

**MAN-374**  
**GENERAL MANAGEMENT AND STRATEGY**

SPRING 2009

<b>Professor</b>	Dr. Francisco Polidoro Jr.
<b>Office</b>	CBA 4.258
<b>Office Hours</b>	Wednesday 2:30-4:00pm or by appointment
<b>Phone</b>	471-9187
<b>E-Mail</b>	Francisco.Polidoro@mcombs.utexas.edu

**Required Reading**

---

1. Grant, RM. 2005. *Contemporary Strategy Analysis*. Malden, MA: Blackwell Publishing.
2. Course packet at the Co-Op. (Note: It is a violation of the honor of conduct to duplicate case packets.)

**Course Description**

---

This course deals with the work of top management in an organization. Students are expected to develop the ability to examine strategic issues from the perspective of the general manager of the corporation, division, plant, or other business unit, who must be concerned with the overall success of the organization. We will focus on the skills required in diagnosing, and finding realistic solutions for, critical problems in complex business situations.

Because the general manager's task cuts across functional areas, this course builds on your previous work in the program and provides a comprehensive management perspective. The course is intended primarily for students who envision themselves occupying managerial positions in the future. Such positions are not limited to general management but rather include a variety of non-executive positions that entail managerial decisions and actions that have strategic implications. Moreover, in today's organizations many entry-level positions require employees' involvement in projects that are initiated to elicit innovative and creative ideas to improve the functioning of the organization as a whole. Functional specialists are also responsible for implementing business strategies and thus need to develop a keen awareness of, and appreciation for, the challenges that the corporation faces. Therefore, it is increasingly important that university graduates acquire managerial skills and gain experience with group projects.

In order to capture the pragmatic, action-oriented, and complex nature of the general management task, this course is taught through the case method. The Appendix provides additional information on the case method and on why it is so extensively used in the study of General Management and Strategy. We will supplement the case discussions with readings, lectures, and conceptual discussions. Whereas the specific challenges that general managers face vary across organizations, industries, geographic regions and time, the fundamental analytical skills required in the examination of strategic issues can be applied in many contexts. I encourage you to build those skills and to focus on the development of your own personal approach for identifying and addressing key strategic issues.

## Course Objectives

---

1. Develop the ability to view the firm from the perspective of general managers. Achieving this goal presupposes synthesis of knowledge acquired in previous courses and understanding which part of that knowledge is relevant to general managers.
2. Understand the key factors that explain why some firms persistently outperform other firms.
3. Understand the fundamental concepts in strategic management and build on those concepts to identify how firms can create value, appropriate value and sustain value creation in an industry.
4. Learn to distinguish between basic causes of business problems and attendant symptoms.
5. Practice the formulation of realistic strategic recommendations and implementation plans that balance the tradeoffs inherent in any strategic situation.
6. Enhance analytical thinking and the ability to report conclusions effectively in both written and oral form.
7. Learn how to gather and analyze information on a specific firm and the respective industry.
8. Discuss some of the practical realities of running different types of businesses.

## Course Requirements and Evaluation

---

1. Participation	20%
2. Written Case Analyses and Quizzes	10%
3. Midterm Exam	25%
4. Term Project	45%
4.1 Industry Analysis (group assignment)	
4.1.1 Draft Critique (5%)	
4.1.2 Presentation (peer evaluation) (10%)	
4.1.3 Final Report (15%)	
4.2 Firm Analysis (individual assignment) (15%)	

Individual final grades will result from the student's performance in each of the activities and assignments listed above.

## Participation

---

### *Attendance*

Because the course emphasizes case analysis, an important part of learning in this course will take place in the classroom. Therefore, attending all classes is essential. Since the course is designed to help you develop a personal synthesis, rather than repeat textbook content, it is not possible to "make up" for an absence. If for some unavoidable reason you must miss a class, it is your responsibility to find out from your classmates what material we covered and what additional assignments or handouts you missed. Two absences for any reason are excused, provided the student sends me an e-mail in advance, by midnight of the day preceding the missed class. Absences that are not notified in advance will affect the student's participation grade. After two justified absences, the student's participation grade will suffer substantially.

