Overview and Purpose

This class is a seminar in which we address an enduring issue – perhaps the most fundamental issue – in the practice and study of business: what explains the relative success or failure of a business enterprise? This basic idea can be expressed in a number of ways: What explains differences in firm performance? Why are some firms more profitable than others? What should a manager do to make her/his firm as successful as possible? To address this issue, we draw upon models and evidence regarding decision-making in organizations, firm performance, and industry structure and technological change.

I will challenge you to think critically and systematically about the explanations for success that we encounter. The broad field of business has several “received views” on the causes of success; this situation raises some basic questions: Are these explanations for success consistent or competing? Are there generally applicable “rules” for success, or is success so contingent upon a firm’s unique situation that the best theory is “it depends”? Are we currently experiencing dramatic changes (e.g., those associated with globalization and technological change) such that the past is not an adequate guide for the future?

I want to underline the seminar nature of the course. Each of us is responsible for contributing to our success – by drawing on experience, prior studies in the functional areas of business, and the current study of strategic management – in a setting of constructive and critical dialogue.

Background on the subject. The Strategic Management (sometimes “Business Policy”) course typically is treated as a “capstone” or “keystone” to a business program. I see three distinct purposes that this capstone course serves. First, the course has an integrative purpose: to call upon and apply the knowledge and skills gained from studies in the functional areas of business (such as operations, marketing, and finance).
A second perspective on this course is that it explicitly requires a *general management* point of view: to evaluate and analyze decisions, choices, and strategies in light of the *total enterprise*. These two perspectives have dominated the “business policy” course since it was developed at Harvard approximately 80 years ago. Finally, there is a relatively recent perspective (less than 25 years) offered by *strategic management*: a set of tools and frameworks, drawing at least as much from economics as from the traditional functional areas of business, specifically intended to address the formulation and implementation of major strategic decisions.

**Course Readings**

Harvard cases and readings (available through XanEdu.com).

Reserve readings (available online through the library’s ERes (electronic reserves) system.

(Please note: We will use all the Harvard cases and readings, but we will not use all the readings on electronic reserve.)

**Requirements/Evaluation of Performance**

Tentatively, equal weight will be given to three components: [a] contribution to discussion, [b] individual assignments and examination(s), and [c] group written assignments and presentations. The first written assignment and the general nature of the major group project for the quarter are discussed below. The nature of the examination(s) and requirements for the projects and presentations will be discussed in class.

**Assignment #1 (due Wednesday, April 3).** The purpose of this assignment is to identify what have you learned in your other coursework to date that sheds light on the fundamental issue: What explains the relative success or failure of a business enterprise? Why are some firms more profitable than others?

First, make a list or table (arranged by course in this program) of concepts, models, and theories that address relative profitability. State these ideas briefly. You must include each of the courses you have taken in the program. Feel free to add to the list other courses you have taken or other ideas that you have.

Then, integrate what you feel are the most important ideas into a *brief* (suggested length: 2 pages) analytical essay. What are the major viewpoints, and how do they compare and contrast with each other? Cite the source of each idea that you present.

This is a group assignment. Ideally, you will work with the group that you have chosen for the quarter. However, due to the short time frame, you may submit this assignment individually or with an ad hoc group.

**Major group project**

As a group, you will select a company that will be the focus of a significant amount of
work this quarter: three short papers, a longer report, and a presentation. I would like to "approve" your selection before you proceed with significant work on this project.

In thinking about selecting a company, consider that you will need to apply the models that we apply this quarter. You will need to present and cite information about the industry (e.g., competitors and customers). You will have to gather information about how well this company has done in the past and predict (and defend your prediction) how well you expect it to do in the future.

Presentations of these projects will be on the last three days of class: May 29 (Wednesday), June 3 (Monday), and June 5 (Wednesday).

**Final Examination or Individual Paper.** There will be a paper (individual) due Monday, June 12, based upon the presentations of the major group projects. For students who cannot attend all these presentations (i.e., on May 29, June 3, and June 5), there will be an examination in class on Monday June 10.

**Quizzes.** We may have quizzes at any time. These may or may not be announced in advance. Typically, but not always, quizzes will take place during the first 5 minutes of the class period, and will address readings and cases due for that day or material discussed at the previous class. I would prefer not to have quizzes, and there will be a minimum number of them if there is sufficient evidence that most students are well-prepared to discuss the assignments.

**Contribution to Discussion.** The emphasis of class activity will be discussion (active participation), as opposed to a “lecture and listen” format. Therefore, it is appropriate to encourage attention to how much is contributed by each participant. Needless to say, being silent contributes nothing. Merely repeating the ideas of the last person to speak (or repeating a previous comment that you made!) contributes little more. The best contributions to discussion improve the understanding of everyone in the class by demonstrating these characteristics:

- respond to what others are saying;
- identify issues and competing ideas; and
- apply facts, models, and analysis.

**Plagiarism.** I have found that most people can learn from examples that demonstrate both proper citation of materials and examples of practices (both commission and omission) that constitute plagiarism. A useful web site on plagiarism maintained by Northwestern University’s Undergraduate Academic Conduct Committee can be found at:

   http://www.nwu.edu/uacc/plagiar.html

Plagiarism is also discussed in the brochure "Maintaining Academic Integrity," published by ASUWB. This is available on Professor Michael Goldberg’s site:

   http://www.bothell.washington.edu/faculty/mgoldberg/cheating.htm
You are responsible for understanding plagiarism as explained in these documents. Please let me know if you have any questions.

At a minimum, incidents of plagiarism will be punished by a grade of zero in the relevant project.