Day/Class time: Wednesdays, 6:00 P.M. - 10:00 P.M.
Location: Pepperdine University Plaza (PUP)

Professor’s Name: Stephen J. Baumgartner
Office Phone: (818) 382-6200 (on MWF) ~ or ~ (626) 794-0288 (on TTh)
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1. Introduction:
BSM 479 examines the enterprise from the perspective of senior management. The BSM candidate analyzes the external environment, assesses the enterprise's capabilities and competencies, identifies strategic issues, explores strategic alternatives, and defends specific recommendations to best implement the recommendations selected to respond to the issues and create value for the organization.

2. BSM 479 Business Strategy - Catalogue Course Description:
This capstone course effectively introduces students to the responsibilities of the top management of an enterprise. Integrating most of what has been covered in the entire program, the course helps students to conduct strategic analyses and make strategic decisions and puts special emphasis on their ability to defend the recommendations they make. The course may use a variety of experiential methods, including case studies, a strategic project on a real company, and competitive strategy simulations, to help students improve their decision-making skills. Prerequisites: BSM 474 Managerial Finance and BSM 473 Marketing Management. This course must be taken during the last trimester.

3. BSM 479 Course Objectives:
1. Understand and appreciate the functions, roles, and decision requirements of strategic management with emphasis on the strategic manager’s role in defining strategies to integrate the organization to the external environment and in related implementation responsibilities.
2. Address the ambiguities and complexity of strategic management from a pragmatic, action oriented perspective.
3. Integrate all prior BSM courses.
4. Develop essential personal qualities of strategic management: judgment, wisdom, integrity, and courage.
5. Apply strategic concepts to the student’s personal and professional challenges.
6. Understand the functions, tasks, and responsibilities of executives.

4. Methodology:
Classes will be interactive. Students must actively participate in class to complete the course.

5. Grading:
The quality of achievement in the course is measured as follows: "A" indicates outstanding achievement; "B" is superior; "C" is average or satisfactory; "D-" is the lowest passing grade; and "F" is failure in the course.
The grade of "A" (i.e. 92%-100%) earns 4.0 grade points per unit; "A-" (i.e. 90%-91%) earns 3.7 grade points; "B+" (i.e. 87%-89%) earns 3.3 grade points; "B" (i.e. 82%-86%) earns 3.0 grade points; "B-" (i.e. 80%-81%) earns 2.7 grade points; "C+" (i.e. 76%-79%) earns 2.3 grade points; "C" (i.e. 72%-75%) earns 2.0 grade points; "C-" (i.e. 70%-71%) earns 1.7 grade points; "D+" earns 1.3 grade points; "D" 1.0 grade points; "D-" 0.7 grade points; and "F" no grade points.

6. Attendance and Guest Policy:
Students are expected to attend all class sessions. It is recognized that business related activities or illness might necessitate an occasional absence. Points will not be deducted for one absence; however, points may be deducted for any additional absences. In the event you must miss a class, please notify the professor in advance. **No guests are permitted.**

7. Conduct & Policy on Disabilities:
   a. Conduct: "The University expects from all of its students and employees the highest standard of moral and ethical behavior in harmony with its Christian philosophy and purposes. Engaging in or promoting conduct or lifestyles inconsistent with traditional Christian values is not acceptable.

   The following regulations apply to any person, graduate or undergraduate, who is enrolled as a Pepperdine University student. These rules are not to be interpreted as all-inclusive as to situations in which discipline will be invoked. They are illustrative, and the University reserves the right to take disciplinary action in appropriate circumstances not set out in this catalog. It is understood that each student who enrolls at Pepperdine University will assume the responsibilities involved by adhering to the regulations of the University. Students are expected to respect order, morality, personal honor, and the rights and property of others at all times. Examples of improper conduct for which students are subject to discipline are as follows:

   - Dishonesty in any form, including plagiarism, illegal copying of software, and knowingly furnishing false information to the University.
   - Forgery, alteration, or misuse of University documents, records, or identification.
   - Failure to comply with written or verbal directives of duly authorized University officials who are acting in the performance of assigned duties.
   - Interference with the academic or administrative process of the University or any of the approved activities.
   - Otherwise unprotected behavior that disrupts the classroom environment.
   - Theft or damage to property.
   - Violation of civil or criminal codes of local, state, or federal governments.
   - Unauthorized use of or entry into University facilities.
   - Violation of any stated policies or regulations governing student relationships to the University.

   Disciplinary action may involve, but is not limited to, one or a combination of the alternatives listed below:
   - **Dismissal** – separation of the student from the University on a permanent basis.
   - **Suspension** – separation of the student from the University for a specified length of time.
   - **Probation** – status of the student indicating that the relationship with the University is tenuous and that the student’s records will be reviewed periodically to determine suitability to remain enrolled. Specific limitations to and restrictions of the student’s privileges may accompany probation.” See current GSBM Catalog.
b. Policy on Disabilities: Assistance for Students with Disabilities:

“Students with disabilities, whether mental or physical, are encouraged to contact the Equal Opportunity Office before the academic year begins or soon after classes are in session. This office will assist each student by providing general information about campus facilities and available resources. The office will assist in providing reasonable accommodation to students with disabilities pursuant to applicable laws. Inquiries should be directed to equal opportunity officer, Lauren Breeding, (310) 506-6500. (Students who wish to file a formal grievance should refer to the “Nondiscrimination Policy,” which is listed in the “Legal Notices” section of this catalog.)” See current GSBM Catalog.

