form.
7. Assess differing styles of management and leadership and consider the essential role of personal values in leading an organization.

3 Learning Outcomes and Skills To Be Developed

Thinking strategically is a difficult skill to master. The objective of this course is to push students to think strategically in different situations. The course introduces the students to a coherent framework of value creation and value capture and develops related concepts that are used to analyze the competitive environment of a firm and its internal strengths and weaknesses. The students are expected to be able to deal with the basic strategy concepts introduced. The ultimate objective is to be able to formulate but also to critically analyze various business strategies. At several points during the course there will also be a review of existing research streams in the field of Strategic Management to familiarize the students with the current frontier knowledge of academic research in strategy.

4 How the Course Fits in with the Curriculum

The course will build foundation to be complemented further by the following Courses:

- International Strategic Alliances, Mergers and Acquisitions
- International Business Consulting
- Business Internationalization Strategies and Procedures

5 Course Outline

№	Topic
Section I: Strategic Position / Analysis	
1	<u>Introduction. The Strategic Management Process</u> The role of the strategy in organizations. Strategic role of managers at different levels in an organization. Main steps in a strategic planning process. Main pitfalls of the strategic planning
2	<u>Environmental & Industry Analysis</u> Show how industry & environmental analysis is critical to a firm's strategy. Explain how to perform industry analysis using a powerful framework. Explore the different applications of industry analysis. Address the criticisms and limitations
3	<u>Capabilities Analysis: Building Competitive Advantage. Competitive Dynamics</u> Source of competitive advantage. Nature of capabilities and their development. Value chain analysis. The importance of preventing core competencies from becoming core rigidities
Section II: Strategic Choices	
4	<u>Business-Level Strategy</u> The nature of competitive positioning in reference to the main factors that underlie the choice of a successful business-level strategy. Differentiate between the principal kinds of generic business-level strategies and appreciate their advantages and disadvantages. Appreciate the competitive positioning issues involved in fragmented and growing, mature, and declining industry environments.
5	<u>Setting Aspirations: Mission, Vision, and Values</u> The components of a corporate mission statement. Importance of stakeholders claims. Hierarchy of corporate goals. The concept of social responsibility
6	<u>Corporate-Level Strategy</u> Main corporate strategies and their special characteristics. Arguments for and against concentrating in just one industry. Conditions under which a company is likely to pursue vertical integration as a means to strengthen its position in its core industry. The main alternatives to vertical integration. Different levels and types of diversification. Value creation through related and unrelated diversification strategy.
7	<u>International Strategy</u>

	Main motives for firm to go abroad. Different strategies that companies can pursue in the global arena. Basic entry decisions a company faces then going international. Main modes for entering foreign markets. Global strategic alliances.
8	Blue Ocean Strategy. Innovation and Entrepreneurship.
	Section III: Strategic Action
9	<u>Strategy Development and Implementation</u> Organizational strategy implementation through organization structure. Building blocks of organization structure. Analyzing a Company as a Portfolio of Core Competences. Distinguish between vertical and horizontal differentiation. The nature and functions of strategic control systems
	Total class hours: 56

Breakdown of topics and hours

No.	Theme	Total number of hours	Class hours			Individual work
			Lectures	Seminars	Total hours	
1	Introduction. The Strategic Management Process	20	2	4	6	14
2	Environmental & Industry Analysis	20	2	4	6	14
3	Capabilities Analysis: Building Competitive Advantage. Competitive Dynamics	20	2	4	6	14
4	Business-Level Strategy	20	2	4	6	14
5	Setting Aspirations: Mission, Vision, and Values	20	2	4	6	14
6	Corporate-Level Strategy	22	2	4	6	16
7	International Strategy	20	2	4	6	14
8	Blue Ocean Strategy. Innovation and Entrepreneurship.	22	2	4	6	16
9	Strategy Development and Implementation	26	1	7	8	18
	Total:	190	17	39	56	134

6 Methods of Teaching and the Course Format

The format of the course is based on a mixture of lecture, cases, readings and guest speakers. Understanding both practice and theory, and acquiring the skill to apply one to the other, should be the core of this course.

A series of deliverables is assigned to develop different skills:

Individual class contribution

Strategic thinking is best learned through practice and use of strategic concepts. The cases are about specific business situations; they are an opportunity to both apply the concepts discussed in

class as well as further develop the ability to think about competitive strategy. Discussions are an important part of the course, which makes it imperative that everyone attempts to regularly contribute to class discussions.

Active participation in the class is an essential part of the learning experience. Meaningful participation means making a contribution to our discussion, not merely talking, and it does not mean repeating case facts or simply agreeing with what others have already said. Case discussion demands the students listen carefully to the statements of others, ask them to explain or defend controversial points, and expect to defend own judgments as well.

The grade will be based on such measures as quality (not quantity) of student contributions, attendance, and punctuality.

Group case presentation

Students will participate in one case analysis presentation to the class as part of a group. The group presentations will be made with the aid of visuals; students will use the business communication skills to explain and defend their conclusions. Students will be assigned specific questions to guide the preparation and reports. The goals are to analyze a real problem in further depth, based on information available in each case. Presentations should last 15 minutes and will be judged by 3 criteria:

1. Informativeness – how well did students understand the case?
2. Analysis - application of insights from the class, evidence used to support argument, novel insights and use of information provided in the case.
3. Style - clarity, slide quality etc.

