

# College of Business Administration



## Syllabus For The University of Akron's College of Business Capstone Course:

**Strategic Management 6500 490 Section 002 (74925)**  
**CBA 125**  
**2:15—3:05 p.m.**  
**Monday, Wednesday & Friday**

**&**

**Strategic Management 6500 490 Section 802 (71798)**  
**CBA 146**  
**8:10 to 9:25 p.m.**  
**Monday and Wednesday**

**Fall 2014, August 25—December 7, 2014**

**Professor**



**Stephen F. Hallam, Ph.D.**

**<http://www.uakron.edu/cba/cba-home/about-us/directory/profile.dot?identity=594823>**

**(Directory Information)**

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**Office Phone: 330-972-8139**

**Office Fax: 330-972-6588**

**Office Hours: 3:15 to 5:15 p.m. Monday and Wednesday or by appointment**

**Executive in Residence Stephen E. Myers**



Mr. Stephen E. Myers, Executive-in-Residence for the College of Business Administration, former CEO and Chairman of the Board of Myers Industries will be assisting students this term. In addition to making comments and observations in class, he will advise teams on their major case analysis project. Each team must schedule a meeting with Mr. Myers as early as possible during the semester, but after your team has completed a draft of the PowerPoint presentation of your major case analysis.

A graduate of Harvard College, Myers joined Myers Industries in 1967, working in the production department of one of the manufacturing companies. In 1971 he was named President of the Akro-Mils division. He was named Corporate Vice President and appointed to the Board of Directors in 1973, Executive Vice President in 1977, and President and Chief

Operating Officer in 1984. In 2003 Myers was named Chair and Chief Executive Officer of the company. During his tenure as President, revenue grew from approximately \$70 million to nearly \$700 million and the number of employees from approximately 500 to 5,000. During the course he will often sit in on classes and the student presentations to offer practical insights gained from his many years of executive experience. He will also be available by appointment to meet with individual students or student groups to offer thoughts and suggestions as requested concerning projects associated with the course. Details regarding the current operations of Myers Industries (New York Stock Exchange Ticker MYE) can be found at <http://finance.google.com/finance?q=NYSE%3AMYE> and at their website at <http://www.myersindustries.com/>.

Since his retirement from Myers Industries he has remained active as a director of several start-up or early stage business ventures in the plastics and healthcare markets. He serves as a member of the board of directors of the Cleveland Museum of Art, Children's Hospital Medical Center of Akron, and the University of Akron Foundation. He also is a member of the Committee on University Resources for Harvard College. He now serves as the Executive-in-Residence for The University of Akron College of Business Administration. This program provides the college an excellent resource to strengthen students and faculty knowledge and understanding of the practice of business while providing insights into the leadership skills necessary to manage and grow a business. Mr. Myer's office is located in the CBA building, room 409. His office phone is 330-972-8549 and his email address is [esm16@uakron.edu](mailto:esm16@uakron.edu). This is an excellent opportunity for students to interact face-to-face with a former CEO and Chairman of the Board of a major industrial firm.

### **Betsy DuWaldt, Business Practitioner, Communications**

Ms. Betsy DuWaldt will also be working with students in this course to help them improve their oral presentation skills. Ms. DuWaldt has 18 years of corporate and higher-education communications experience. From 2005-2011, she worked at FirstEnergy Corp., where she served as Director of Internal Communications from 2009-2011. As Director, she was responsible for developing and driving an internal communications strategy to support business goals at a local Fortune 200 energy provider. This included counseling senior executives and other business-unit leaders on the development and delivery of impactful messages. Her group used a variety of tactics to help employees understand business objectives, including managing a CEO field-visit program, satellite broadcasts, staff meetings, video productions (including deploying to YouTube), as well as managing and writing newsletters, creating employee TV programming, managing the intranet and external Web site, and creating a communications feedback process. Her group also managed the internal merger communications for the FirstEnergy-Allegheny Energy merger, completed in 2011. She has developed strategic, internal crisis, and change communication plans. Prior to being named Director, she held a variety of management roles in the Communications Department at FirstEnergy. She also has worked as a technical writer for Raytheon Polar Services Group and as a communications manager at a market research publishing company.

Her experience with higher-education communication materials includes serving as Editorial Director at Deitel & Associates, Inc., a best-selling, computer-programming textbook authoring group. This position was responsible for the editorial integrity of manuscripts and marketing materials. She also has worked as an independent developmental editor of college computer-science texts for Prentice Hall and McGraw-Hill. While completing her MBA in 2005, she was a Teaching Assistant for a strategy capstone class, with responsibility for editing the professor's case studies. Most recently, she has taught Composition I and Interviewing at The University of Akron and Introduction to Human Communications and Intercultural Communications at Kent State University.

Ms. DuWaldt has a Bachelor of Arts in Technical Communications (Writing and Editing emphasis), with a minor in Computer Information Systems; an MBA from Babson College (2005); and is in the process of writing her dissertation for Duquesne's Rhetoric Doctoral program. She co-authored *Web Services: A Technical Introduction*, published by Prentice Hall in 2002, and has co-authored chapters in a variety of other computer-programming college textbooks.

Students in this section of Strategic Management 490 are required to work with Ms. DuWaldt as part of their preparation for their oral case study presentations. The goal is to develop students' oral presentation skills to those expected of professionals in business management. She has information regarding the CBA business communications program at <http://www.YourWordsMatterAkron.org> . If you do not have access to that site, please contact Ms. DuWaldt. She can be reached at 330-972-8059, [duwaldt@uakron.edu](mailto:duwaldt@uakron.edu) , and her office is CBA 423.

### **Guest Speakers**

Typically this course includes from three to five additional guest presentations from executives or former executives where attendance is mandatory and each student is expected to interact with the executive and write a brief summary of the executive's remarks.