GSBM students are expected to respect personal honor and the rights and property of others at all times. The University rules on conduct can be found in the GSBM Catalog. Please check the catalog index under “Conduct” for the page numbers. Additionally, students with disabilities are encouraged to familiarize themselves with the University's policies in the GSBM Catalog (under “Disabled Student Assistance”).

8. Texts and Course Materials:


The Business Policy Game website is at: http://www.eskimo.com/~bpg/ (id: player and password: swb30oss). After teams have been formed, each team must obtain a game license ($100.00 per team) from this website. Other materials, including the player’s graphical user’s interface, spreadsheet templates, and the Player’s Manual are also available here. (The printed version of the player’s manual is also available in the bookstore.)

9. Group Work:

Students will form Management Teams for the purpose of the Business Policy Game. A peer evaluation will determine each team member’s share of the points on the group work. Your teams will be graded on each facet of your group work and team members will evaluate the value of the work performed by each team member. Team members evaluate each other's contribution (including their own) to the team effort. Your professor provides forms for this evaluation.

10. Business Policy Game:

Using a simulation game, the integration of the functional disciplines of accounting, finance, economics, marketing, production, quantitative analysis, and managing human resources is demonstrated. Students, working in teams, resolve problems and implement plans that deal with the functional areas mentioned and meet the requirements of being consistent and compatible with the larger purposes of the organization as an entity. As part of the simulation, each team will prepare a written three-year strategic plan, present an annual report orally (and privately) to the Chairman of the Board of Directors (your professor), and present your final report orally to the Board of Directors and stockholders (the class). A separate handout explains the details.
11. Cases:
The assigned cases will be discussed in class. All class members should be fully prepared to discuss each case. You will submit a copy of your case preparation notes at the beginning of each class in which a case is assigned. (Case notes will not be accepted by email.) If you expect to miss a class you may submit your notes in advance, or you may have a fellow student turn it in for you. Late notes will not be accepted without prior approval. Case preparation and participation are important in considering your points for class participation.

For information on how to prepare a case, see the Thompson & Strickland textbook. The text’s web site may also be of some help; its address is as follows:  www.mhhe.com/thompson

Although the text’s website has sample study questions for the cases which may be helpful to you, for purposes of this class, your written analysis should always answer the following items:

A. Identify key aspects of the firm’s strategy and provide your view of how well that strategy is working. Include a SWOT analysis and a financial analysis.

B. Identify three or four key strategic issues that the CEO of the firm should be paying the most attention to.

C. Provide strategic recommendations to the CEO on how you believe the key strategic issues should be addressed.

Your analysis may be hand-written or it may be typed, and it may be in bullet form. The purpose of the analysis is to prepare you to make substantive contributions to the class discussion for each case. The grade will either be a “check”, a “check-minus”, or a “check-plus”; the case analysis will count towards your participation grade in the course.

12. Quizzes:
Instead of a mid-term examination, there will be a series of multiple choice quizzes at the beginning of class based on the chapters assigned in the text. These quizzes will be discussed during the first meeting of the class. PowerPoint slides, chapter notes and study questions are available to assist you. For further information, see the textbook’s web page.

13. Final Exam:
There will be an in-class final examination. This will be a combination of multiple choice questions and essay questions. Also, as part of the final exam, you will submit a case analysis (details will be provided in class). The allocation of the points for the final will be one-third on the multiple-choice questions, one-third on the essay questions, and one-third on the case analysis.

14. Class Preparation:
Each student is required to be fully prepared for each class. The professor may call on any member of the class to discuss material included in the text, a case, or any of the reading assignments. All of your presentations should promote intellectual interaction. Do not merely recite facts, but focus on their meanings for the organization. Challenge yourselves and your colleagues to extract key ideas and critically evaluate proposed actions. Respectful discussion improves the decision process.
15. **Determination of Final Course Grade:**
Each student knows what circumstances impinge upon his/her learning and study. Some have boundless energy to apply to their studies, while others find their power of concentration wanes too soon. Only you know the measure of effort and care you can invest in your learning. Your level of effort in preparation and your participation in discussions and positive contribution will impact your grade. As a guide to workload, by now you know that average study in a good course will require 3 hours or more for each hour in the classroom. A superior grade will require an investment of substantially more time and energy.

Grades will be determined as follows:

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<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Business Policy Game</td>
<td>18%</td>
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<tr>
<td>Three Year Plan</td>
<td>20%</td>
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<td>Presentations: Annual Report</td>
<td>3%</td>
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<tr>
<td>Final Report</td>
<td>4%</td>
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<tr>
<td>Quizzes</td>
<td>15%</td>
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<tr>
<td>Final Exam</td>
<td>30%</td>
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<tr>
<td>Participation / Cases</td>
<td>10%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100%</strong></td>
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16. **Extra Credit Option:**
There is an extra credit option for those who want to take advantage of it. For further information, there is a separate handout.

