

## Приложение 2

к Положению о программе учебной дисциплины образовательных программ высшего образования – программ бакалавриата, специалитета, магистратуры НИУ ВШЭ

### Syllabus

## STRATEGIC MANAGEMENT

( XX ECTS)

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Meeting Minute # \_\_\_dated \_\_\_\_\_ 20\_\_

### 1. Course description

#### a. Pre-requisites

The course is an introduction to the field of Strategic Management. The basic knowledge in economic theory, finance, firm valuation, marketing and business processes is required for the successful participation.

#### b. Abstract

The course covers major concepts and theories of Strategic Management and shows how they can be applied to real business situations. It equips students with new skills and tools for better strategic planning, stronger firm performance and creation of company's long-term value. It also provides students with insights from real-life cases, closing the gap between rational development of strategy and strategy execution and teaches them to develop their own roadmap for business success.

### 2. Learning objectives

The main objective of the course is to learn how to formulate and to implement successful strategies to gain competitive advantage to the firm and increase its value. It also aims to develop the student's ability to innovate, to think strategically and to develop fundamental thinking, which will set them apart as a strategic leader.

### 3. Learning outcomes

Students have to obtain the following key skills during the course:

- general understanding of the strategic management, process of strategic planning and strategy formulation and their impact on firm's success and firm's value;
- understanding of the role of a strategic leader, ability to create vision and mission statements that are ethically sound and address both economic and corporate social responsibility issues;
- understanding of external environment, competitors' intelligence, ability to analyze own industry and firm's position;
- understanding of the internal resources and capabilities of the firm as well as their importance for sustaining competitive advantage;
- understanding of the importance and challenge of capabilities' development, knowledge management and speed of innovation;
- ability to differentiate between corporate- and business-level strategy formulation;
- knowledge and the ability to apply various analytical framework for strategy formulation;
- understanding of motives and effects of international diversification, its effect on value, modes for entering the international markets;
- understanding of the role of ethics and corporate social responsibility in the process of strategy formulation as well as their impact on the value of the company

### 4. Course plan

The timeline is meant as a guide, but the lecturer reserves the right to modify the topics and class schedule.

#### a) Course content

Topic 1. Introduction to strategic management

Topic 2. The major components of strategic management process, the work of strategic leaders

Topic 3. External environment and industry assessment

Topic 4. Internal organization: resources, capabilities and competitive advantage

Topic 5. Developing resources and capabilities, innovation

Topic 6. Formulation of strategy and major analytical frameworks

Topic 7. International strategy

Topic 8. Corporate Social Responsibility and Corporate Citizenship

#### b) Plan of classes

Topic 1. Introduction to strategic management
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<p>Date: Time: Room:</p>	<p>The topic is an introductory one, aiming to build a general understanding of concept of strategy, strategic management and strategic planning process. It introduces some of the main theories of strategic management, key definitions and explains how effective strategy contributes to firm superior performance.</p> <p>Main issues covered:</p> <ul style="list-style-type: none"> <li>- the role of strategy in firm’s success, (terms “superior performance”, “competitive advantage”, “company’s business model”), common characteristics of successful strategies</li> <li>- a brief history of business strategy, evolution of strategic management</li> <li>- the sources of superior profitability, corporate and business strategy</li> <li>- the main approaches to the formulation of strategy</li> <li>- the multiple roles of strategy</li> <li>- the role of analysis in strategy formulation</li> </ul> <p>Group exercise and case:</p> <ul style="list-style-type: none"> <li>- small-group exercise: designing a planning system</li> <li>- case: GM, planning for the Chevy Volt</li> </ul> <p>Learning outcomes (students should be able to):</p> <ul style="list-style-type: none"> <li>- appreciate the contribution that strategy can make to successful performance of the firm</li> <li>- recognize the key characteristics of effective strategy</li> <li>- become familiar with the major trends in the development of business strategy during recent decades</li> <li>- understand how strategy is made within an organization and the role of strategic planning systems</li> <li>- understand the linkages between financial analysis and strategic analysis and how they can be used to complement one another</li> </ul>
<p>Topic 2. The major components of strategic management process, the work of strategic leaders</p>	
<p>Date: Time: Room:</p>	<p>The topic is concerned with the major components of strategic management process (creating firm’s mission and vision statement, establishing major goals of organization,</p>