#### **Course Description:**

<b>Chapter or Topic</b>	<b>Description</b>	<b>Comments</b>
1	Defining strategy	Long-term, corporate-wide, game plan to gain sustainable competitive advantage and success. Strategy and ethics. Strategy and the business model.
2	Charting a Company's Direction	Describes manager's role in forming and implementing the organization's strategy. The 5 phases of the strategy process (vision, objectives, pick

		strategy, implementation, evaluate and adjust).
3	Conducting the external analysis	Using Porter's 5 Forces Model (rivals, buyers, suppliers, new entrants, substitutes) and other tools (competitive forces, key success factors) to analyze the industry's external factors for success plus other tools.
4	Conducting the internal analysis of resources, capabilities, and competitiveness	Key Financial Ratios, SWOT Analysis, Value Chain, Activity-Based Cost Accounting, and Competitive Strength Analysis.
5	Understanding the 5 most common strategies: know the pros and cons of each	<ol style="list-style-type: none"> <li>1. Low-cost provider</li> <li>2. Broad differentiation</li> <li>3. Best-cost provider</li> <li>4. Focused low-cost</li> <li>5. Focused differentiation</li> </ol>
6	Strengthening a Company's Competitive Position: Strategic Moves, Timing, and Scope of Operations plus supplemental strategies: know the pros and cons of each	<ol style="list-style-type: none"> <li>1. Collaboration</li> <li>2. Mergers &amp; Acquisition</li> <li>3. Vertical integration</li> <li>4. Outsourcing</li> <li>5. Offense</li> <li>6. Defense</li> <li>7. Web strategies</li> <li>8. Functional area strategies</li> <li>9. First-mover</li> </ol>
7	Globalization as a strategy.	Going global or not and to what extent. Know main approaches and pros and cons of each.
8	Diversification strategies for large corporations and conglomerates.	Why, when and how to diversify and related versus unrelated diversification.
9	Considering the ethics of strategy and the triple bottom line of profit, social responsibility, and environmental sustainability	Know how to be both competitive and ethical in business. Know difference between social responsibility of business and business ethics. Approaches to Managing Business Ethics.
10	Building organizational strength to properly execute new strategy	<ol style="list-style-type: none"> <li>1. Hiring right people</li> <li>2. Proper training</li> <li>3. Organizing</li> <li>4. Trends</li> </ol>

		Know Adv. and Disadv. Of Centralized versus Decentralized Decision Making.
11	Managing Internal Operations: Actions that promote good strategy execution	Keeping control over progress of plan. Change resource allocation, policies/procedures, adopts best practices and continuous improvement, change IS to fit strategy implementation, tie rewards/incentives to achievement of financial and non-financial strategic targets.
12	Understanding relationship between corporate culture, leadership, and strategy	Making new strategy part of the corporate culture. Exerting calm assertive leadership.
Minor Case Study	Each student selects a corporation they would like to consider as an employer and analyze its financial condition and strategy and make an oral and a written case presentation. Both will be graded on quality of content plus proper grammar, spelling, and writing/speaking style.	This is your opportunity to prepare for a possible job interview with the corporation of your choice. The goal is to make you more knowledgeable of the firm than the person doing the interviewing, thereby building your confidence and increasing your chances of getting the job offer.
Major Case Study	Teams make oral and written case presentations. Both will be graded on quality of content plus proper grammar, spelling, and writing/speaking style.	Your opportunity to apply all areas of your business education to actual business problems and professionally present recommendations orally and in writing.
Other:		
Springboard	Computerized learning management system.	Go to <a href="https://springboard.uakron.edu/">https://springboard.uakron.edu/</a> for PowerPoint slides and many learning aids.
Quizzes, tests, and other measures of learning	Two major tests plus several quizzes over chapter and lecture topics	Study each chapter carefully to gain the most knowledge possible from this popular text.

**Apply what you have learned in other business courses in this capstone course.** The College of Business Administration officially describes this course as a capstone course

designed to bring together the various theories and concepts from the functional areas of accounting, finance, marketing, production, human resource management, and management information systems within the framework of strategic management. As such, much of the material will be a review of what you have already learned. However, students are challenged to **apply** what they have learned in their functional area courses to actual business problems with particular emphasis on the development and implementation of business-wide policies and long-term, organization-wide strategies. Be especially careful in your case analysis not to just focus on one area such as marketing or finance, but instead consider strategy from the broadest possible perspective.

### **Course Objectives:**

1. To develop students' capacity to think strategically about a company, its business position, and how it can gain sustainable competitive advantage.
2. To build students' skills in conducting strategic analysis in a variety of industries and competitive situations and especially to provide them with a stronger understanding of the competitive challenges of a global market environment.
3. To give students hands-on experience in crafting business strategy, reasoning carefully about strategic options, using what-if analysis to evaluate action alternatives, and making strategic decisions.
4. To improve the students' ability to manage the organizational process by which strategies get formed and executed.
5. To integrate the knowledge gained in earlier core courses in the business school curriculum.
6. To develop students' powers of managerial judgment, help them learn how to assess business risk, and improve their ability to create results-oriented action plans.
7. To help students become more conscious of the importance of ethical principles, personal and organizational values, and socially responsible management practices.
8. To help students improve their managerial communication skills.

### **Textbook:**

We will use the following textbook:



Crafting and Executing Strategy: The Quest for Competitive Advantage: Concepts and Cases, 19<sup>th</sup> edition, written by Thompson, et.al. , McGraw-Hill/Irwin Publishing Company, 2014, ISBN 0078118204 MCG. A paperback edition is available at The University of Akron Bookstore. Be aware that there are many editions and versions of this textbook. In the past

some students have purchased the wrong edition of this textbook. You will need this particular edition (the 19<sup>th</sup>) in order to have the correct set of cases. A major portion of your grade will be determined by the case assignments, so it is important that you have the proper book. Do not get the version of this book with Readings instead of Cases. Do not get the 18<sup>th</sup> edition that was used in previous semesters. The University Bookstore has the correct edition on the shelf, but you may order it from various online sources; just be certain you have the correct edition with cases as listed below. If you have any doubt about whether the book you are considering is the correct one, go to the Table of Contents and check the list of cases:

1. Mystic Monk Coffee\*
2. Costco
3. Harry Lindsol's Textbook Decision\*
4. Sift Cupcake and Dessert Bar\*
5. Under Armour
6. Lululemon
7. Coach
8. Tiffany's
9. Panera Break
10. Chipotle
11. Netflix
12. Equal Exchange
13. Google
14. Apple
15. The State Fair of Virginia\*
16. Eastman Kodak (note the co-author of this case is Dr. R. Ray Gehani, U of Akron)
17. Nucor
18. Tata Motors
19. 7-Eleven
20. Walt Disney
21. Kraft Foods
22. Robin Hood\*
23. Dilemma at Devil's Den\*
24. Starbucks
25. Herman Miller
26. Henkel
27. Bayonne Packaging
28. Rhino Sales, Hunting, and Poaching in South Africa\*
29. The Upper Big Branch Mine Disaster\*
30. Frog's Leap Winery\*
31. \*\*

\*Means not suitable as a choice for your major case project, most likely because it is not a corporation on the stock exchange and therefore it would be difficult to get the necessary financial information to do the required financial analysis.