17. **Concluding Comments:**
Please contact me if you have questions I may be able to answer. You may phone me at the numbers listed above. Send e-mail to me at stephen.baumgartner@pepperdine.edu with a copy sent to: sbaumgartner@greenbass.com. I am available to meet with you before class or after class. If you would like to meet with me at another time, please contact me to arrange an appointment.

This course is designed to be challenging, conceptually enriching, and experientially relevant. Reading assignments and other course components are demanding and broad in their coverage. To ensure a rewarding experience for each of us, we must individually have a high level of commitment and involvement. Throughout the course we must remain aware that the class and each team are organizations in their own right, and assume individual responsibility for their vitality and effectiveness. In this regard, your participation and input is of utmost importance.
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<tr>
<th>Date</th>
<th>Individual Requirements</th>
<th>Team Requirements</th>
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| 1 Jan. 7, 2004 | • Orientation  
• Chapter 1: The Strategic Management Process  
• Discuss 7-S Model         | • Form teams  
• Review Business Policy Game (please be familiar with game manual before class) |
| 2 Jan. 14, 2004 | • Chapter 2: Establishing Company Direction  
• Quiz 1: Chapters 1-2          | • Trial Decision  
• Sales Forecasting and Production Planning lecture |
| 3 Jan. 21, 2004 | • Chapter 3: Industry and Competitive Analysis  
• Quiz 2: Chapters 2-3  
• Video: 5 Forces Model          | • Preliminary Weighting Factors Due  
• Decisions for Year 3, Quarter 1-2 |
| 4 Jan. 28, 2004 | • Chapter 4: Evaluating Company Resources and Competitive Capabilities  
• Quiz 3: Chapters 3-4  
• Case: “Krispy Kreme Doughnuts”          | • Decisions for Year 3 Quarter 3-4 |
| 5 Feb. 4, 2004 | • Chapter 5: Strategy and Competitive Advantage  
• Quiz 4: Chapters 4-5          | • Final Weighting Factors Due  
• Decisions for Year 4 Quarter 1-2 |
| 6 Feb. 11, 2004 | • Chapters 6 and 7: Global Markets and Business in the Internet Era  
• Chapter 8: Tailoring Strategy to Industry and Company Situations  
• Quiz 5: Chapters 5, 6 and 8 (not 7)          | • Decision for Year 4, Quarters 3-4  
• Review Three-year Plan Requirements |
| 7 Feb. 18, 2004 | • Chapter 9: Strategy and Competitive Advantage in Diversified Companies  
• Quiz 6: Chapters 8-9  
• Case: “eBay in 2001”  
• Quiz 7: Chapters 9-10  
• Chapter 10: Evaluating the Strategies of Diversified Companies  
• (Optional) meet with individual teams to review drafts of Three Year Plans          | • Decision for Year 5, Quarter 1 |
| 8 Feb. 25, 2004 | • Three Year Plan due (at 6:00 P.M.)  
• Discuss requirements for Annual Report presentation  
• Decisions for Year 5, Quarters 2-4          | |

ASSIGNMENTS - BSM 479.23– Wednesdays  
Pepperdine University Plaza (PUP)  
Spring 2004
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<tr>
<th>Date</th>
<th>Individual Requirements</th>
<th>Team Requirements</th>
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| 9 March 3, 2004 | • Chapter 11: Building Resource Strengths and Organizational Capabilities  
• Quiz 8: Chapters 10-11  
• Case: "Nucor Corp. in 2001"                                      | • Annual Report presentation  
• Decisions for Year 6, Quarter 1-3                                       |
| 10 March 10, 2004 | • Chapter 12: Managing the Internal Organization to Promote Better Strategy Execution  
• Quiz 9: Chapters 11-12                                        | • Decisions for Year 6, Quarter 4, and Year 7, Quarters 1-2  
• Meet with Teams to review Three Year Plans                             |
| 11 March 17, 2004 | • Chapter 13: Corporate Culture and Leadership – Keys to Effective Strategy Execution  
• Quiz 10: Chapters 12-13  
• Case: “Southwest Airlines”  
• Distribute Final Exam Take-home Case Analysis Questions             | • Decisions for Year 7, Quarters 3-4  
• Review final game results  
• Discuss requirements for Final Report to Board of Directors          |
| 12 March 24, 2004 | • Quiz 11: Chapter 13 + other text chapters  
• Case: “Nike’s Dispute with the University of Oregon”                  | • Final Report to Board of Directors on Business Policy Game  
• Distribute Peer Evaluation Forms                                          |
| 13 March 31, 2004 | • Hand in Case Analysis for Final Exam  
• Optional Extra Credit Papers due  
• Presentations for Extra Credit Papers  
• Discuss Final Exam questions  
• Faculty Evaluation                                                      | • Submit Peer Evaluations                                                   |
| 14 April 7, 2004 | **Final Examination:**  
• Multiple choice questions  
• Essay questions                                                        |                                                     |
| April 10, 2004 Saturday | **GRADUATION** (Malibu Campus)                                                          |                                                     |