### *Preparation*

For the learning process to be effective, it is absolutely necessary that you carefully prepare the cases and readings before class and actively participate in the case discussions during class. The session plan at the end of this syllabus indicates which chapters of the textbook and which cases students have to read in preparation for each class. I expect you to be fully prepared for each class. I may call upon you at any time, whether to start the discussion or answer a specific question during the class. Preparation involves a thorough analysis of the case and developing a personal position on the case's issues. Unless you think about these issues and adopt a personal position when preparing for class, it will be very hard to learn from your peers' contributions in class. If for some reason you are not fully prepared on a particular day, let me know before class so that I do not embarrass you inadvertently. I urge you to attend all classes, even if you are not adequately prepared.

### *Class discussions*

Most general managers spend little time reading and even less time writing reports. The vast majority of their interactions with others are verbal. For this reason, the development of verbal skills is given a high priority in this course. You can consider the classroom a laboratory in which you can test your ability to convince your peers of the correctness of your approach to complex problems and of the results that your approach will generate. The questions below capture some of the behaviors that contribute to effective class participation.

1. Is the participant a good listener?
2. Are the points that the student makes relevant to the discussion? Are those points linked to the comments of others?
3. Do the comments add to our understanding of the situation?
4. Do the comments show evidence of analysis of the case?
5. Does the participant distinguish among different kinds of data (i.e., facts, opinions, beliefs, concepts, etc.)?
6. Is the student willing to share his/her views?
7. Is the student willing to test new ideas or are all comments "safe" (e.g., repetition of case facts without analysis or of comments that a colleague already made)?
8. Is the participant willing to interact with other class members?
9. Do comments clarify and highlight the important aspects of earlier comments and lead to a clearer understanding of the issues in the case?
10. Does the student ask questions rather than limit participation to responding to others' questions?

In a typical class session, I will ask one or more students to start the class by answering a specific question or discussing a specific issue. Preparation of the case (including the assignment questions) and associated readings should be sufficient to handle such a lead-off assignment. As a group, students will then try to complete the analysis of the situation and address the problems and issues that the case presents.

## Written Case Analyses and Quizzes

---

During the course, students will have to work in pairs and submit written case analyses for any two cases discussed between Session 4 and Session 11. The main purpose of these assignments is to assess whether students are grasping the key concepts of the course and applying the tools for strategic analysis properly. Moreover, strategies are not the result of a single individual but rather a collective effort. By working on these written assignments in pairs, students will have the opportunity to mutually enrich their perspective. The written case analyses are an important step towards the preparation for the midterm examination.

I will announce details about the written case analyses in class. A typical analysis should not exceed two-pages (double-spaced paragraphs, printed on both sides, 1" margins all around and Times New Roman 12 point font). A hardcopy of the written case analyses is due at the start of the class in which we discuss the case you analyzed.

In addition, depending on students' progress in the course, I may issue quizzes in class during the semester. A typical quiz consists of a single question referring to the case assigned to the respective session. I may use other formats as well. I will not inform dates of quizzes in advance.

## Midterm Exam

---

The midterm examination is in the format of a take-home case analysis. Students will receive the exam during class on **Wednesday, March 04**. Students must leave their answers to the exam in the drop-off box in the Management Department by **2:00 p.m. on Wednesday, March 11**. No extensions will be granted and late submissions will not be accepted.

The exam is due one week after its distribution in class to provide students with flexibility. Students can decide specifically when between exam distribution and the submission deadline they will work on the exam. It is your responsibility to plan and manage your time effectively, taking into account other activities and unforeseen circumstances that might arise in that week. Although students vary in how much time they allocate to the midterm exam, you should be able to analyze the case in about the same time you spend on the preparation of a case for class discussion. The key difference is that, besides organizing your notes, you will have to fully articulate your analysis in written form to address the questions in the exam.

The midterm exam is an individual assignment and students are not allowed to discuss any part of the exam with other students. The minimum penalty for academic dishonesty will be a zero for the exam. Other penalties might be applicable as well (please refer to section Academic Dishonesty below).

