



GENERAL MANAGEMENT AND STRATEGY

Management 374 (04425)
Spring, 2011

Class Times/Location:
Tuesday & Thursday 8:00 – 9:30 am (UTC 1.144)

Instructor: Jonathan Sims
Office: CBA 1.312F
Office Hours: Tuesday and Thursday, 10:00am-noon & by appointment
Phone: (512) 410-0003 (Google Voice, forwarded to my cell phone)
E-mail: jonathan.sims@phd.mcombs.utexas.edu
Course Web Page: via Blackboard

Required Course Materials

Textbook: Marcus, A. Management Strategy: Achieving Sustained Competitive Advantage (2nd ed.), McGraw-Hill Irwin, 2011.

This book, just updated, provides a comprehensive and succinct introduction to the key principles of strategic management. It is being sold at the Co-Op for \$83.65 new, \$62.75 used, and \$43.25 for an e-textbook. It can also be found used online for ~\$47.

2. Course Packet – available at University Printing Services in the McCombs School of Business, GSB 3.136.

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I. Course Overview

Welcome to Management 374, General Management and Strategy!

At the conclusion of this course, you will be able to explain why, how, and when strategic management is relevant. You will be able to confidently critique the strategy of a variety of organizations, from start-up ventures to well-known public firms. You will also be familiar with and able to explain both classical and some new approaches to strategy.

Studying strategic management allows us to answer questions such as:

- Why does one firm succeed while a closely related competitor fails?
- Is success sustainable or will it always be temporary?
- Why are firms in some industries (e.g. high tech) typically far more profitable than firms in other industries (e.g. airlines, steel)?
- What types of decisions can and do general managers make to influence the success of their firm?
- What impact can managers' decisions have on the performance of the firm?
- What are some of the newer theories in strategic management, and how do these hold up against established theories?

At its core, strategic management is the search for sustainable firm competitive advantage. This search is carried out by individuals within organizations in environments that are quite often highly dynamic and uncertain. To capture the high level of complexity under which strategic management takes place, this course will predominately use the case method to examine how general managers create and maintain competitive advantage for their organizations.

We will focus on two main ideas: *strategy formulation* (the “what” or *content of* a strategy) and *strategy implementation* (the “how” or *process behind* executing a chosen strategy).

In regards to strategy formulation, we will examine a variety of explicit frameworks that have been accepted in the study of strategic management and implemented by many successful firms. These frameworks are important, as they will often guide the case study evaluations. For the most part, they are easy to commit to memory; doing so will serve you well throughout the course.

Strategy implementation is somewhat more complex and subjective. Most general management decisions are multi-functional in nature, thus we will integrate lessons from other functional areas (e.g., accounting, finance, marketing) to explore and reconcile the tensions that accompany implementing strategic decisions across the entire organization.

At the end of the semester, you will be able to use your new knowledge to develop a reasoned and logical business strategy from a range of possible options. You will be able (and hopefully motivated) to integrate the tools, techniques, and concepts of strategy into your broader professional perspective, regardless of your chosen occupation or field.