	<p>formulation and implementation of strategy at all levels of organization). It also addresses the issue of strategic leadership and major challenges the Corporate Boards and strategic leaders face while formulating and implementing firm's strategy. Main issues covered:</p> <ul style="list-style-type: none"> <li>- major components of strategic management process</li> <li>- major stakeholders of the firm and their influence on firm's strategy</li> <li>- key characteristics of good strategic leaders</li> <li>- cognitive biases and strategic decision making, techniques for improving decision making</li> <li>- crafting of firm's mission and vision statement</li> <li>- establishing major goals of organization and their translation into meaningful measurable performance targets</li> <li>- formulation and implementation of strategy in a complex organization</li> </ul> <p>Class case: Laura Ashley Holdings plc. (vs. Madonna)</p> <p>Learning outcomes (students should be able to):</p> <ul style="list-style-type: none"> <li>- identify the main steps in a strategic planning process</li> <li>- discuss the main pitfalls of strategic management process and how they can be avoided</li> <li>- outline the cognitive biases that might lead to poor strategic decisions and explain how this biases can be overcome</li> <li>- discuss the role played by strategic leaders and managers at different levels in an organization in a strategy-formulation process</li> <li>- comprehend the role of values, mission and vision in formulating and implementing strategy</li> <li>- understand the linkages between financial analysis and strategic analysis and how they can be used to complement one another</li> </ul>
<p>Topic 3. External environment and industry assessment</p>	
<p>Date: Time: Room:</p>	<p>The topic explores the external environment of the firm and develops a systematical approach to analyzing a firm's industry environment in order to evaluate the industry's profit potential and to identify the sources of competitive</p>

	<p>advantage.</p> <p>Main issues covered:</p> <ul style="list-style-type: none"> <li>- environmental vs. industry analysis</li> <li>- definition of industries: where to draw boundaries?</li> <li>- the determinants of industry profit: demand and competition</li> <li>- analyzing industry attractiveness, Porter's five forces of competition framework</li> <li>- limitations of models: evolution of industries over time with reference to the industry life cycle model and macroeconomic environment</li> <li>- application of industry analysis (positioning, changing the industry structure)</li> <li>- industry attractiveness and competitive advantage: identifying key success factors</li> </ul> <p>Group exercise and case:</p> <ul style="list-style-type: none"> <li>- small-group exercise: competing with Microsoft</li> <li>- case: the United States Beer industry</li> </ul> <p>Learning outcomes (students should be able to):</p> <ul style="list-style-type: none"> <li>- Identify the main structural features of an industry that influence competition and probability</li> <li>- Use industry analysis to explain why in some industries competition is more intense and profitability lower than in others</li> <li>- Use evidence on structural trends to forecast changes in competition and profitability in the future</li> <li>- Develop strategies that (a) position the firm most favorably in relation to competition and (b) influence industry structure in order to enhance industry attractiveness</li> <li>- Analyze competition and customer requirements in order to identify opportunities for competitive advantage within an industry (<i>key success factors</i>)</li> </ul>
<p>Topic 4. The internal organization: resources, capabilities and competitive advantage</p>	
<p>Date: Time:</p>	<p>The topic is devoted to the resources and capabilities that firms possess, which form the foundation for building</p>

Room:	<p>competitive advantage. It also discuss the techniques of identifying, assessing and developing firm's resources and capabilities.</p> <p>Main issues covered:</p> <ul style="list-style-type: none"> <li>- The source of competitive advantage and the role of resources and capabilities in strategy formulation</li> <li>- The resources of the firm</li> <li>- Organizational capabilities</li> <li>- The concept of value chain, appraising resources and capabilities</li> <li>- The link between durability of competitive advantage and profitability</li> <li>- Putting the resource and capability analysis into work</li> </ul> <p>Group exercise and case:</p> <ul style="list-style-type: none"> <li>- small-group exercise: analyzing competitive advantage case: Southwest Airlines</li> </ul> <p>Learning outcomes (students should be able to):</p> <ul style="list-style-type: none"> <li>- Appreciate the role of resources and capabilities as a basis for formulating strategy</li> <li>- Identify and explore the role of efficiency, quality, innovation and customer responsiveness in building and maintaining a competitive advantage</li> <li>- Explain the concept of value chain, evaluate the potential for a firm's resources and capabilities to confer sustainable competitive advantage</li> <li>- Explain what impacts the durability of a firm's competitive advantage</li> <li>- Use the results of resource and capability analysis to formulate strategies that exploit internal strength while defending against internal weaknesses</li> </ul>
Topic 5. Developing resources and capabilities, innovation	
Date: Time: Room:	<p>The topic addresses the challenge of developing and creating resources and capabilities with the main focus on organisational capabilities.</p> <p>Main issues covered:</p> <ul style="list-style-type: none"> <li>- The challenge of capability development (path dependence and the role of early experience)</li> <li>- Approaches to capability development (internal</li> </ul>