Group case challenge

When a team is presenting its case analysis, everyone in the class is expected to ask questions. In order to maintain a high level of interaction and discussion, presenting groups will be designated as “Challenge Teams.” These groups will prepare questions for the Presenting Teams. However, make sure that the questions that you ask the Presenting Teams are those that you have an answer to yourself, as I may turn the question around and make you answer it. The role of “Challenge Team” rotates from one case to another so that all teams have opportunities to both present and challenge.

The challenge teams will be evaluated on the depth and relevance of the questions (and possible answers) during the presentation. The challenge teams will generate a list of questions that they intend to ask the Presenting Teams and circle those that they actually asked during the class.

Group case reports

Students will have to prepare specific reports on the business cases, addressing questions that will be distributed in due time for each case. The case reports are to be sent by email **on Thursday of the week of the class discussing that case.** The discussion questions included for the case should provide the framework within which the case is to be analyzed. This does not preclude the inclusion of additional issues that a group wishes to discuss, but the questions provided should be answered. In the write-ups, there must be a combination of the analysis of the case and the conceptual material in the course. The write-ups should be based on quantitative and qualitative information from the case and include a maximum of 10 pages of text, double-spaced, or presentations with a substantial text component.

Class quizzes

Two short unannounced quizzes will be given during the course, which may cover a case, assigned readings, or other material from previous classes.

Course project

The course project replaces the final exam. The central theme of the course project is the analysis of the strategy of a specific business that is either selected by the students or is assigned by the instructor. The precise content of the project is up to the students, although it is expected that the

conceptual material of the course will provide the basic structure for the analysis. The greater part of the resulting output should consist of the analysis of the situation, rather than a passive recounting of descriptive information.

Course project rules:

1. The project is a group work with the assigned team.
2. Each team will email the instructor a 1-page proposal about the company they would like to analyze. The proposal should explain why the company is interesting to analyze, how the analysis will be developed, and what data will be available, including contacts to interview.
3. The team work is handed in as a consulting presentation and report at the end of the term. The presentation should be emailed to the instructor **two days before the session**. The maximum length is 20 slides. A separate Word document should contain an explanatory report (maximum 15 pages double-spaced, excluding exhibits), including an executive summary as the first page.
4. All teams will present their work during the last two sessions of the course and then participate in the discussion of each project. The presentations should last 20 minutes.
5. The final grade for the project will be based on the presentation, the report, as well as how well the teams will handle the discussion after their presentations.

7 Grading

A student's final grade in this course will be based on the following weighting:

- 20% - Class Participation
- 10% - Class Quizzes (two quizzes worth 5% each; individual assignments)
- 20% - Case Write-Ups (two write-ups worth 10% each; group assignments)
- 5% - Group Member Evaluation
- 45% - Course Project (group assignments)
 - Written Report = 25%
 - In-class Presentation = 20%

Case write-ups submitted past deadlines indicated **will not be graded**.

8 Course Readings

Required Textbook

Michael A. Hitt, R. Duane Ireland, Robert E. Hoskisson, Concepts, Strategic Management, Competitiveness & Globalization, 9th Ed., 2011, South-Western Cengage learning

Required Readings

1. Collis D. J. and Montgomery C. A. (2008) Competing on Resources. Harvard Business Review, July-August, pp. 140-150
2. Dunning J.H., Lundan S.M. (2008) Multinational enterprises and the global economy. U.K.: Edward Elgar
3. Grant R. (1991) Contemporary Strategy Analysis, Cambridge, U.K.: Blackwell Business
4. Hamel G. and Prahalad, C.K. (1994). Competing for the Future. Boston, MA: Harvard Business School Press
5. Michael E. Porter (1985), Competitive Advantage: Creating and Sustaining Superior Performance (New York: Free Press
6. Porter M. (1998) Competitive Strategy: Techniques for Analyzing Industries and Competitors. New York.
7. Porter M. (1996) What is strategy? Harvard Business Review, 74(6): 61-78.
8. Porter M. (2008) The Five Competitive Forces That Shape Strategy Harvard Business Review, January 2008

9. Prahalad C.K, Doz Y.L. (1987) *The Multinational Mission: Balancing Local Demands and Global Vision*. New York: Free Press
10. Rumelt R. P., Schendel D. E., Teece D. J. (eds.) (1994), *Fundamental Issues in Strategy*, Boston: Harvard Business School Press.

Electronic Resources:

Readings on strategy

[Harvard Business Review](#)

[McKinsey Quarterly](#) / [BCG Perspectives](#) / [Bain Insights](#)

[Strategy+Business](#)

Sources of relevant business news and company information

[The Economist](#)

[Business Insider](#)

[Bloomberg](#)

[Vedomosti](#)

[RBC](#)

[Expert](#)

Economic and company data

www.wef.org

www.worldbank.org

DataMonitor360

Spark

9 Academic Integrity

Each student in this course is expected to abide by the Higher School of Economics' Academic Honesty Policy. Any work submitted by a student in this course for academic credit will be the student's own work.