II. Class Schedule

Week	Session	Day	Date	Topic / Deadlines	Markus Reading	Case (in Course Packet)	Additional Packet Reading
1	1	Tue	18-Jan	Course overview What is Strategy?			
1	2	Thu	20-Jan	Introduction to Case Analysis	Chapter 1	Robin Hood	"What is Strategy?" (Porter)
2	3	Tue	25-Jan	External Analysis: Industry Email preferred list of 3 cases for individual analysis.	Chapter 2	Coke & Pepsi in 2006	"The Five Competitive forces that Shape Strategy" (Porter)
2	4	Thu	27-Jan	External Analysis: Institutions and Environment		Coke & Pepsi in 2006 (cont.)	
3	5	Tue	1-Feb	Internal Analysis: Resources and Capabilities	Chapter 3	Whole Foods Market, Inc.	
3	6	Thu	3-Feb	Internal Analysis: Measuring Performance Email group roster.		Whole Foods Market, Inc. (cont.)	
4	7	Tue	8-Feb	Business-level Strategy: Cost-based	Chapter 4	Wal-Mart Stores, Inc.	
4	8	Thu	10-Feb	Business-level Strategy: Cost-based (cont.)		Wal-Mart Stores, Inc. (cont.)	
5	9	Tue	15-Feb	Business-level Strategy: Differentiation-based		eHarmony	"Are You Sure You Have a Strategy?" (Hambrick and Fredrickson)
5	10	Thu	17-Feb	Business-level Strategy: Differentiation-based (cont.)		eHarmony	"Creating Competitive Advantage" (Ghemawat & Rivkin)
6	11	Tue	22-Feb	Midterm Review Exam			
6	12	Thu	24-Feb	Midterm Exam (in-class)			
7	13	Tue	1-Mar	Corporate Strategy I: Diversification and Vertical Integration	Chapter 5	Walt Disney: Entertainment King	
7	14	Thu	3-Mar	Corporate Strategy I: Diversification and Vertical Integration		Walt Disney: Entertainment King (cont.)	
8	15	Tue	8-Mar	Corporate Strategy II: MOA and Alliances		Cisco Systems, Inc.	
8	16	Thu	10-Mar	Corporate Strategy II: M&A and Alliances (cont.)		Cisco Systems, Inc. (cont.)	

9	17	Tue	22-Mar	Global Strategy: Market Entry and Competitive Advantage	Chapter 6	HTC in 2009	"China + India: The Power of Two" (Khanna)
9	18	Thu	25-Mar	Global Strategy: Market Entry and Competitive Advantage		HTC in 2009 (Cont.)	
10	19	Tue	29-Mar	Strategy Implementation II: Innovation and Direction-setting	Chapter 7	SGN in 2011 (distributed in class)	"Building Your Company's Vision" (Collins and Porras)
10	20	Thu	31-Mar	Strategy Implementation II: Innovation and Direction-setting (cont.)		SGN in 2011 (distributed in class)	
11	21	Tue	5-Apr	Strategy Implementation I: Structure and Culture	Chapter 9	Southwest Airlines in 2008	"Three Keys to Effective Execution" (Raffoni)
11	22	Thu	7-Apr	Strategy Implementation I: Structure and Culture (cont.)		Southwest Airlines in 2008 (cont.)	
12	23	Tue	12-Apr	Strategy Implementation III: The Role of Top Management	Chapter 8	Apple in 2010	"The Decade of Steve" (Fortune)
12	24	Thu	14-Apr	Strategy Implementation III: The Role of Top Management (cont.)		Apple in 2010	
13	25	Tue	19-Apr	Strategy Implementation IV: Ethics and Corporate Social Responsibility			
13	26	Thu	21-Apr	Strategy Implementation IV: Ethics and Corporate Social Responsibility (cont.)			
14	27	Tue	26-Apr	Group Presentations Groups 1-3			
14	28	Thu	28-Apr	Group Presentations Groups 4-6			
15	29	Tue	3-May	Group Presentations Groups 7-8			
15	30	Thu	5-May	Course Reflections			

Important Dates

Tuesday, January 25th: Email a listing of three cases you would prefer for your two written case analyses.

Thursday, February 3rd: Email a list of proposed team members.

Thursday, February 24th: In-class Midterm Exam (25% of your grade)

April 26th, April 28th, and May 5th: In-class Group Presentations

III. Assessment and Grading

Your grade in our course will be determined as follows:

- In-Class Contributions: 25%
- In-class Midterm Exam: 25%
- Two Written Individual Case Analyses: 30% (15% each)
- Group Presentation: 20%

Descriptions of Assessment:

1. In-Class Contribution (25% of final grade):

Effective strategy is almost always the result of debate and discussion. The same could be said for effective university courses. Put differently, this class will benefit greatly from your ideas, enthusiasm, and curiosity. Your participation is not only of value to you, but to me and the rest of your peers.

I do track individual participation. Your participation grade will be a composite of your attendance, and the frequency and relevance of your in-class comments. At the beginning of each class, you will be given an index card. At the end of the class, please sign your name on one side, and on the back, quickly note any comments you made during class. You may also use the card to share any lingering questions you still have, and I will get back to you individually.