I strongly encourage you to discuss your learning difficulties with me during the semester. I will not, however, discuss any aspect of the course or of the exam in the period between the exam distribution and the submission deadline.

## Term Project

---

### *Objectives*

Students will work in groups to collect information on an industry, analyze a key strategic challenge pertaining to that industry, examine how firms are responding to that challenge and propose alternative courses of action. This project serves at least three educational objectives:

1. It helps you learn how to gather, organize and analyze information on industries and firms;
2. It provides a hands-on opportunity to practice your skills in strategic analysis, and
3. It offers a chance to learn how to work in teams, tapping on your colleagues' knowledge of different functional areas.

Do not underestimate the value of knowing how to gather and analyze information on specific firms or industries. One of the most common requests that we receive from former students is for help in finding information about their competitors or about industries in which their companies plan to participate.

### *Groups*

Students may form their own groups of 5 or 6 students for the term project, depending on the total number of students enrolled in this class. I understand you may prefer to work with other students you already know well. However, keep in mind that the diversity of perspectives usually enriches strategic analyses. You must submit the names of your term project group members at the start of class on Monday, February 02. After that date, I will assign students to groups arbitrarily. That may require re-assigning students who have already joined a group or assigning new members to groups already formed.

### *Key deadlines:*

1. Group composition and industry chosen: due at the start of class on February 02.
2. Project outline: due at the start of class on February 18
3. Draft of industry analysis due at the start of class on April 01.
4. Project presentations: classes on April 15, April 20 and April 22.
5. Final report: due at the start of class on May 06.  
(Absolutely no extensions. Late submissions will not be accepted.)

I will give you more information about the term project in class.

## Office Hours

---

Your performance in this class is important to me. I will be happy to discuss the course, your progress, or any other issue of interest to you on an individual basis. Please see me in class or during office hours. I am also available, within reason, to meet with you outside these times. To set up an appointment, please send me an e-mail. Do not wait until the end of the semester to see me regarding your concerns with the course material or your performance.

## Academic Dishonesty

---

I have no tolerance for acts of academic dishonesty. Such acts damage the reputation of the school and the degree, and demean the honest efforts of the majority of students. The minimum penalty for an act of academic dishonesty will be a zero for that assignment or exam. Students can find detailed information about academic integrity and standards of conduct at the Student Judicial Services website (<http://deanofstudents.utexas.edu/sjs/>). If the application of the policies regarding academic integrity to this class and its assignments is unclear to you in any way, it is your responsibility to ask me for clarification.

## McCombs Classroom Professionalism Policy

---

The highest professional standards are expected of all members of the McCombs community. The collective class reputation and the value of the classroom experience hinges on this. Faculty are expected to be professional and prepared to deliver value for each and every class session. Students are expected to be professional in all respects.

The classroom experience is enhanced when:

- **Students arrive on time.** On time arrival ensures that classes are able to start and finish at the scheduled time. On time arrival shows respect for both fellow students and faculty and it enhances learning by reducing avoidable distractions.
- **Students minimize unscheduled personal breaks.** The learning environment improves when disruptions are limited.
- **Students are fully prepared for each class.** Much of the learning in this program takes place during classroom discussions. When students are not prepared they cannot contribute to the overall learning process. This affects not only the individual, but their peers who count on them, as well.
- **Students respect the views and opinions of their colleagues.** Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- **Laptops are closed and put away.** When students are surfing the web, responding to e-mail, instant messaging each other, and otherwise not devoting their full attention to the topic at hand they are doing themselves and their peers a major disservice. Those around them face additional distraction. Fellow students cannot benefit from the insights of the students who are not engaged. In such cases, professional behavior is exhibited when misuse does not take place.
- **Phones and wireless devices are turned off.** We've all heard the annoying ringing in the middle of a meeting. Not only is it not professional, it cuts off the flow of discussion when the search for the offender begins. When a true need to communicate with someone outside of class exists (e.g., for some medical need) please inform the professor prior to class.

Remember, you are competing for the best faculty McCombs has to offer. Your professionalism and activity in class contributes to your success in attracting the best faculty to this program.