**\*\*While it is possible for a team to propose a company not on this list, your team will need to convince the professor that it is an appropriate case with sufficient data available for a thorough analysis and provide the class with appropriate background reading at least one week in advance of your oral presentation.**

### **Online Resources:**

**Springboard.** The University of Akron computerized learning management system powered by Desire2Learn and locally called Springboard is used extensively in this course. Go to <https://springboard.uakron.edu/> and sign in using your UA ID and a password. Then click on Strategic Management 490. In the Content section you will eventually find PowerPoint slides for each of the chapters in the textbook. Do not let the availability of these PowerPoint slides tempt you to not take notes in class. You will need both your individual notes and the PowerPoint presentations to do well in this course. Your teacher also uses Springboard's electronic grade book to record your points, so you can access your scores on Springboard at any time during the term. Assignments are to be turned in electronically using the Dropbox feature of Springboard—save a tree.

**Other websites:** You will likely find the following websites useful:

<http://finance.google.com/finance>

<http://finance.yahoo.com/>

<http://money.msn.com/>

<http://www.sec.gov/edgar.shtml> the official website of the SEC  
and

<http://www.reuters.com/finance/stocks/ratios?symbol=F.N>

For this one I have included the symbol of Ford Motor Company as listed on the New York Stock Exchange (F.N) so you can see how Reuters has so conveniently calculated almost all the ratios you will need to do the Financial Ratio Analysis part of your case analysis. Of course you will need to go to this website and then substitute the ticker symbol for your selected case study company in place of F. More importantly, you will need to understand what the financial ratios mean and how the financial condition of the firm in your case study relates to your team's choice of a long-term, corporate-wide strategy. Go beyond the calculation of the numbers and gain a full understanding of what the numbers mean. For both the formulas and the explanation of their meaning, study Table 4.1 pages 83-86 in your textbook plus the following Investopedia website:

<http://www.investopedia.com/university/ratios/#axzz1iMS8XliW> . The introduction to this website reads as follows:

## **Financial Ratio Tutorial**

[Printer friendly version \(PDF format\)](#)

By Richard Loth

([Contact](#) | [Biography](#))

When it comes to investing, analyzing financial statement information (also known as quantitative analysis), is one of, if not the most important element in the fundamental analysis process. At the same time, the massive

amount of numbers in a company's financial statements can be bewildering and intimidating to many investors. However, through financial ratio analysis, you will be able to work with these numbers in an organized fashion.

Further, Mr. Myers offers this observation, “If accounting is a means of recording both the results in financial terms of a company’s performance during a period of time and of giving a picture of its assets at the end of that period and the source(s) of capital to purchase them, then various financial ratios have come into use over the years to allow different analysts (lenders, buyers, suppliers, investors, etc.) to make judgments about the company, its management, its performance, and its strategies, as the case may be.” Students should be urged to use these ratios to corroborate their identification of their company’s strategy, in addition to using financial ratios as indicators of the company’s performance. For example, use of leverage, or not, is a strategic decision which would be reflected in the debt equity ratio and return on equity and return on sales. The different strategies of, say, Costco, Target, and Tiffany would be reflected in inventory turns. The slower inventory turn at Tiffany would not necessarily reflect a weakness, but rather the fact that Tiffany sells much more expensive items at higher gross margins than Costco or Target. Also, the use of these financial ratios helps make some comparisons between companies of vastly different sizes. Financial ratios are important, but not the only thing to consider in judging a company’s strategic management.

### **Minor Case Analysis:**

Select a corporation on one of the major U.S. stock exchanges that you would like as your employer. For the minor case analysis assignment do **NOT** use one of the companies included in the list of cases in your textbook. Also, Smucker’s is not allowed because your professor will use that company as an example. If you plan to work for a privately-held company after graduation, you will need to just pretend you want to work for a major corporation for this assignment because the data you will need is not easy to obtain from privately-held companies. Using the corporation’s website and the websites listed above plus other sources, write a short paper (limit 15 pages, double spaced, APA format) answering the following questions:

1. Briefly describe the company in terms of:
  - a. Company history including WHY it is in business. Note that “making money” is a byproduct, not the purpose, of a good business.
  - b. Main products and/or services offered
  - c. Size in terms of market capitalization, annual revenue, and number of employees.
2. What are the company’s vision, mission, and statement of values? Go beyond the statements you find on their website and look for actions that support or deny their public statements. Do not take what you find on the company’s website as the total truth—it is written from a public relations’ standpoint. Dig deeper; look for actions not just words.

3. Which one of the five basic strategies does the company currently use? Which supplemental strategies are currently employed? Describe why they use this combination of management strategies.
4. Using **all** the financial ratios found in Table 4.1 pages 83-86; analyze the company's current financial condition. Is it financially healthy or sick and why? Do not just calculate the ratios—explain what they mean in terms of the company's financial health.
5. Describe whether this would be a good place for you to obtain your first career-oriented position following graduation? Explain why or why not.

In addition to the short written case analysis, prepare a short (10 minute) oral presentation to the class using 20-30 PowerPoint slides. Submit the PowerPoint slides to the Springboard Dropbox 24 hours **before** your presentation and submit the written report to the Dropbox by midnight of the day you make your in-class presentation. This assignment serves at least two purposes: it is good preparation for a job interview and good preparation for your major case analysis.

