PEPPERDINE UNIVERSITY
THE GEORGE L. GRAZIADIO
SCHOOL OF BUSINESS AND MANAGEMENT

JACK C. GREEN, Ph.D.

SUMMER 2004

STRATEGIC MANAGEMENT
MBFE 659.83 (4 units)
WEDNESDAYS
6:00 PM - 10:00 PM
SAN GABRIEL VALLEY CENTER

INTEGRATION MODULE IN INTEGRATED STRATEGIC MANAGEMENT
MBFE 660C (1 unit)
FRIDAY, JULY 2, 2004, 6:00 PM – 10:00 PM
SATURDAY, JULY 3, 2004, 8:00 AM – 5:00 PM

SYLLABUS
Day/Class times:  
MBFE 659  Wednesdays: 6:00 PM  
MBFE 660C  Friday, July 2, 2004, 6:00 PM  
Saturday, July 3, 2004, 8:00 AM  

Location of class: San Gabriel Valley Center  
Location of Simulation: San Fernando Valley Center  

Professor's Name: Jack C. Green, Ph.D.  
Office address: Pasadena Towers 1, 800 East Colorado Blvd., Pasadena 91101  
Office Phone: (626) 396-1693  
Home Office Phone: (626) 355-5553  
Fax: (626) 355-5553  
E-mail address: jack.green@pepperdine.edu  
Note: see instructions in syllabus under “Web Page” for accessing material from the Web.  

Introduction  
MBFE 659 examines the enterprise from the perspective of the CEO. The MBA candidate analyzes the external environment, assesses the enterprise's internal capabilities, identifies strategic issues, explores strategic alternatives, and delineates specific actions to implement a strategy to create value for the customers and competitive advantage for the organization. MBFE 660C provides the student with the opportunity of running a company in a simulated environment.  

MBFE 659, Business Strategy - Catalogue Course Description  
This capstone course examines the running of an enterprise from the chief executive officer's point of view. It is designed to help students conduct external and internal assessments of an organization, identify its key strategic issues, identify and choose from alternative strategies, and defend those decisions. In addition, the course illuminates the interplay between organizational structure, design, human resources, culture, technology and the global environment. This knowledge gives the student the foundation for understanding and managing change. In summary, students learn to conduct a strategic analysis, make sound strategic decisions and implement strategic change. The course is integrative of all prior subject matter. A variety of experiential methods are used, including case studies and a strategic project on an existing company. MBFE 660C must be taken in conjunction with MBFE 659.  

MBFE 660C, Integration Module in Integrated Strategic Management  
This module covers all core courses and the focus is on Integrated Strategic Management. The instructor forms four-to-five students into teams. Each team is in control of the decisions for a business firm operating in a simulated economy. Firms compete against each other in the same industry. Faculty stewards introduce situations to be addressed by individuals and by teams. The stewards’ interventions reflect situations that may arise during the conduct of business. Resolution of these interventions requires multi-disciplinary considerations.  

MBFE 659 and MBFE 660C Course Objectives  
Strategic Management and the Integration Module provide frameworks and tools for conducting strategic problem identification, analysis and decision making for improving overall organizational performance. These courses are designed to prepare students to analyze the company as a whole; integrate the various functional areas, e.g., accounting, economics, finance, management, marketing, production and operations, quantitative methods; and relate the company to its external environment. These courses strive to aid the students in their development of crucial skills, e.g., critical/multidimensional thinking, analytical, integrative, persuasive, interpersonal, and written and oral communications.  

At the end of these courses, the successful MBA candidate should be able to:
1. View the organization from the CEO's perspective.
2. Think strategically as well as functionally.
3. Integrate the individual functions into a cohesive organizational strategy.
4. Formulate strategy from a global perspective.
5. Implement strategy. Employ the unique ability of technology to create value for the customers and competitive advantages for the organization.
6. Develop a strategic leadership perspective necessary to manage effectively in the 21st century. Address ethical dilemmas confronting strategic executives.
7. Understand the role of and to develop the personal qualities of strategic managers such as judgment, wisdom, integrity, and courage.
8. Hone critical thinking and written, oral, and presentation skills.

Methodology
Classes will be interactive and will consist of lectures, discussions, case analyses, presentations, videos, skill building exercises and the use of the simulation. MBA candidates are expected to actively participate in class and the simulation.

Grading
The quality of achievement in the course is measured as follows: "A" indicates superior achievement; "B," indicates average or satisfactory achievement; and "C-" is the lowest passing grade. Letter grades will be assigned for MBFE 659 and "Credit" or "No Credit" will be assigned for MBFE 660. Performance in MBFE 660C is considered in the letter grade assigned for MBFE 659.