## Students with Disabilities

---

Upon request, the University of Texas at Austin provides appropriate academic accommodations for qualified students with disabilities. Services for Students with Disabilities (SSD) are housed in the Office of the Dean of Students, located on the fourth floor of the Student Services Building. Information on how to register, downloadable forms, including guidelines for documentation, accommodation request letters, and releases of information are available online at <http://deanofstudents.utexas.edu/ssd/index.php>. Please do not hesitate to contact SSD at (512) 471-6259, VP: (512) 232-2937 or via e-mail if you have any questions.

## Writing Center

---

I expect a high standard of written communication in your assessment pieces. For students struggling with this requirement, I encourage you to consider using the Undergraduate Writing Center, FAC 211, 471-6222, <http://uwc.fac.utexas.edu>. The Undergraduate Writing Center offers free, individualized, expert help with writing for any UT undergraduate, by appointment or on a drop-in basis. Any undergraduate enrolled in a course at UT can visit the UWC for assistance with any writing project. They work with students from every department on campus, for both academic and non-academic writing.

## Other Administrative Details

---

1. As the course progresses, I will post information on the blackboard system. So please check the website regularly.
2. I urge you to take notes during class. As mentioned earlier, one of the main purposes of the course is to help you develop your own personal approach for identifying and solving the key problems facing an organization. I will post slides used in class to detail assignments or communicate administrative issues after the end of the respective class. I may post slides summarizing key concepts before or after class. Slides summarizing cases will not be posted.
3. Password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mails rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: <http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html>.
4. I frequently call on individuals whose hands are not raised to participate in class discussions. The goal is both to engage everyone in the discussion and to provide a basis for your class participation grade. Please let me know in advance if some emergency has made it impossible for you to be prepared adequately for class to avoid embarrassment.
5. To help me learn your names and assign your participation grades, I will circulate a seating chart by the start of our second session. Please take the same seat each class.

**PLEASE NOTE THAT THIS SYLLABUS AND THE SESSION PLAN BELOW ARE  
SUBJECT TO CHANGE DURING THE SEMESTER.**

## SESSION PLAN

### 1. Wednesday, January 21 Introduction and Course Overview

### 2. Monday, January 26 What is Strategy?

Readings: Grant, Chapter 1: *The Concept of Strategy*

### 3. Wednesday, January 28 Analyzing a Case Study

Reading: Shapiro: *An Introduction to the Case Method*

Case: Starbucks

- A) What are the key drivers of success (profitability) in the Specialty Coffee industry?
- B) Identify the main engines of growth for Starbucks. Attempt also to come up with growth avenues that are not identified in the case.
- C) Critically evaluate Starbucks' strategy for growth. What do you recommend for and/or against? Be prepared to support your answer.

### 4. Monday, February 02 Industry Analysis I

Term Project: Group composition due at the start of class.

Reading: Grant, Chapter 3: *Industry Analysis: The Fundamentals*

Case: *Cola Wars Continue: Coke and Pepsi in the Twenty-first Century*

- A) Why is the soft drink industry so profitable?
- B) How has the competition between Coke and Pepsi affected the industry's profits?
- C) Will Coke and Pepsi sustain their profits through the late 1990s?

### 5. Wednesday, February 04 Industry Analysis II

Case: *Cola Wars Continue: Coke and Pepsi in the Twenty-first Century*

- A) Why is the soft drink industry so profitable?
- B) How has the competition between Coke and Pepsi affected the industry's profits?
- C) Will Coke and Pepsi sustain their profits through the late 1990s?

### 6. Monday, February 09 Competitive Dynamics

Reading: Grant, Chapter 4: *Further Topics in Industry and Competitive Analysis*

Case: *Sony PlayStation 2 (A)*

- A) Map the technology platforms of the various generations of video game consoles. How did the functionality offered by the consoles evolve over time?
- B) How would you explain the systematic failure of leaders in one console generation to succeed in the following generation?
- C) Having observed the evolution of industry structure in this industry, what would you recommend Sony should do to avoid the disadvantage of incumbency?