Be sure to properly include your list of references and use proper citations following the American Psychological Association (APA) style (see <http://owl.english.purdue.edu/owl/resource/560/01/> ). Failure to properly cite your sources will result in a grade of "F". Cite everything except for publically available financial data from the company's SEC filings and your own original thoughts. When in doubt, cite it.

### **Major Case Analysis:**

The first half of the textbook describes the process of strategic management. The remainder of the textbook contains 30 business cases. A Guide to Case Analysis can be found in the back of your textbook on pages CA1-CA12. Within the first few days of the course your professor will decide how cases will be assigned this term. The approach varies depending on the number of students enrolled and other factors that may affect the time available. Typically the major case analysis is done with a team of three to four students. More details regarding this all important case project will be announced in class after we know exactly how many students are enrolled.

Most business students will likely already have considerable experience writing business cases by the time they reach this capstone course. Students are expected to apply as much as possible of what they have learned in previous courses to the analysis of these selected cases. The primary difference between these cases and those you have likely encountered up to this point in your academic program is that these cases present issues that transcend disciplines. For example, instead of presenting just a marketing problem, as cases in a marketing course are bound to do, these cases involve aspects of marketing, accounting, finance, production, information systems, human resource management, business ethics, and organizational behavior all tangled up together—much like the problems you will soon encounter in your professional business career. Be aware, a common mistake students make is to treat the business policy cases as if they were marketing cases. Coming up with a new marketing slogan or advertising campaign is not a proper solution for any of the cases in this course.

Instead your team is to recommend and defend the use of a particular long-term, corporate-wide strategy that will produce a sustainable, long-term competitive advantage for the company.

What all the cases in this course have in common is the need to consider which business **strategy** is most appropriate. A company's **strategy** consists of the firm's major long-term (5 years or longer) corporation-wide competitive moves and business approaches that the firm's managers employ to attract and please customers, compete successfully, grow the business, conduct operations, and achieve targeted objectives.

As with most case study approaches to learning, the idea is not to simply get the one "right" answer, but rather to attack the problem analytically, determine a limited set of potential solutions, and then select and defend one possible solution. You will be graded on the quality of your analysis, your defense of the solution you choose, and your skill at both written and oral communication. The "right" answer is not necessarily the choice the company made.

**Address the correct audience.** Up to this point in your academic career you have likely handled case projects by first providing a historical overview of the company. Also, you have assumed your audience for any oral report consists of your fellow classmates. Because this course is to be taken just before you graduate, you must now learn to change from making presentations to fellow students and instead prepare to make presentations to fellow professionals in management. Therefore, for this course you are to imagine your major case-study team as a group assigned to describe and analyze the company's current strategy, review its success and relevance to the ongoing business of the company, identifying what recent initiatives undertaken by the company serve its strategy, and, based upon your conclusions and analysis of the competitive landscape, propose necessary alterations to that strategy, or, if appropriate, a new strategy for the company to adopt going forward. Describe how to move from the old to the new strategy. Your job is to convince the CEO and other top executives of the company to accept your team's recommendations. **(Imagine your audiences to include potential investors as well as executives of the company so do not insult their intelligence and waste their time by describing the company's history or other details your audience would already know.)** Imagine that your job depends on how well you deliver the presentation. Both content and delivery style are important. Be totally professional in dress, conduct, and delivery.

**Quality of content counts most but correct writing is also important.** Imagine your report being read by the company CEO plus potential investors. Write in clear and concise sentences and paragraphs. Write to inform and convince, not to impress with unusual words and long sentences. Business executives are busy and want to see reports that get right to the point. Proofread your work carefully before turning it in. Points will be taken off for errors in spelling, grammar, and improper writing style, especially when such errors seriously reduce the readability and professional appearance of the report. Failure to correct errors pointed out by Word's grammar and spelling checker will result in a lower grade for the project, perhaps even an "F". Use the spelling and grammar checker on your computer and include the Flesch-Kincaid Grade Level readability score on the final page of your report as a

way of demonstrating that you have run the spelling and grammar checker. Word's grammar and spelling checker is not perfect, but it does point out most errors and it is simply irresponsible to ignore it. You will turn in the written case analysis electronically as a Word document so your professor will see the errors pointed out by Word and will have to assume you not only did not know how to write properly, but did not care. Ignoring the errors pointed out by Word is unprofessional and not acceptable in this class. To again quote Mr. Myers, "When I see a spelling or grammatical error on a page, it is like someone is shining car headlights right at my eyes. I have a hard time seeing anything else on the page." In your professional career you are likely to meet many business executives with similar feelings toward the importance of proper English.

While it is often interesting to look up the company website and other sources to find out what the company actually did after the case was written, this alone is not proof that what the company decided to do was the "right" answer. Companies are sometimes successful despite their poor choice of strategy—perhaps they were just lucky. On the other hand, sometimes the best strategic plans fall victim to unforeseen changes and fail. Cases in strategic management usually are complex enough to provide multiple solutions and much of the class time will likely be devoted to student discussion of various alternatives. In fact, it is within this discussion or debate that much of the learning takes place. **All students must study all the cases assigned, not just their own case.** Each student is expected to contribute to the discussion that follows each case presentation and such class participation will be graded.

**Defend your recommendation.** In actual practice business decision makers must make their decisions with less than perfect information about the past and present conditions and even less certainty about future conditions. Nevertheless, decide they must. Similarly, it is not acceptable to fail to make a decision regarding a business case. You must make the best decision you can and defend your choice to the best of your ability. Also, it is seldom wise to recommend continuation of the current strategy for the next 5-10 years, regardless of how successful that strategy appears today. The competition will adapt to a rival's successful strategy, so what is successful today is unlikely to be successful indefinitely into the future. Your case presentation grade will be based primarily on the quality of your defense of your choice of a long-term, corporate-wide strategy.