	<p>development vs. acquiring)</p> <ul style="list-style-type: none"> <li>- Knowledge management and the knowledge-based view on strategy (types of knowledge, knowledge processes that promote capability development)</li> <li>- Knowledge conversion and the challenge of replication</li> <li>- Designing knowledge management system</li> </ul> <p>Class case: Eastman Kodak: Meeting the digital challenge</p> <p>Learning outcomes (students should be able to):</p> <ul style="list-style-type: none"> <li>- recognize the difficulties that managers face in developing the resources and capabilities of the organization</li> <li>- be familiar with the different approaches that firms have taken in developing organizational capabilities</li> <li>- appreciate the role of knowledge as the most important resource of the firm and the contribution knowledge management can play in developing organizational capability</li> </ul>
<p>Topic 6. Formulation of strategy and major analytical frameworks</p>	
<p>Date: Time: Room:</p>	<p>The topic focuses on the formulation of strategy. First, it looks more deeply on competitive advantage and main ways a firm can achieve it. Secondly, it examines how a company selects, pursues and maintains a business model that will allow it to compete effectively in an industry over time. Finally, it introduces several important frameworks for the analysis.</p> <p>Main issues covered:</p> <ul style="list-style-type: none"> <li>- the nature of competitive advantage (CA from responsiveness to change and from innovation), sustaining competitive advantage, competitive advantage in different market settings</li> <li>- main types of competitive advantage: cost leadership and differentiation</li> <li>- analysis of cost position and different types of differentiation</li> <li>- competitive positioning, tradeoffs between differentiation, cost and pricing options</li> <li>- business models based on some combination of the</li> </ul>

	<p>main generic business-level strategies: cost leadership, differentiation and focus</p> <ul style="list-style-type: none"> <li>- major strategy formulation networks (market segmentation, BCG matrix, GE/McKinsey, value chain in cost analysis, 4-Ps, learning curve)</li> </ul> <p>Group exercise and case:</p> <ul style="list-style-type: none"> <li>- small-group exercise: finding a strategy for a restaurant</li> <li>- case: Holliday Inn</li> </ul> <p>Learning outcomes (students should be able to):</p> <ul style="list-style-type: none"> <li>- explain why a company must define its business and how managers do this through their choices about with are customer groups, customer needs and distinctive competences</li> <li>- identify the circumstances in which a firm can create a competitive advantage</li> <li>- distinguish the two primary types of competitive advantage: cost advantage and differentiation advantage (incl. cost drivers, firm's cost relative position relative to its competitors as well as differentiation on the demand and supply side)</li> <li>- apply this analysis to assess the potential for a business strategy to establish and sustain competitive advantage given the characteristics of the industry setting</li> <li>- identify the choices managers make to pursue a business model based on some combination of the main generic business-level strategies</li> <li>- apply major analytical frameworks for strategy formulation</li> </ul>
<p>Topic 7. Strategy in the global environment</p>	
<p>Date: Time: Room:</p>	<p>The topic responds to the question “What does the globalization of the world economy mean for strategy analysis and how firms can integrate this trend into their strategy formulation?” It discusses models managers can use for analyzing competition in different national markets as well as various ways in which international expansion can increase a firm's profitability and growth.</p> <p>Main issues covered:</p>

	<ul style="list-style-type: none"> <li>- the process of globalization and its impact on a firm's strategy</li> <li>- analyzing competitive advantage in an international context (comparative advantage, Porter's National Diamond, consistency between strategy and national conditions)</li> <li>- motives for expanding internationally</li> <li>- different strategies the companies use to compete in the global marketplace</li> <li>- different modes for entering foreign markets</li> <li>- international location of production</li> </ul> <p>Group exercise and case:</p> <ul style="list-style-type: none"> <li>- small-group exercise: developing a global strategy</li> <li>- case: MTV Networks: A global brand goes local</li> </ul> <p>Learning outcomes (students should be able to):</p> <ul style="list-style-type: none"> <li>- understand the process of globalization and its impact on industry structure, competition and firm's strategy</li> <li>- discuss the motives for expanding internationally</li> <li>- define and formulate different strategies firms use to compete in the global marketplace (incl. global standardization, localization, transnational strategy, international strategy)</li> <li>- explain the pros and cons of different modes for entering foreign markets</li> <li>- shape international strategies that achieve an optimal balance between global integration and national differentiation</li> <li>- design organizational structures and management systems appropriate to the pursuit of international strategies</li> </ul>
<p><b>Topic 8. Social responsibility and corporate citizenship</b></p>	
<p>Date: Time: Room:</p>	<p>The topic discusses the current movement towards corporate social responsibility (CSR) and demonstrates that being a responsible corporate citizen makes good business sense. It also discusses how managers can balance the needs of different stakeholder groups in the long-run interests of shareholders and why corporate philanthropy initiatives</p>