**7. Wednesday, February 11 Resources and Capabilities**

Reading: Grant, Chapter 5: *Analyzing Resources and Capabilities*

Case: *The Walt Disney Company: The Entertainment King*

- A) What accounts for the success of Walt Disney over so many decades?
- B) What are the key elements of Disney's strategy? To what extent are the elements of the strategy vulnerable to threats of imitation, substitution, and/or obsolescence?
- C) What would you recommend to Eisner to revitalize Disney?

**8. Monday, February 16 Business Level Strategy: Cost**

Reading: Grant, Chapter 8: *Cost Advantage*

Case: *Wal-Mart Stores, Inc.*

- A) Is Wal-Mart's competitive strategy distinct? Why? Why not?
- B) What are the sources of value creating activity in Wal-Mart's competitive strategy?
- A) Can K-Mart and Target duplicate Wal-Mart's strategy?

**9. Wednesday, February 18 Business Level Strategy: Differentiation**

Term Project: Project outline due at the start of class.

Reading: Grant, Chapter 9: *Differentiation Advantage*

Case: *Gucci Group N.V. (A)*

- A) Map the competitive positions of the different players in the luxury good business. Who are the best positioned players? Why?
- B) Where was Gucci positioned in 1990? 1994? 2000? What were critical moves made by DeSole to reposition the company?
- C) Evaluate DeSole's latest strategic move to buy Yves Saint Laurent (YSL) and Sergio Rossi.

**10. Monday, February 23 Vertical Integration**

Reading: Grant, Chapter 13: *Vertical Integration and the Scope of the Firm*

Case: *Cola Wars Continue: Coke and Pepsi in the Twenty-first Century*

- A) What is the rationale for concentrate producers' expansion into bottling?

**11. Wednesday, February 25 Diversification**

Reading: Grant, Chapter 15: *Diversification Strategy*

Case: *Richard Branson and the Virgin Group of Companies in 2004*

- A) What are the main motives for unrelated diversification (refer to reading)? How does the Virgin Group of Companies stack up against these motives?
- B) What are the reasons for the financial difficulties of the Virgin Group companies? What strategy would you recommend to Sir Richard Branson? (Make sure you analyze both business and corporate strategy).

**12. Monday, March 02 Project Work Day**

**13. Wednesday, March 04 Midterm Review**

Case: Apple Computer 2002

- A) How has the personal computer industry structure evolved over the last 10 years? How have the dynamics of the PC industry changed?
- B) What generic strategies have Apple pursued over the last 10 years? Evaluate Apple's strategies since the 1990.
- C) What are Apple's resources and capabilities?
- D) What should Steve Jobs do today?

Take-home Midterm Exam distributed at the end of class.

<b>14.</b>	<b>Monday, March 09</b>	<b>Project Work Day</b>
------------	-------------------------	-------------------------

<b>15.</b>	<b>Wednesday, March 11</b>	<b>Midterm Exam</b>
------------	----------------------------	---------------------

Exam due by 4 pm. Absolutely no extensions. Late submissions not accepted.

	<b>Spring Break March 16 – 21</b>	
--	-----------------------------------	--

<b>16.</b>	<b>Monday, March 23</b>	<b>Mergers and Acquisitions</b>
------------	-------------------------	---------------------------------

Reading: Foerster and Fortier: *A Note on Mergers and Acquisitions and Valuation*

Case: *Vermeer Technologies (C): Negotiating the Future*

- A) Why was Microsoft interested in acquiring Vermeer?
- B) How would you use the analysis above to assess Microsoft's willingness to pay?
- C) What do you recommend Vermeer should do to maximize its returns?

<b>17.</b>	<b>Wednesday, March 25</b>	<b>Strategic Alliances</b>
------------	----------------------------	----------------------------

Reading: Hamel, Doz and Prahalad: *Collaborate with Your Competitors – and Win*

Case: *The Amazon.com – Toys'R'Us Alliance (A)*

- A) What are the challenges faced by firms in the toy industry?
- B) Do you think the proposed alliance between Amazon.com and Toys R' Us makes sense?