*Strategic management is not a box of tricks or a bundle of techniques. It is analytic thinking and commitment of resources to action.*  
...Peter Drucker

**Implementation of recommendation is critical.** Recommending a good strategy is not enough. People in large organizations naturally resist change because they have been a part of the current strategy. You will need to address how you plan to implement the change in strategy you propose despite this resistance. Harvard Professor John Kotter is famous for suggesting there are eight errors managers commonly make when attempting to implement change:

*(1) Not establishing a great enough sense of urgency,*

- Convince people the changes have to be made NOW.*
- (2) *Not creating a powerful enough guiding coalition,  
Convince the “movers and shakers” in the organization, especially those who can move money and people.*
  - (3) *Lacking a clear vision of the future state,  
Express it in terms others can clearly understand and relate to.*
  - (4) *Under-communicating that vision by a factor of ten,  
The people in organizations keep coming and going so communicating the vision once is not nearly enough.*
  - (5) *Not removing obstacles to the new vision,  
If you don’t change the budget and the reporting structure of the organization, then you probably haven’t changed anything.*
  - (6) *Not systematically planning for and creating short-term wins,  
Identify significant milestones along the way. The entire project will likely take a year or more to fully implement, so give people encouragement along the way.*
  - (7) *Declaring victory too soon,  
Big organizations often slip back into bad old habits. Also, expect the competition to have a reaction to your new strategy. You are not done until you have achieved the financial and non-financial strategic objectives you planned from the start.*
  - (8) *Not anchoring changes in the corporation’s culture.  
The corporate culture can be seen by asking people in the organization, “How do things **really** get done around here?” Until the answer to that question changes, the change hasn’t really been fully implemented.  
(See [www.johnkotter.com](http://www.johnkotter.com) and [www.theheartofchange.com](http://www.theheartofchange.com) )*

Due to time limitations on your oral report, you may decide to skip some of these eight errors in the oral report. However, your written case report must address how you are going to avoid each of those eight mistakes in this specific organization and thus increase the probability of a successful implementation of your new strategy. Plans and good intentions are not enough. Do not simply list Kotter’s main points as I have done in this syllabus. Instead, be specific about what actions you will take to avoid each of Kotter’s 8 Errors at this particular company.

**Start the major case analysis immediately.** For some students this case assignment will be the largest assignment of your college career. The cases are far too complex to be properly completed at the last minute. You need to begin as soon as the course starts. The first steps are to form a team, select your team’s 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> choice of case and 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> choice of presentation date (see detailed schedule at the end of this syllabus for available presentation dates).

Select teammates based not on friendship, but rather on complementary skills. It is best to have at least one person on the team with a major in accountancy or finance and at least one with a major in marketing or management.

Evenly assign the work among the team members. Find out early if a team member is a deadbeat/social loafer. Have each team member make a commitment to get a particular part of the project done and distributed to the other team members on a specific date. If a person fails to meet that deadline, see your professor about getting that person removed from your team. Do not wait until the day before your case is due to find out about a deadbeat. Historically, this has been the number one issue with students in this course. Students about to graduate simply must learn how to operate effectively within teams because most large organizations use teams to work on projects. This means, among other things, identifying deadbeats early and dealing with them swiftly and effectively rather than complaining about them after it is too late.

As you study each chapter, be thinking about how you will apply the concepts and principles of that chapter to your case study. Also, begin to search for as much information as possible about your company. Begin with a Google search. Also look up the latest financial information using <http://www.nytimes.com/business> or any similar source of the latest financial information (such as the Wall Street Journal at <http://online.wsj.com/public/page/news-financial-markets-stock.html> ). There is no charge for limited access to the electronic version of the New York Times or the Wall Street Journal.

### **The Class Presentation of Your Major Case:**

For the in-class presentation of your major case, imagine you are part of a team making a presentation to the top-level executives of the company plus Wall Street investors. Prepare as though your job depends on the quality of your written and oral presentations. Failure to address the audience as though they are Wall Street investors and top executives of the company will result in a lower grade for the project. Do not insult the intelligence of your audience of executives by taking time to explain things these executives would obviously already know such as an exhaustive history of the firm or the definition of commonly used business terms and financial ratios. Instead, your job is to present a new long-term corporate-wide strategy and convince these executives and investors it is the wise direction for this company to take. Focus on your team's analysis and recommendations for the future direction of the business.

For the oral report do not feel compelled to answer all of the questions presented in the syllabus. There will not be enough time to address every question listed, so select the most important. Your written report, however, must answer each of them. For the oral presentation, begin with your financial analysis of the firm based on the very latest available quarterly financial data. The material in the textbook will be out-of-date by one or more years. Bring it up-to-date by pulling the very latest quarterly Income Statement, Balance Sheet, and Funds Flow Statement from <http://www.google.com/finance#> or a similar on-line financial service. It is not enough to state the various financial ratios; you need to explain their significance in relation to your strategy. Conclude your financial analysis with your diagnosis of the financial health or illness of the firm. You must convince your audience, i.e., the executives of the firm and potential investors, that the firm currently has sufficient financial resources to implement the strategy you propose or else show them what steps you



recommend they take to acquire the necessary funds. For example, you may suggest they issue more stock, more bonds, sell off part of the firm's assets, or reallocate funds internally.

**Use PowerPoint properly.** In making your classroom presentation, the use of PowerPoint (or equivalent presentation software) is required. However, make your presentation much more than simply reading your PowerPoint slides to the class. Unfortunately, too many presenters rely too heavily on PowerPoint and simply read their presentation from the slides. As soon as they get off their slides, it is as though they have fallen into a deep hole. Know your case so well you could present it without slides or notes of any kind. Learn to think and speak on your feet. It is mostly a matter of practice. You will be graded down for reading your presentation either from the PowerPoint slides or from note cards. In fact, **note cards and other forms of notes are absolutely forbidden and will likely result in a minimum reduction of one letter grade.** The following are additional requirements regarding the all-important major case presentation:

**1. Face the audience.** Do not turn your back to the audience to read off the big screen. The podium and PC screen will be in front on you. You may glance at the PC screen and then regain eye contact with your audience. In the American business culture, failure to make eye contact is commonly interpreted as not being truthful. Good eye contact helps to establish trust and rapport with the audience. You will be graded down for poor eye contact. There are several videos on YouTube describing good business presentation techniques and the proper use of PowerPoint (for example see <http://www.youtube.com/watch?v=VUqIDs5MZxM> ).