A grade of "A" earns 4.0 grade points per unit: "A-," 3.7 grade points; "B+," 3.3 grade points; "B," 3 grade points; "B-," 2.7 grade points; "C+," 2.3 grade points; "C," 2.0 grade points; and a "C-", 1.7 grade points.

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. In addition to the extra credit available for optional articles, there is an extra credit option for those who want to take advantage of it. For further information, see the web page.

Grades are determined on a 100-point scale. The number of possible points for each component of the course is as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simulation</td>
<td>12</td>
</tr>
<tr>
<td>Strategic Plan</td>
<td>12</td>
</tr>
<tr>
<td>Case presentation</td>
<td>4</td>
</tr>
<tr>
<td>Business Strategy Project</td>
<td>22</td>
</tr>
<tr>
<td>Quizzes</td>
<td>15</td>
</tr>
<tr>
<td>Final</td>
<td>23</td>
</tr>
<tr>
<td>Participation/Attendance</td>
<td>12</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
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</tbody>
</table>
Final Grades will be determined based on the number of points you earn using the following grade distribution:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Range</th>
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<tbody>
<tr>
<td>A</td>
<td>94-100</td>
</tr>
<tr>
<td>A-</td>
<td>90-93.9</td>
</tr>
<tr>
<td>B+</td>
<td>88-89.9</td>
</tr>
<tr>
<td>B</td>
<td>82-87.9</td>
</tr>
<tr>
<td>B-</td>
<td>80-81.9</td>
</tr>
<tr>
<td>C+</td>
<td>76-79.9</td>
</tr>
<tr>
<td>C</td>
<td>72-75.9</td>
</tr>
<tr>
<td>C-</td>
<td>70-71.9</td>
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</table>

**Attendance Policy**

Students are expected to attend all class sessions. It is recognized that business related activities or illness might necessitate an occasional absence from MBFE 659. Points will not be deducted for one absence; however, points will be deducted for any additional absences. In the event you must miss a class, please notify the professor in advance. Attendance at MBFE 660C is required to complete the course.

**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 specific 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 catalog.

**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, at (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.)”

**GSBM Catalog, pg. 201.**

**MBFE 659 Strategic Management Course and MBFE 660C Simulation in Business Operations Course Outline**

**Texts and Course Materials**

- Articles on Web Page: To access these Articles, see my home page on the web. The user id and password required to access the web page is located in the Portal.
- Wall Street Journal (recommended)

**Group Work**

Students will form Management Teams for the purpose of the simulation, facilitating a case, and the Business Strategy project. 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. See web page for details on calculation of team scores and peer evaluations.

**Business Policy Game (simulation)**

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 strategic plan. See web page for details. Part of the simulation will be run as part of our regular class and the balance will be run during the simulation weekend. Further details will be provided in class and on the web page. The fees for the licenses were included with your registration for this course.

Cases
The assigned cases will be discussed in class. All class members are expected to 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. Your case notes should reflect responses to the questions on the web page for full credit. Further, your notes should include a response to the question: “What do I ‘take-away’” and what is the application of my “take-aways” from this case. Each team will have the opportunity of leading the discussion of one or two cases. Preparation notes will not be required from members of the group that lead the case discussion. For supplemental information on how to prepare a case and for questions to assist you in the preparation of the case, please go to web site. Case preparation and participation are important in considering your points for participation.

For the purpose of this class, please use the following structure in developing your analysis of each of the cases. Do not substitute structure for thoroughness!

1. Identify all of the pertinent problems/issues that management needs to address.
2. Perform whatever analysis and evaluation is appropriate. Use the questions on the web page to assist you with your analysis. (Respond to questions on web page)
3. Propose an action plan and set of recommendations addressing the issues you identified.
4. After completing 1, 2, & 3, where possible, update the information in the case.
   a. Does this change the issues? If so, how?
   b. Does this change your analysis? If so, how?
   c. Does this change your recommendations? If so how?
5. “Take-aways” and application of “take-aways”

Articles
For each assigned article, a one to two page paper will be prepared and submitted to the professor at the beginning of the class in which the article will be discussed. The paper will answer the following questions:

1. What is the important contribution of this article to strategy?
2. What do I “take away” from the article and what is the application of my “take-aways”?

Your papers will be a factor in determining your participation grade. You may submit a one to two page paper on each of the optional articles for extra credit. The extra credit option will be explained in class.

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

Business Strategy Project
Each Management Team will select, study, and analyze all facets of an actual business. This project will be based on "on-site" interviews and secondary (library) research. Details of the project are on the web page and will be discussed in class. 75% of your grade on this assignment will be on the paper and 25% of the grade will be on your presentation to the class. Each team will submit a project proposal (no more than one page) to your instructor prior to beginning your project. Your proposal will describe the business, how you will collect information for the case, your approach to analyzing the business, and your reasons for selecting this business for your project.
Final Exam
There will be an option of (1) an in-class final examination that will be both multiple choice and essay questions or (2) a term paper on an assigned topic together with the in-class multiple choice final examination. Details regarding the final exam will be covered in class.