<b>18.</b>	<b>Monday, March 30</b>	<b>Global Strategy I</b>
------------	-------------------------	--------------------------

Reading: Grant, Chapter 14: *Global Strategies and the Multinational Corporation*

Case: *Domino's Pizza International Inc.*

- A) Analyze the strategic rationale of Domino's international strategy.
- B) Analyze the effectiveness and efficiency of Domino's international strategy.

<b>19.</b>	<b>Wednesday, April 01</b>	<b>Global Strategy II</b>
------------	----------------------------	---------------------------

Term Project: Draft of industry analysis due at the start of class.

Reading: Grant, Chapter 14: *Global Strategies and the Multinational Corporation*

Case: *Domino's Pizza International Inc.*

<b>20.</b>	<b>Monday, April 06</b>	<b>Project Work Day (Groups Meet with Instructor)</b>
<u>Term Project:</u> Peer feedback on industry analysis due electronically by Monday 06 at 9am.		
<b>21.</b>	<b>Wednesday, April 08</b>	<b>Project Work Day (Groups Meet with Instructor)</b>
<b>22.</b>	<b>Monday, April 13</b>	<b>Organization Structure and Implementation</b>
<u>Readings:</u> Weber: A Leader's Guide to Understanding Complex Organizations: An Expanded "7-S" Perspective		
<u>Case:</u> Philips versus Matsushita: A New Century, a New Round		
A) How did Philips become the leading consumer electronics company in the world in the post-war era? What distinctive competencies did they build?		
B) How did Matsushita succeed in displacing Philips as No. 1? What were their distinctive competencies?		
C) Why are both companies having such difficulties building the capability they so clearly recognize are missing?		
D) What recommendations would you make to Mr. Kleisterlee? Mr. Nakamura?		
<b>23.</b>	<b>Wednesday, April 15</b>	<b>Project Presentations I</b>
<b>24.</b>	<b>Monday, April 20</b>	<b>Project Presentations II</b>
<b>25.</b>	<b>Wednesday, April 22</b>	<b>Project Presentations III</b>
<b>26.</b>	<b>Monday, April 27</b>	<b>Integrating Strategy I</b>
<u>Case:</u> The U.S. Airline Industry in 1995		
A) How do the industry forces and macro-environment conditions shape profit?		
B) What drives the competitive dynamics of the airline industry?		
<b>27.</b>	<b>Wednesday, April 29</b>	<b>Integrating Strategy II</b>
<u>Case:</u> Southwest Airlines: 1993 (A)		
A) What is the firm's generic strategy?		
B) How was it achieved?		
C) What prevents imitation?		
D) What are the limitations?		
<b>28.</b>	<b>Monday, May 04</b>	<b>Special Issues in Strategy</b>
<b>29.</b>	<b>Wednesday, May 06</b>	<b>Reflections: What is Strategy?</b>

Term Project: Final reports due at the start of class.

Absolutely no extensions. Late submission not accepted.

Participation: comments on participation, peer evaluation.

## APPENDIX

### Why We Use the Case Method<sup>1</sup>

The case method is one of the most effective means of management education. It is widely used in schools of business throughout the world, and this use is predicated upon the belief that tackling real business problems is the best way to develop practitioners. Real problems are messy, complex, and very interesting.

Unlike other pedagogical techniques, many of which make you the recipient of large amounts of information but do not require its use, the case method requires you to be an active participant in the closest thing to the real situation. It is a way of gaining a great deal of experience without spending a lot of time. It is also a way to learn a great deal about how certain businesses operate, and how managers manage. There are few programmable, textbook solutions to the kinds of problems faced by real general managers. When a problem becomes programmable, the general manager gives it to someone else to solve on a repeated basis using the guidelines he or she has set down. Thus the case situations that we will face will require the use of analytical tools and the application of your personal judgment.

#### *Sources of Cases*

All the cases in this course are about real companies. You will recognize many of the names of the companies, although some of them may be new to you. These cases were developed in several different ways. Occasionally, a company will come to a business school professor and request that a case be written on that company. In other situations, a professor will seek out a company because he or she knows that the company is in an interesting or difficult situation. Often, the company will agree to allow a case to be written.