**2. Put only one powerful point on each slide.** As the name "PowerPoint" implies, it should be used to make a few powerful points. It should not be every word of your presentation. You will be graded down for having slides that are too wordy or difficult to read. One guideline is the 6x6 rule that says put no more than six words per line and no more than six lines per PowerPoint slide. For more detail about what NOT to do, watch this fuzzy but humorous video: <http://www.youtube.com/watch?v=ORxFwBR4smE> .

**3. Hotlink your PowerPoint to web sites that further illustrate your points**—this is where PowerPoint is much more effective than the old-fashioned use of transparencies. Hotlink your slides to the firm's website, recent financial data, and other news items regarding your firm. Use diagrams, charts, and other visually stimulating approaches rather than a screen full of numbers. There may be times when a screen full of numbers is necessary, but use such screens sparingly. Use charts and graphs instead. You will be graded down for not using charts and graphs and hotlinks. Before you begin your oral presentation, access the hot links and minimize them so you can click on them during the presentation and the audience will not have to wait for them to load.

**4. Put emotion into your voice. Do not speak in a monotone voice.** Speaking in a monotone is usually a sign of fear. Practice enough to get over the fear and speak up. Of course you must speak loudly enough to be heard by everyone in the audience, but you must go beyond simply being loud enough to be heard and put **feeling** into your voice. Practice changing the volume and tone of your voice. Put pauses in to add emphasis. When you are



discussing things the company is doing especially well, show positive feelings. Where you see danger; show concern. Above all, make your presentation interesting. Do not bore your audience. You will be graded down, perhaps to as low as an “F”, for speaking too softly to be heard from the back of the room and/or for speaking in a monotone or boring manner.

**5. Put some energy and passion into your presentation.** John Kotter says change is implemented with emotions, not just facts and figures. Communicate in a more heart-to-heart fashion. Part of your grade will be the degree of energy you put into your presentation. Do not over do it, but most business school student presentations could benefit from some more passion. Be convincing while being professional. Make an effort to “win the class (executives) over” to your point of view. Show that you are excited about your team’s recommendation. You will be graded down, perhaps as low as an “F”, for making a presentation that lacks energy.

**6. Practice with a video recorder.** Do not try to “wing it”. This presentation is a major part of your grade and this course is required for graduation. Practice your presentation over and over again many times. A great way to prepare is to video-record yourself, watch the video recording looking for ways to improve, and redo your presentation over and over until you are proud of what you have produced. Today several electronic devices such as a Blackberry or an iPhone come with a built in video recorder. If you do not have access to such a device, a webcam can be purchased for less than \$50 and can be used for many other things beyond this course such as preparing for a job interview. You can use a webcam to record your practice sessions and see for yourself how you would come across to an audience. With a webcam it is easy and inexpensive to record your presentation over and over until it is as polished as a speech by a professional speaker. You will be graded down, perhaps as low as an “F”, for making a presentation that appears to lack practice.

**7. When it is not your team’s turn to present, you must still participate professionally.** Members of the audience have a responsibility to come to each presentation having read the case and ready to contribute to the class discussion regarding each case. You are to play the role of investors or top-level executives of the firm being discussed. Participation points will be taken off for failing to participate in the discussion of other student’s cases, interfering with their presentation in any way, surfing the Internet on your laptop, or failing to conduct yourself in a polite and professional manner. It is especially rude to skip class when it is not your turn to present; be a good audience for your classmates.

**8. Dress professionally for your presentation.** Men should wear a coat and tie; women should be dressed in a business suit or similar business attire. Look and act the part of a business professional (see <http://www.youtube.com/watch?v=g6xufGeyaMU&feature=relmfu> for tips on how to dress for a job interview. By the way, YouTube also offers many videos that provide tips for how to ace a job interview including what questions are commonly asked and suggestions for how to answer them. Of course you will have to be truthful and put the answers into your own words, but this video should help you prepare (see <http://www.youtube.com/watch?v=VFTNOF77bMs> although the guy should wear a suit.

**9. Make this your finest work.** Make your work for this class something you would be proud to show a future employer. Show how you can apply what you have learned about accounting, marketing, management, and finance plus the other core areas of your business education. This course is a capstone course and this presentation should be your capstone or highpoint of your college work.

### **Format for the Written Business Case:**

Typically the major case assignment is completed as a three to four person team, but the number of students per team will vary depending on the number of students enrolled in the course. Each member of the team is expected to do an equal share of both the writing and the oral presentation of the case. All members of the team must be knowledgeable about the financial condition of the firm and capable of answering questions about any part of the report. Each member is 100% responsible for the report and is expected, in addition to doing his or her fair share, to have read and approved all parts of the report. If **any** part of the report is copied, plagiarized, or downloaded from the Internet, then **all** members of the team will receive a failing grade for the entire project and will be reported to The University of Akron Office of Student Judicial Affairs for possible further action (See <http://www.uakron.edu/sja/docs/AcademicIntegrity082008.pdf> for details.) At the end of the term all members will be required to turn in a written report detailing exactly what you did and what each member of your team did to complete the case project. The other members of your team will not see your written report regarding the teamwork. Students not doing their fair share of the work of the team may be graded down, perhaps as low as “F”.

There is no minimum or maximum page length but, as a guideline, the written case is typically 30-50 pages double spaced with a 12 point font and one inch margins. Proofread it very carefully for proper spelling, grammar, sentence structure, and paragraph formation. While it is common for teams to split up the work among the team members, the final report must read as though it were written by one person instead of a patchwork of individual styles. The last page of your written report must show proof you have run the spelling and grammar checker by including a screen print of the Flesch-Kincaid Grade Level Readability Score. The Readability Score is not important; showing that you have run Word’s spelling and grammar checker is. Failure to properly correct each spelling and grammar error identified by Word’s spelling and grammar checker will result in a lower grade, perhaps even a “F” for the project. Use APA format style for your citations and list of references. Do not put your report into a fancy binder. Turn it in electronically to Springboard’s dropbox. Other requirements follow:

- 1. The written document must be written in complete sentences, not bullet points.** Use bullet points in your PowerPoint presentation, but do not make your written report a mere listing of bullet points. Use proper essay format with proper sentences and paragraphs. Number the pages. Be concise, but be complete.
- 2. Do not use right margin justification because it messes up the spacing within sentences.** Use left margin justification with a ragged right margin. This syllabus is an example of the way the margins should be set and the font (Times New Roman 12) that

should be used. However, use double spacing instead of the single spacing in this syllabus. Indent five spaces to begin each paragraph. Use headings and subheadings to identify each major part of your report and to make it easier to read.