Some students may be intimidated by the “obligation” of speaking up in class. Don’t be. Your anxiety will be reduced only through practice. Here’s the secret to cutting your stress level: BE PREPARED. **If you have familiarized yourself with the case and readings, you will succeed if you speak up.** Please keep in mind that the only measurable output of your preparation is your class discussion – but airtime is a scarce resource, so please use it wisely. Comments based solely on a “gut reaction” generally do not add as much value as those based on prior readings of the cases and book.

What does class contribution entail? Here are some key ideas:

1. Demonstrating an understanding of the case
2. Asking appropriate questions
3. Being a good listener and building on the comments of others
4. Making evidence-based comments and recommendations
5. Respecting the opinions of others
6. Distinguishing between data, opinions, and guesswork

Case introduction and conclusion

At the very start of each case discussion, I will randomly ask student 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.

Similarly, at the end of each case discussion, I will call on another student, again randomly, to summarize the key findings of the case and the take-away lessons to be learned from it. You will only be called on in this manner once during the semester. Your contribution at this time contributes to your class contribution grade.

Even if you are not called on in this manner, though, everyone should still come to class prepared with answers to the case questions and an action plan for the key protagonist in the case (either an individual or a firm).

Absences

You are allowed two absences throughout the semester, for whatever reason. If you must miss more than two classes, please see me as soon as possible. Each additional unexcused absence beyond the two allowed will drop your participation grade by 5%. If you have a University-sanctioned absence and miss class, please feel free to contact me for any relevant notes or materials.

2. In-class Midterm (February 24th, 25% of final grade):

Because we are often tested in the professional world (albeit in much less formal circumstances), it is important to assess your ability to understand the key concepts and ideas that we have discussed in class. Thus, there will be an in-class, closed book exam on Thursday, February 24th, that will include the material we have covered up that point in the semester. You will not be tested directly on the cases, but some questions will ask you to support your answers with examples from cases of your choosing.

Anyone missing the exam due to a University-sanctioned absence will be given a make-up exam. If this absence is foreseeable, I expect you to contact me beforehand. Anyone missing the exam without a University-sanctioned absence will fail the exam.

The entire class on the preceding Tuesday (February 22nd) will be devoted to reviewing relevant course materials in preparation for the exam.

3. Two Written Individual Case Analyses (30% of final grade, 15% each):

You will be asked to demonstrate this knowledge individually through two 5-page written case analyses. You may pick any of the cases listed in the syllabus, with the exception of Coke-Pepsi (it's discussed too early in the semester) or SGN (the case is being written this semester).

By our third class on January 25th, please email me a list of three cases you would prefer to write about. I will get back to you within the week with a list of your two assigned cases. This process ensures that every case we discuss will have at least one or two "experts" in the room for discussion. Please make sure you will be able to attend the classes where your cases will be discussed, as your comments will support your participation grade.

Your reports are due at the beginning of the class prior to class discussion of your case. This allows me time to review your paper and incorporate your suggestions into our class discussion. For example, if you wrote about Whole Foods, which we will begin discussing on Tuesday, February 1st, your paper would be due at the beginning of class on the preceding Thursday, January 27th.

Reports submitted late are subject to the following penalties: Up to one day late (i.e. 1 to 24 hours late) = 1 letter grade reduction; up to two days late (i.e. 25 to 48 hours late) = 2 letter grade reduction; greater than two days late (i.e. 49+ hours late) = failing grade. While you are responsible for turning your paper in on time, I will do my best to remind you of these deadlines throughout the semester.

In writing your analysis, please refer to both the Guidelines for Case Analysis (Section IV) and the individual Case Questions (Section V) that apply to your case. Exemplary work will follow these guidelines. The specifics of how you conduct your analysis and write your paper are up to you, with the following exceptions:

- These two papers should be written individually, so please do not discuss this case, or your analysis, with anyone else.
- Please double-space your papers and use 12-point Times New Roman font with margins of one inch.
- Your written analysis should be no longer than 5 pages, but you are welcome to use/create additional relevant exhibits (e.g., tables, figures, graphs) if you believe they effectively convey the information you are seeking to explain.

1. In-Class Group Presentation (20% of final grade):

A considerable amount of work in both strategy formulation and implementation takes place in groups. Therefore, a significant assessment component of this class is your group project.