Occasionally, cases will be written solely from public sources. This is perhaps the most difficult type of case writing because of the lack of primary data sources.

In those situations where a company has agreed to have a case written, the company must "release" the case. This means that they have final approval of the content of a given case. The company and the case writer are thus protected from any possibility of releasing data that might be competitively or personally sensitive. Public source cases, obviously, do not need a release. Given the requirement for release, however, it is amazing the amount of information that companies will allow to be placed in a case. Many companies do this because of their belief in the effectiveness of the case method.

#### *Preparing for Class*

When you prepare for class, it is recommended that you plan on reading the case at least three times. The first reading should be a quick run-through of the text in the case. It should give you a feeling for what the case is about and the types of data that are contained in the case. For example, you will want to differentiate between facts and opinions that may be expressed.

---

<sup>1</sup> This note was prepared by Dan R.E. Thomas. It is intended solely as an aid to class preparation.

In every industry, there is a certain amount of "conventional wisdom" that may or may not reflect the truth. On your second reading you should read in more depth. Many people like to underline or otherwise mark up their cases to pick out important points that they know will be needed later. Your major effort on a second reading should be to understand the business and the situation. You should ask yourself questions like: (1) Why has this company survived? (2) How does this business work? (3) What are the economics of this business?

On your second reading, you should carefully examine the exhibits in the case. It is generally true that the case writer has put the exhibit there for a purpose. It contains some information that will be useful to you in analyzing the situation. Ask yourself what the information is when you study each exhibit. You will often find that you will need to apply some analytical technique (for example, ratio analysis, growth rate analysis, etc.) to the exhibit in order to benefit from the information in the raw data.

On your third reading, you should have a good idea of the fundamentals of the case. Now you will be searching to understand the specific situation. You will want to get at the root causes of problems and gather data from the case that will allow you to make specific action recommendations. Before the third reading, you may want to review the assignment questions in the course description. It is during and after the third reading that you should be able to prepare your outlined answers to the assignment questions.

There is only one secret to good case teaching and that is good preparation on the part of the participants. Since the course has been designed to "build" as it progresses, class attendance is also very important.

### *Class Discussions*

In each class, we will ask one or several people to lead off the discussion. If you have prepared the case, and are capable of answering the assignment question, you should have no difficulty with this lead-off assignment. An effective lead-off can do a great deal to enhance a class discussion. It sets a tone for the class that allows that class to probe more deeply into the issues of the case.

The instructor's role in the class discussion is to help, through intensive questioning, to develop your ideas. This use of the Socratic method has proved to be an effective way to develop thinking capability in individuals. The instructor's primary role is to manage the class process and to insure that the class achieves an understanding of the case situation. There is no single correct solution to any of these problems. There are, however, a lot of wrong solutions. Therefore, we will try to come up with a solution that will enable us to deal effectively with the problems presented in the case.

After the individual lead-off presentation, the discussion will be opened to the remainder of the group. It is during this time that you will have an opportunity to present and develop your ideas about the way the situation should be handled. It will be important for you to relate your ideas to the case situation and to the ideas of others as they are presented in the class. The instructor's role is to help you do this.

*The Use of Extra or Post-Case Data*

You are encouraged to deal with the case as it is presented. You should put yourself in the position of the general manager involved in the situation and look at the situation through his or her eyes. Part of the unique job of being a general manager is that many of your problems are dilemmas. There is no way to come out a winner on all counts. Although additional data might be interesting or useful, the "Monday morning quarterback" syndrome is not an effective way to learn about strategic management. Therefore, you are strongly discouraged from acquiring or using extra- or post-case data.

Some case method purists argue that a class should never be told what actually happened in a situation. Each person should leave the classroom situation with his or her plan for solving the problem, and none should be falsely legitimized. The outcome of a situation may not reflect what is, or is not, a good solution. You must remember that because a company did something different from your recommendations and was successful or unsuccessful, this is not an indication of the value of your approach. It is, however, interesting and occasionally useful to know what actually occurred. Therefore, whenever possible, we will tell you what happened to a company since the time of the case, but you should draw your own conclusions from that.