Class Preparation
Each student is required to be fully prepared for each class. Your case notes and papers on articles are part of your participation grade. 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 strategic implications for the organization. Challenge yourselves and your colleagues to extract key ideas and critically evaluate proposed actions. Respectful discussion improves the decision process.

Web Page
To access this web page, you will need a user ID and password. This information on the password and ID for the web page is located in the Portal in an eRoom under the class for which you are registered. Use your Pepperdine University Network User ID and password to access the Portal. To check your password, go to http://studentmail.pepperdine.edu/password. If you are unable to access information regarding the web page through the Portal, you may send me an email requesting access information. Upon verification that you are registered in the class, I will send you instructions for accessing the web page. Important note: your pepperdine password is not the same as the password required to access the web page.

Concluding Comments
Please contact me if you have questions I may be able to answer. You may reach me by telephone at my home office number (626) 355-5553. My e-mail address is jack.green@pepperdine.edu. I am available to meet with you before class or after class. If you would like to meet with me before or after class or at some other 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.

Biography: For a biography, please see the web page.
### Preliminary Schedule: February 16, 2004

<table>
<thead>
<tr>
<th>Date</th>
<th>Individual Requirements</th>
<th>Team Requirements</th>
</tr>
</thead>
</table>
| May 5, 2004| • Orientation  
• Chapter 1: What is Strategy and Why is it Important  
• Video: Visionary Companies (Stanford)                                                                 | • Form groups                            |
| May 12, 2004| • Quiz 1: Chapter 1  
• Article: Building Your Company’s Vision - required  
• Article: Turning Goals into Results: The Power of Catalytic Mechanisms – required  
• Article: Tailored, Not Benchmarked: A Fresh Look at Corporate Planning – required - optional  
• Article: Strategic Intent – optional  
• Article: Using the Balanced Scorecard as a Strategic Management System – required  
• Video: "The Balanced Scorecard"                                                                            | • Business Policy Game  
• Trial decisions                                                                                           |
| May 19, 2004| • Quiz 2: Chapters 1 & 2  
• Chapter 2: Analyzing a Company’s External Environment  
• Article: Managing Oneself – required  
• Article: Using Core Capabilities to Create Competitive Advantage – required  
• Video: 5 Forces Model (Harvard)  
• Video: Peter Drucker  
• Case: “Starbucks Corporation”                                                                                                                                 |  
| May 26, 2004| • Quiz 3: Chapters 2 & 3  
• Chapter 3: Analyzing a Company’s Resources and Competitive Position  
• Article: Looking Inside for Competitive Advantage - required  
• Article: Competitive Advantage and Internal Organizational Assessment – optional  
• Video: "Activity Based Management," (Harvard)  
• Case: “‘Chainsaw Al’ Dunlap and the Sunbeam Corporation”                                                                 | • Preliminary Weighting Factors Due  
• Decisions for Year 3, quarter 1                                                                                      |
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<thead>
<tr>
<th>Date</th>
<th>Individual Requirements</th>
<th>Team Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2, 2004</td>
<td>• Quiz 4: Chapters 3 &amp; 4&lt;br&gt;• Chapter 4: <em>Crafting a Strategy: The Quest for Competitive Advantage</em>&lt;br&gt;• Article: <em>What is Strategy</em> – required&lt;br&gt;• Article: <em>Strategy and the Internet</em> – required&lt;br&gt;• Article: <em>Clusters and the New Economies of Competition</em> – optional&lt;br&gt;• Article: “Retrospective: Competitive Strategy” - optional&lt;br&gt;• Video: Generic Strategies &amp; Ivory (Harvard)&lt;br&gt;• Case: “Case: “FedEx Corp: Structural Transformation through E-Business”</td>
<td>• Decisions for Year 3, quarter 2&lt;br&gt;• Review Requirements for Strategic Plan&lt;br&gt;• <strong>Team leads case discussion</strong></td>
</tr>
<tr>
<td>June 9, 2004</td>