By the sixth class (February 3rd), I'd like you to organize yourselves into groups of five or six. You may work with whomever you like, with one requirement: at least one member of your group must have a different major or concentration of study from the others. I've found that the greater the diversity of functional expertise within a group, the better the presentation. By February 3rd, please email me with the names of your group members. If you are not in a group by February 3rd, I will assign you to a group. I also reserve the right to add a member to your group if needed.

Your group's goal throughout the presentation should be to extend and enhance our class' knowledge of the topic, beyond that which we gained from the assigned readings. **This is the only part of the course where your peers will evaluate you.** Each member of the class will, anonymously, provide a grade (A, A-, B+, B, B-, C+, C, or D) of the presentation. The group will receive the median class rating unless my own rating is a full letter grade higher or lower than that given by the class. If this occurs, I will assign the grade for the presentation myself.

Other than noting that you have a maximum of fifteen minutes, I leave the specifics of the presentation up to you. Also, there is no requirement for each member of the group to speak – I simply want the best presentation of which the group as a whole is capable. You therefore have a large amount of discretion here.

If a group wants to meet with me to discuss their ideas or to ask any questions, I am happy to do so. Also, please email any PowerPoint file(s) to me the night before your presentation, so I may load it on to my laptop before class.

Your group will be asked to select one of two options for your end-of-semester presentation: either an analysis of a current book on strategy, or a strategic analysis of a firm. Each of these two options are described in detail below.

Choice One: Book Analysis

For groups that select this option, I will provide a list of currently popular and influential books on strategy. A week later, you will turn in your top three preferred books. I will assign you to one of your top three choices, but cannot promise you will get your first choice.

In a 15-minute presentation to the class, your group should provide the following:

1. A succinct summary of the book, the author's main arguments, and perspective.
2. An analysis of how this book contributes to our knowledge about various approaches to managerial strategy we covered in class (e.g. diversification, globalization, etc.).
3. An explanation of whether the book applies to a variety of organizations, or simply a narrow subset. In other words, who can most benefit by reading this book?

Some questions you may wish to address include:

1. Where does the author do an admirable job, and where does he or she fall short?
2. Who does this book apply to?
3. Are the principles or advice provided by this book consistent with what we have learned in class? If so, how? If they are not, which aspects of the course does the author question?
4. Will the perspective and advice provided by this work be relevant in ten years? Why or why not?

An important goal of the book report is to expand the class' knowledge beyond what we have time to cover as a group. To that end, a copy of your report will be made available for your peers to read and reference on the last day of the course.

Choice Two: Strategic Analysis

Similar to the process for book assignment, I will provide a list of companies suitable for an end-of-semester strategic analysis, from which you will select your preferred top three. Again, I will assign you to one of your top three choices, but cannot promise you will get your first choice.

Your group will act as a strategic advisor to this firm. In a 15-minute class presentation, your group should provide the following:

1. An analysis of past and current strategy
2. A proposal for any changes to current strategy.

You will want to provide both a comprehensive and objective review of the firm's current strategy as well as well-reasoned advice for any changes to the firm's strategy. You may wish to address the following questions:

1. What has been the basis of the firm's strategy up to this point? Has this approach been successful? In other words, has the firm been able to achieve sustainable competitive advantage using this approach? Why or why not?
2. Are reasons for the company's current position related to strategy formulation (content) or implementation?
3. What may other firms learn from this firm's situation?

IV. Guidelines for Case Analysis

Case analysis provides students with an in-depth and real-world look at the complexities of managerial situations, and the opportunity to practice analytical skills that will be important in the real world. Cases allow you to associate relatively “clean” theoretical concepts and models of strategy formulation with the messiness of strategy implementation. The objectives of case analysis are clear thinking and sound analysis.