**3. Assume you have been asked by your CEO to make this report to potential investors and the other top-level executives of your firm.** Make the same assumptions about the oral presentation. This means you must not waste their time explaining things those executives would already know. Instead focus on the results of your team's analysis, your recommendation, and your suggestions for properly implementing your recommendation.

**4. Your written report must begin with a title page containing the name of the case, the main problem you are addressing, the particular long-term corporate-wide strategy you are proposing, and the names of your team members.** Your name on the report is your indication of your 100% responsibility for all aspects of the report. Each member of the team will normally receive the same grade for the written report. Do not simply delegate out the parts and paste them together. The report must work together as a whole. If one part of the report is plagiarized, everyone on the team receives a failing grade for the entire project and will be reported to the Office of Student Judicial Affairs for further action. Be ethical. Do your own work and work together as a team. You are encouraged to use email and other electronic means to "meet" and collaborate on this project.

**5. The body of your case report must answer all of the following ten questions:**

1. What is the financial health of this organization? In a table include all the Financial Ratio Analysis as described in your textbook and, in the body of your report, discuss any of the ratios that are of concern with regard to your recommended strategy. Show trends. Compare key ratios to industry averages and to those of key competitors. As a conclusion to this section, complete this sentence: Our financial analysis of \_\_\_\_\_ Inc. indicates the financial health of the organization is \_\_\_\_\_ and this will have \_\_\_\_\_ impact upon the firm's strategic policy.
2. What is the current strategic plan for this organization? ("Current" means at the time of the writing of your case analysis using the most recent annual financial reports.) What are the key financial and non-financial strategic goals the organization has been trying to accomplish? How successful or unsuccessful has that plan been? At the conclusion of this section, complete this sentence: Our analysis of \_\_\_\_\_ Inc. indicates the firm is currently using the \_\_\_\_\_ strategy.
3. Do a comprehensive and professional analysis of the organization's Strengths, Weaknesses, Opportunities, and Threats. This is where you apply your knowledge of business as learned during your entire business curriculum. Go into much more depth than the casual SWOT analysis. Follow the approach as described in the textbook (See Table 4.3 What to look for in Identifying Strengths, Weaknesses, Opportunities, and Threats page 95.) At the end of this section, summarize what your team has learned from the SWOT and relate that to your firm's strategic choices.

4. Apply Porter's Five Forces Model (see Figure 3.3 page 50) to this industry. Describe the (1) character of rivalry within this industry, (2) threat of new entrants, (3) threat of substitute products or services, (4) bargaining power of suppliers, and (5) bargaining power of buyers. Discuss whether this industry is one that investors would like. Remember ***Money goes where it is treated best.*** This means investors like to put their money where the probability of a good return on their investment is high and risk is relatively low. What would Porter say about this firm's industry? For example, if Ford is your company you would use Porter's Five Forces to analyze the automotive manufacturing industry—not Ford specifically. At the end of this section, summarize what your team has learned from conducting Porter's Five Forces analysis and relate those findings regarding your firm's strategic choices.
5. What are the Key Success Factors (see discussion pages 73-74) for this industry? Who are the main competitors? How strong are they? What is their market share? What are their main strengths and weaknesses? Are mergers and acquisitions likely? How do these important factors relate to your firm's strategic choices?
6. What do you recommend as a strategic (five years or more into the future) plan for your firm? Defend your team's recommendation. Your strategy must be one (or a combination) of the dozen or so described in your textbook such as:

5 most common strategies	<ol style="list-style-type: none"> <li>1. Low-cost provider</li> <li>2. Broad differentiation</li> <li>3. Best-cost provider</li> <li>4. Focused low-cost</li> <li>5. Focused differentiation</li> </ol>
Supplemental strategies	<ol style="list-style-type: none"> <li>1. Collaboration</li> <li>2. Mergers &amp; Acquisition</li> <li>3. Vertical integration</li> <li>4. Outsourcing</li> <li>5. Offense</li> <li>6. Defense</li> <li>7. Web strategies</li> <li>8. Functional area strategies</li> <li>9. First-mover</li> </ol>

7. How could the firm use the strategy you propose to gain a sustainable competitive advantage? How will your strategy provide an advantage over the competition? How will the competition likely react to that strategy? What counter moves do you recommend to sustain the advantage over the competition?
8. Express your vision for your firm's future in terms of both financial and strategic objectives. A typical financial objective is a particular level of earnings per share. A typical strategic or non-financial objective is a particular market share. At the end of this section, complete this sentence: By the end of fiscal year 2020 this organizational

- will be \_\_\_\_\_ financially as measured by \_\_\_\_\_ and will be \_\_\_\_\_ strategically as measured by \_\_\_\_\_. Then explain how your team arrived at those numbers.
9. What are the measurable milestones along the path? For example, what could be expected at the end of the first, third, and fifth years? Do not just say your firm should watch the financial measures on a quarterly basis. That is required by law. Do not say the obvious. Go beyond the obvious with specific measures.
  10. How will you avoid Kotter's Eight Errors Managers Commonly Make in Implementing Change? Relate this to your firm. Be very specific. Also, how will your firm measure success of the overall plan your team recommends? Remember that financial measures are not the only true measure of an organization. Today many firms are looking at a "Triple Bottom Line" including net profit (the traditional "Bottom Line"), social benefit, and environmental impact. In addition consider the firm's reputation, market share, employee turnover, quality as measured in defects per million, job satisfaction of employees, customer satisfaction measures, etc. To be successful in business it is not enough to have a good idea; you have to implement it and produce results.