<td>• Quiz 5: Chapters 4 &amp; 5&lt;br&gt;• Chapter 5: <em>Competing in Foreign Markets</em>&lt;br&gt;• Article: <em>Strategy as Revolution</em> – required&lt;br&gt;• Article: <em>A Dynamic View of Strategy</em> – optional&lt;br&gt;• Article: <em>Strategic Outsourcing</em> - optional&lt;br&gt;• Video: &quot;Competing for the Future&quot; (Harvard)&lt;br&gt;• Case: “Unilever’s Acquisitions of Slimfast, Ben &amp; Jerry’s, and Bestfoods”</td>
<td>• Decisions for Year 3, quarter 3&lt;br&gt;• Review Simulation Weekend&lt;br&gt;• <strong>Team leads case discussion</strong></td>
</tr>
<tr>
<td>June 16, 2004</td>
<td>• Quiz 6: Chapters 5 &amp; 6&lt;br&gt;• Chapter 6: <em>Diversification: Strategies for Managing a Group of Businesses</em>&lt;br&gt;• Article: <em>Has Strategy Changed</em> – required&lt;br&gt;• Article: “Coevolving: At Last, a Way to Make Synergies Work” - required&lt;br&gt;• Article: “Patching, Restitching Business Portfolios in Dynamic Markets” – optional&lt;br&gt;• Article: <em>Why Diversify? Four Decades of Management Thinking</em> - optional&lt;br&gt;• Video: &quot;Competing on the Edge: Strategy as Structured Chaos&quot; (Stanford)&lt;br&gt;• Case: &quot;PepsiCo’s Acquisition of Quaker Oats&quot;</td>
<td>• Decisions for Year 3, quarter 4&lt;br&gt;• <strong>Team leads case discussion</strong>&lt;br&gt;• Deadline for Submitting Proposal for Business Strategy Project</td>
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<tr>
<td>Date</td>
<td>Individual Requirements</td>
<td>Team Requirements</td>
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<td>June 23, 2004</td>
<td>• Quiz 7: Chapters 6 &amp; 7&lt;br&gt;• Chapter 7 Building a Capable Organization&lt;br&gt;• Article: Bringing Silicon Valley Inside – required&lt;br&gt;• Article: The Quest for Resilience – required&lt;br&gt;• Article: Are You Sure You Have a Strategy – required&lt;br&gt;• Video: “Competing for the Future” (Stanford)&lt;br&gt;• Case: “Nucor Corporation in 2001: Pursuing Growth in a Troubled Steel Industry”</td>
<td>• Team leads case discussion</td>
</tr>
<tr>
<td>June 30, 2004</td>
<td>• Quiz 8: Chapters 7 &amp; 8&lt;br&gt;• Chapter 8: Managing Internal Operations: Actions that Facilitate Strategy Execution&lt;br&gt;• Article: Do You Have a Well-Designed Organization – required&lt;br&gt;• Article: Organigraphs – required&lt;br&gt;• Article: “Harnessing the Science of Persuasion” – optional&lt;br&gt;• Case: “Southwest Airlines, Inc.”&lt;br&gt;• Video: Robert Cialdini (Stanford)</td>
<td>• Team leads case discussion</td>
</tr>
<tr>
<td>July 2-3, 2004</td>
<td></td>
<td>• Simulation Weekend&lt;br&gt;• Plans due at 5:30 PM&lt;br&gt;• Final Weighting Factors due at 5:30 PM</td>
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<td>July 7, 2004</td>
<td>• Article: Understanding Power in Organizations - required&lt;br&gt;• Article: Putting People First for Organizational Success - optional&lt;br&gt;• Video: &quot;Managing with Power: Politics and Influence in Organizations&quot; (Stanford)</td>
<td>• Review Simulation Weekend</td>
</tr>
<tr>
<td>July 14, 2004</td>
<td>• Quiz 9: Chapter 8 &amp; 9&lt;br&gt;• Chapter 9: Corporate Culture and Leadership&lt;br&gt;• Article: Level 5 Leadership - required&lt;br&gt;• Article: Good to Great - optional&lt;br&gt;• Video: “How Great Companies Achieve Extraordinary Results with Ordinary People” (Stanford)&lt;br&gt;• Case: “Gordon Bethune and the Turnaround of Continental Airlines.”</td>
<td>• Team leads case discussion</td>
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<tr>
<td>Date</td>
<td>Individual Requirements</td>
<td>Team Requirements</td>
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<td>July 21, 2004</td>
<td>• Quiz 10: Chapters 7, 8 &amp; 9</td>
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<td>• Article: <em>On the Folly of Rewarding A, While Hoping for B</em> (web) - required</td>
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<td>• Article: <em>Why Good Companies Go Bad</em> – required</td>
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<td>• Article: <em>Creating Competitive (dis)advantage: Learning from Food Lion’s Freefall</em> – optional</td>
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<td>• Article: <em>Lean Enterprises and the Confrontation Strategy</em> - required</td>
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<td></td>
<td>• Case: “Higashimaru Shoyu Company”</td>
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<tr>
<td></td>
<td>• Case: “Food Lion and ‘Prime Time Live”</td>
<td></td>
</tr>
<tr>
<td>July 28, 2004</td>
<td>Optional extra credit papers due</td>
<td>Business Strategy Presentations and Papers</td>
</tr>
<tr>
<td>August 4, 2004</td>
<td><strong>Final Examination</strong></td>
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<tr>
<td>August 7, 2004</td>
<td><strong>GRADUATION</strong></td>
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