Case Preparation

1. **Read the case quickly** once to gain the general overview of major issues presented in the case. Identify key actors. Try to gain a general grasp of their opinions, attitudes, and relationships to one another.
2. **Reread the case more carefully**, annotating, highlighting, and questioning. Read to gain a thorough understanding of the facts. Do not disagree with facts that are presented as such. Consider the opinions, judgments, attitudes, and feelings of actors in the case as “facts” that bear on the situation even if the opinions or judgments are clearly erroneous or biased. As objectively as possible, try to learn everything that contributes to understanding the situation.
3. **Make decisions about the nature of the underlying problems and/or opportunities.** Be careful not to confuse the symptoms of a problem with the problem itself. You are trying to answer the question “What is going on here and why?” Wherever possible, apply concepts and models discussed in class or in the readings. Good analysis requires you to distinguish between important and unimportant information. Understanding the source of a problem is critical to devising solutions that will work. Concepts and models presented in class are specifically designed to help ferret out real problems and thereby to suggest the beginnings of solutions.

Make reasonable assumptions if specific data are not available. For example, you may believe it is important to know the economic performance of the firm to understand their strategic options. Make a sensible assumption, state it clearly as an assumption, and continue. Be careful that your assumptions are not contradicted by other information in the case.

4. **Outline a clear statement of your analysis** that leads to your conclusion about the underlying problem or opportunity. You need a cogent argument that will convince anyone familiar with the facts of the case that your conclusions are correct. Your analysis of people, attitudes, events, structures, and relationships, which always underlie the problem or create the opportunity, constitutes the single most important step in case preparation. It sets the stage for recommendations. Outlining the analysis will lead you to discover where your thinking is faulty and so will lead you to refine your thinking toward a better understanding of the situation.

Problem identification and analysis are obviously intertwined. Ideally, problem identification follows analysis. Often, however, you will make a good and intuitive leap to problem identification. Regardless of how sure you are about your first assessment of the situation, it is critical that you conduct a formal analysis. Recommendations for action

based on first insights, even correct and creative insights, often fail to account for other important information.

5. **Propose a course of action** that addresses the problem or opportunity you have identified. Be very specific about your recommendation. If your analysis suggests that the organization needs a new strategy, what should the new strategy look like and why? How does the strategy you propose solve the problem specifically? Your proposed alternatives must be specific, and be linked explicitly to the analysis you have conducted.

If there are any important timing issues or contingencies that affect your recommendation, spell these out. You need to think through what happens if you do this or that? What if things do not go as you expect they will? About what issues are you most uncertain? What recommendations can you make that accommodate these uncertainties? Managers need to be decisive, but not blind.

Sometimes “doing nothing” is a legitimate course of action and recommendation. You would, of course, need to fully justify the *status quo*. Significant problems usually require action. Managers make decisions under conditions of extreme uncertainty all the time.

V. Case Questions

The questions below are provided as a means to help jump-start your analysis. At a minimum, please consider these questions to be prepared for class discussion. Your analysis is in no way limited to these questions.

Robin Hood (Introduction to Case Analysis)

1. What problems does Robin Hood have?
2. Do Robin and the Merry Men need a whole new strategic direction?
3. Evaluate:
 - a. A Fixed transit tax
 - b. Expanding geographically
 - c. Killing the sheriff
 - d. Working with the Barons

Coke and Pepsi in 2006 (External Analysis – Industry)

1. Why, historically, has the soft drink industry been so profitable?
2. Why is the profitability of the concentrate business so different to that of the bottling business?
3. How has the competition between Coke and Pepsi affected industry profits?
4. Can Coke and Pepsi sustain their profits?

Whole Foods Market (External Analysis – Resources and Capabilities)

1. What are ‘natural foods’? Is ‘natural foods’ a good business definition? What opportunities do natural foods offer for producers, distributors, retailers?
2. What is Whole Foods’ strategy? How has it adapted over time?
3. What challenges does Whole Foods face in 2006?
4. What would you advise CEO John Mackey to do to sustain Whole Foods’ lead?

Wal-Mart stores (Business-level Strategy, Cost-based)

1. What are Wal-Mart’s sources of competitive advantage?
2. How sustainable is this advantage?
3. Are Supercenters the answer to the threats identified?

eHarmony (Business-level Strategy, Differentiation)

1. Why do people want to meet others online instead of finding them in the real world?
2. How structurally attractive is the on-line personals market?
3. Does eHarmony have a competitive advantage? If so, where does it come from?
4. How serious is the competitive threat to eHarmony?
5. Which of the four options should Waldorf pursue?