	<p>should be considered strategic.</p> <p>Main issues covered:</p> <ul style="list-style-type: none"> <li>- profit, values and principles and stakeholders of the firm</li> <li>- the debate over Corporate Social Responsibility</li> <li>- connection between competitive advantage and social issues</li> <li>- the concept of “Shared Value” by Michael Porter</li> <li>- “shared value” and its impact on strategy</li> <li>- approaches to the measurement of social impact</li> <li>- Corporate Social Responsibility and value-based management</li> <li>- the role of business in society, corporate philanthropy</li> </ul> <p>Learning outcomes(students should be able to):</p> <ul style="list-style-type: none"> <li>- appreciate the main arguments in the debate over shareholders vs. stakeholder goals for the firm</li> <li>- understand how the competitive advantage and social issues are linked</li> <li>- explain the role of business in society</li> <li>- explain why being a responsible corporate citizen makes good business sense</li> <li>- outline and explain the main approaches to measurement of social impact</li> <li>- explain how the CSR metrics can be integrated into a value-based-management framework</li> <li>- explain the concept of corporate philanthropy and why it should be considered as a part of firm’s strategy</li> </ul>
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## 5. Reading List

### a) Required reading:

1. Robert M. Grant\_a\_(2010): Contemporary Strategy Analysis, 7th edition; Wiley & Sons
2. Robert M. Grant\_b\_(2005): Cases to accompany Contemporary Strategy Analysis, 5th edition; Wiley & Sons
3. Hill, C.W.L., Jones, G.R. (2010): Strategic Management Theory: An integrated approach, 9th edition; South-Western Cengage Learning
4. Porter, M., Kramer, M. (2011): Creating Shared Value, Harvard Business Review, June 2011

5. Martin, J.D., Petty, J.W., Wallace, J.S. (2009): Value-Based Management with Corporate Social Responsibility, 2<sup>nd</sup> edition, Oxford University Press (Chapter 6)
6. Kotler, P., Lee, N. (2005): Corporate Social Responsibility, Wiley & Sons (Chapter 6)

**b) Optional reading:**

1. Hitt M.A, Ireland R.D., Hoskinson, R.E. (2009): Strategic Management: Competitiveness & Globalisation, 8th edition; South-Western Cengage Learning
2. Davenport, T. H., Leibold, M., Voelpel, S.(2006): Strategic Management in the Innovation Economy, Wiley & Sons
3. Porter, M. et al. (2016): Measuring Shared Value: How to unlock value by linking social and business result; FSG report

**6. Grading system**

The final grade consists of the following elements:

Element	Weight		
1. Small-group work	30%	50%	100 %
2. Individual homework assignments	15%		
3. Class discussions	5%		
4. Final STRAT paper	50%	50%	

The following criteria will be used to grade the assignments

- The answers should be brief and to the point.
- Students should show that they have understood and assimilated the material covered in class and have also read the additional material.
- Students should attempt to provide the justification of their statements. For instance, if a statement is true or false, it should also be explained why.

**7. Examination type**

The students will have to submit their Final Strategic Paper (STRAT Paper) at the end of the term. In order to perform this task, students will be divided into small groups (4-5 people) and are expected to choose an organization about which the group will write their strategic management paper. The precise guidelines for the STRAT paper will be provided additionally.

**8. Methods of instruction & Course requirements**

### 1) Attendance/Punctuality

Students are expected to attend all classes and be on time. The maximum number of absences is three (3). Although attendance itself is not given a grade equivalent, it will have impact on the student's participation in class activities. Students who miss class sessions are responsible for the lessons taken up and are not excused from the work or assignments for that session.

### 2) Class participation

Each student is expected to actively participate in discussions through sharing one's ideas and experiences relevant to the topic under discussion, giving comments and asking questions whenever appropriate. In order to participate actively in class discussions and small-group exercises, students are expected to prepare and do the assignments prior to each session. The students should be ready with a soft copy of their reports for presentation to the class when called by the instructor.

### 3) Individual assignment

The students are expected to do all assigned activities for each session and submit on time written reports specified to a course syllabus. Late reports will not be accepted and will not be given any grade credit. The students should be ready with a soft copy of their reports for presentation to the class when called by the instructor.

### 4) Small-group exercises/Presentations

Leaners will be formed into small groups of 4-5 members and will be asked to apply knowledge learned, using specific cases assigned by the instructor. Each student is expected to actively participate in the group discussions and cooperate with the other team members in carrying out and fulfilling the requirements for the group assignment. The instructor will give a grade for each group output/presentation and will require peer rating and evaluation in giving the individual grades for the group assignments.