Walt Disney (Corporate Strategy I: Diversification and Vertical Integration)

1. Why has Disney been successful for so long?
2. What did Michael Eisner do to rejuvenate Disney?

3. Has Disney diversified too far in recent years?

Cisco Systems (Corporate Strategy II: M&A and Alliances)

1. What are the most important elements (criteria, processes, actions, etc.) of Cisco's approach to selecting and integrating acquisitions? Why is each element important?
2. What is missing in Cisco's acquisition and selection process? What would you modify?
3. What are the specific challenges of the Summa Four acquisition?

HTC in 2009 (Global Strategy: Market Entry and Competitive Advantage)

1. Evaluate HTC's performance to date. What are its competitive advantages and vulnerabilities?
2. What should HTC's OS strategy be? Should it stick with Windows Mobile and Android? Should HTC build its own platform, or add or drop others?
3. All smartphone companies with operating systems have opened their own app stores, trying to emulate Apple's success. Samsung and LG announced plans to do the same as well. Should HTC build its own app store? Do something else?
4. Peter Chou and Cher Wang want to make HTC into the leading smartphone company in the world. What kind of strategic actions are needed to achieve this goal?

Southwest Airlines in 2008 (Strategy Implementation I: Structure and Culture)

1. Is the U.S. airline industry attractive?
2. Describe Southwest Airlines' strategy.
3. Why is Southwest successful?
4. How easy would it be to imitate this strategy?
5. Is their strategy sustainable?
6. Should Southwest become an international airline?

SGN in 2011 (distributed in class) (Strategy Implementation II: Innovation and Direction-Setting)

1. How did SGN get a jump on the competition for iPhone games?
2. How does Mr. Pischevar balance the needs to develop on competing platforms?
3. Should SGN continue to develop innovative new products, or now focus on the games it has already developed?
4. Should SGN expand beyond games to other apps?

Apple in 2010 (Strategy Implementation III: The Role of Top Management)

1. What have been Apple's main competitive advantages historically?
2. Do the competitive dynamics of the PC industry appear favorable to Apple? Why or why not?
3. What is Apple's competitive position in PCs? MP3 players? Smartphones?
4. How does the iPad fit into Apple's strategy?
5. How important is Mr. Jobs to Apple's future?

VI. Top 10 Tips for Success

10. Read this entire syllabus.

You're on page 14 of 23, so you're making good progress. ☺ If you have questions about anything, please check the syllabus first. I've made an effort to make it as comprehensive as possible.

9. Come to class prepared.

Read the assignments (chapters AND cases) before class.

I selected the Markus book because I believe it's everything a textbook should be: well written, informative, short and to the point. The chapters are relatively short, and provide a wealth of information that will make reading the cases easier and more enjoyable.

I recommended that you read each case at least twice. The first reading should be a quick run-through of the text in the case. On your second reading, you should read in more depth, making an effort to understand the business and the situation. Ask yourself questions like: (1) Why has this company survived? (2) How does this business work? (3) What are the economics of this business? You will often find that you will need to apply some analytical technique (for example, Porter's five forces, SWOT, etc.) to the exhibit in order to benefit from the information in the raw data. 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.

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. **There is no reason to go beyond the assigned readings for general class preparation.** Although additional data might be interesting or useful, the "Monday morning quarterback" syndrome is typically not an effective way to learn about strategic management.

8. Practice excellent writing: Get help when needed, proofread, and do your own work.

Effective writing skills are essential to effective strategic decision-making and implementation. As such, I expect a high standard of written communication throughout the class.

Of course, some writers are more advanced or confident than others. For students struggling with their writing, or for those who simply wish to improve, I encourage you to consider using the Undergraduate Writing Center, FAC 211, 512-471-6222: (<http://uwc.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.

The most effective way to ensure your writing is of high quality is to proofread your own work. Give yourself enough time to complete the assignment without rushing. It can often help to read your work aloud to catch any lingering errors.

Do not plagiarize. All individual and group reports will be run through plagiarism detection programs, such as those found at www.turnitin.com. Again, if this is unclear, or if you are unsure about what constitutes plagiarism, please talk to me.

Here are a few extra tips:

1. Be concise, clear and informative.
2. Avoid personal anecdotes, opinions and casual grammar.
3. Do other respected references provide a different opinion? If so, briefly mention the disagreement and cite the external reference.

7. Respect your classmates and their ideas.

At the risk of sounding like a broken record, our class depends on your participation. When you respect your classmates' ideas – even the ones that you may disagree with – you help create an atmosphere where your peers free to share their thoughts and ideas. In the end, we'll all benefit. (Note: this doesn't mean you have to agree. In fact, feel free to challenge and question your fellow classmates – it will make for a better and more intelligent discussion. Just do so with respect.)

6. "Be present."

Per McCombs and Management department policy, laptop computers, PDAs, cell phones, kindles, iPads, and any other electronic devices should be turned off at the start of class. Accommodations will be made for students with disabilities.

5. Take advantage of office hours.

I'm here to help you. Come see me if you're confused, frustrated, or curious about learning more about any topic we discuss.

4. Mind your absences.

As mentioned earlier, you are allowed two absences throughout the semester. If you must miss more than two classes, please see me as soon as possible, as every unexcused absence beyond the two allowed will drop your participation grade by 5%.

3. Fill out an attendance index card every class.

I'll be distributing index cards at the beginning of every class. Write your name and return to me at the end of the class. This will ensure that your attendance is counted. If you have any comments or questions you weren't able to ask in class, write these on the card and I'll be happy to address them either individual or with the next class.

2. Check Blackboard regularly

I will be posting a range of materials on Blackboard through the course of the semester, including the syllabus, lecture notes, grading procedures, and other materials as required.

1. Speak up!

Strategy requires thoughtful discussion. I want to hear your analysis, and the more you share, the more the class will benefit!

VII. Administrative Policies

Policy on Classroom Professionalism: The highest professional standards are expected of all members of the McCombs community. 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 are fully prepared for each class. Much of the learning in the 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 and phones 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. There are often cases where learning is enhanced by the use of laptops in class. Faculty will let you know when it is appropriate to use them. In such cases, professional behavior is exhibited when misuse does not take place.
- Phones and wireless devices are turned off. When a true need to communicate with someone outside of class exists (e.g., for some medical need) please inform me prior to class.

Policy Regarding Re-reads of all graded coursework: In the event that you feel something was missed in the grading of your work (be it mathematical error or other), please write a brief summary of what you feel needs further attention and submit this re-read request with your original work with my comments within 1 week of receiving your grade. If you request a re-read, I will read the work again from scratch and your grade may go up or down. Each grade component is considered final one week after given to the class and will no longer be open for re-reading or discussion.

Policy on Academic Accommodations: Upon request, the University of Texas at Austin provides appropriate academic accommodations for qualified students with disabilities. Services for Students with Disabilities (SSD) is 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.

Policy on Blackboard: 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-mail 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.

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.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.

Appendix 1: Academic Integrity

Policy on Academic Integrity: The details of the Honor System are described on <http://new.mcombs.utexas.edu/BHP/Life-in-BHP/Honor-code.aspx?p=1> (shortened link: <http://goo.gl/DAAaBi>) and below. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification.

Policy on Scholastic Dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> or the General Information Catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Honor Code Purpose: Academic honor, trust and integrity are fundamental to The University of Texas at Austin McCombs School of Business community. They contribute directly to the quality of your education and reach far beyond the campus to your overall standing within the business community. The University of Texas at Austin McCombs School of Business Honor System promotes academic honor, trust and integrity throughout the Graduate School of Business. The Honor System relies upon The University of Texas Student Standards of Conduct (Chapter 11 of the Institutional Rules on Student Service and Activities) for enforcement, but promotes ideals that are higher than merely enforceable standards. Every student is responsible for understanding and abiding by the provisions of the Honor System and the University of Texas Student Standards of Conduct. The University expects all students to obey the law, show respect for other members of the university community, perform contractual obligations, maintain absolute integrity and the highest standard of individual honor in scholastic work, and observe the highest standards of conduct. Ignorance of the Honor System or The University of Texas Student Standards of Conduct is not an acceptable excuse for violations under any circumstances.

The effectiveness of the Honor System results solely from the wholehearted and uncompromising support of each member of the Graduate School of Business community. Each member must abide by the Honor System and must be intolerant of any violations. The system is only as effective as you make it.

Faculty Involvement in the Honor System: The University of Texas at Austin McCombs School of Business Faculty's commitment to the Honor System is critical to its success. It is imperative that faculty make their expectations clear to all students. They must also respond to accusations of cheating or other misconduct by students in a timely, discrete and fair manner. We urge faculty members to promote awareness of the importance of integrity through in-class discussions and assignments throughout the semester.

Expectations Under the Honor System Standards: If a student is uncertain about the standards of conduct in a particular setting, he or she should ask the relevant faculty member for clarification to ensure his or her conduct falls within the expected scope of honor, trust and integrity as promoted by the Honor System. This applies to all tests, papers and group and individual work. Questions about appropriate behavior during the job search should be addressed to a professional member of the Career Services Office. Below are some of the specific examples of violations of the Honor System.

Lying: Lying is any deliberate attempt to deceive another by stating an untruth, or by any direct form of communication to include the telling of a partial truth. Lying includes the use or omission of any information with the intent to deceive or mislead. Examples of lying include, but are not limited to, providing a false excuse for why a test was missed or presenting false information to a recruiter.

Stealing: Stealing is wrongfully taking, obtaining, withholding, defacing or destroying any person's money, personal property, article or service, under any circumstances. Examples of stealing include, but are not limited to, removing course material from the library or hiding it from others, removing material from another person's mail folder, securing for one's self unattended items such as calculators, books, book bags or other personal property. Another form of stealing is the duplication of copyrighted material beyond the reasonable bounds of "fair use." Defacing (e.g., "marking up" or highlighting) library books is also considered stealing, because, through a willful act, the value of another's property is decreased. (See the appendix for a detailed explanation of "fair use.")

Cheating: Cheating is wrongfully and unfairly acting out of self-interest for personal gain by seeking or accepting an unauthorized advantage over one's peers. Examples include, but are not limited to, obtaining questions or answers to tests or quizzes, and getting assistance on case write-ups or other projects beyond what is authorized by the assigning instructor. It is also cheating to accept the benefit(s) of another person's theft(s) even if not actively sought. For instance, if one continues to be attentive to an overhead conversation about a test or case write-up even if initial exposure to such information was accidental and beyond the control of the student in question, one is also cheating. If a student overhears a conversation or any information that any faculty member might reasonably wish to withhold from the student, the student should inform the faculty member(s) of the information and circumstance under which it was overheard.

Actions Required for Responding to Suspected and Known Violations: As stated, everyone must abide by the Honor System and be intolerant of violations. If you suspect a violation has occurred, you should first speak to the suspected violator in an attempt to determine if an infraction has taken place. If, after doing so, you still believe that a violation has occurred, you must tell the suspected violator that he or she must report himself or herself to the course professor or Associate Dean of the Graduate School of Business. If the individual fails to report himself or herself within 48 hours, it then becomes your obligation to report the infraction to the course professor or the Associate Dean of the Graduate School of Business. Remember that although you are not required by regulation to take any action, our Honor System is only as effective as you make it. If you remain silent when you suspect or know of a violation, you are approving of such dishonorable conduct as the community standard. You are thereby precipitating a repetition of such violations.

The Honor Pledge: The University of Texas at Austin McCombs School of Business requires each enrolled student to adopt the Honor System. The Honor Pledge best describes the conduct promoted by the Honor System. It is as follows:

"I affirm that I belong to the honorable community of The University of Texas at Austin Graduate School of Business. I will not lie, cheat or steal, nor will I tolerate those who do."

"I pledge my full support to the Honor System. I agree to be bound at all times by the Honor System and understand that any violation may result in my dismissal from the Graduate School of Business."

Appendix II: Why We Use the Case Method¹

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 established. 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, except for the introductory example of Robin Hood, 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.

Class Discussions

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.

¹ This appendix was adapted from work by Professor Dan R.E. Thomas. It is intended solely as an aid to class preparation.

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.

More on the Use of Extra or Post-Case Data

As discussed earlier in the syllabus, the "Monday morning quarterback" syndrome is typically not an effective way to learn about strategic management. For that reason, you are discouraged from acquiring or using extra- or post-case data. 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 if 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, I will tell you what happened to a company since the time of the case.