## **Warning**

**Do not, under any circumstances, leave out the Financial Analysis. Failure to properly complete the Financial Analysis is an automatic "F" for the course. The selection of an appropriate strategy depends greatly on the financial health of the firm. You must address the financial analysis before selecting your strategy. Each member of the team is 100% responsible for understanding the financial condition of the firm being studied.**

Apply the financial ratios as described in Table 4.1 pages 83-86. For most of the cases in this book, the necessary financial data should be either available within the case or on the Internet using an online financial service such as [www.reuters.com/finance](http://www.reuters.com/finance) . For example see <http://www.reuters.com/finance/stocks/ratios?symbol=MYE.N&rpc=66> (This is the location on Reuters that shows the ratios for Myers Industries.)

**Do not just calculate the financial ratios.** That is simply the first step. Go several steps beyond. Compare the financial ratios of your firm to other similar firms in the same industry and to the average of the S&P 500 firms. Discuss any trends you notice. For example, is the Current Ratio getting better or worse over the past 4-5 years? How do the Earnings per Share compare to rival firms of similar size and

ownership structure? Consider, for example, that the Earnings per Share of Berkshire Hathaway, Microsoft, and Exxon Mobil are currently \$12,860.35, \$2.63, and \$7.85, respectively. Shares outstanding are 836,000, 8.2 billion, and 4.3 billion respectively. So, do not use EPS as an absolute measure. From a strategic point of view, management will use EPS to evaluate various major investment/acquisition decisions, motivated by investor concern over capital expenditure decisions. Explain what each ratio means in terms of the financial health of your firm.

Do not recommend a very costly strategy without addressing the question of where the money for this strategy will be found. Does your firm have sufficient cash on hand to pay for what your team suggests? If not, then what steps do you recommend for converting inventory or other assets of your firm into cash to obtain the needed funds? If you recommend borrowing, then you must analyze the firm's current debts and determine if further borrowing is possible or wise. If you recommend issuing more stock, discuss how this will be done without undue damage to the value of existing shares and any other stock market issues of relevance.

### **Class Participation and Miscellaneous:**

This section contains everything not specifically mentioned elsewhere. For example, it includes your participation in the oral discussion following the case presentations, oral discussion with the guest speakers, attendance, quality of regular classroom participation as well as your general attitude. Key success factors in this course are enthusiasm, a positive attitude, organization, and your wise participation in all class discussions.

Included in Class Participation is up to 50 points for the College of Business Administration Core Competency Test. All students are required to take this before graduating from the College of Business Administration and the College has decided it is to be administered as part of this course. To score your best on this test, it is a good idea to review your notes from all the College of Business Administration required core courses. Also included may be several quizzes plus short written assignments related to the presentations made by the guest speakers plus short papers about the cases to be presented by others in the class. More specifics regarding these potential short assignments will be announced in class.

Also note that your grade on the major case oral and written presentations may change following the team reports that are due at the end of the term. For example, if your team members all report you failed to pull your fair share of the weight, your grade may be reduced one or more letter grades. Cheating of any type is not tolerated and will likely result in an automatic "F" for the course plus possible further university punishment including dismissal from the university. Papers submitted may be electronically reviewed by [www.turnitin.com](http://www.turnitin.com) or other programs to check for plagiarism. Cheating includes, but is not limited to, looking at someone's answers during a quiz or test, using any electronic device such as a cell phone, Blackberry or iPhone to obtain answers or photocopy anything during any quiz or test, turning in an

assignment previously submitted in another course, and turning in as your own work that was done by someone else. Do your own work and do it properly. In this course you are expected to behave with the highest level of ethics and integrity. There are no exceptions.

**Grading:**

Exam over Chapters 1-5 & Syllabus	10%
Exam over Chapters 1-12	20%
Minor Case Oral	05%
Minor Case Written	10%
Major Case Oral	10%
Major Case Written	20%
<u>Class Participation and Misc.</u>	<u>25%</u>
Total	100%

**Grading Scale:**

A	=	93.0-100%
A-	=	90.0-92.9%
B+	=	87.0-89.9%
B	=	83.0-86.9%
B-	=	80.0-82.9%
C+	=	77.0-79.9%
C	=	73.0-76.9%
C-	=	70.0-72.9%
D+	=	67.0-69.9%
D	=	63.0-66.9%
D-	=	60.0-62.9%
F	=	<59.9%

**Tentative Course Schedule:**

**Guest speakers:**

**September 15** Mr. Joseph Gingo, President, Chairman, and CEO, A. Schulman.

**September 17** Mr. Andy Platt, Smucker's Executive-in-Residence for College of Business Administration.

- September 24** Mr. Stephen Myers, Executive-in-Residence for College of Business Administration and former Chairman and CEO of Myers Industries.
- October 1** Ms. Betsy DuWaldt, Business Practitioner, Communications, College of Business, former Director of Internal Communications, FirstEnergy.
- October 8** The Reverend Dr. Sandra Selby, former V.P. Corporate Planning, B. F. Goodrich.
- October 22** Dr. Scott Scarborough, President, The University of Akron.

**Other important dates and deadlines to note:**

The following schedule is subject to change depending on the number of students in the class, their ability to understand the material, outside speakers, and other unforeseen circumstances. Assignments that must be turned in “before midnight” on a specific date must be submitted to the proper Springboard dropbox no later than 11:59 p.m. on that date.

- August 25** Start of fall semester and first class session.
- August 27** Turn in Introduction sheet and seat row and number by end of class session.
- September 5** Each student must turn in report listing major case team members and the team’s first, second, and third choice of a case and first, second, and third choice of a presentation date before midnight.
- September 12** Each student must turn in minor case first, second, and third choices before midnight.
- September 26** Each student must turn in Exercise 1 pages 113-116 before midnight.



- September 26** Each major case team must turn in major team progress report and your team's decision about which of the five generic strategies your company employs before midnight.
- September 29** Test 1 over Chapters 1-5, syllabus, lectures, and guest presentations in class.
- Oct. 6—Oct. 17** Minor case oral presentations.
- October 17** All written minor case reports due before midnight.
- October 29** Test 2 (Final Exam) over Chapters 1-12, all lectures, and all guest presentations in class.
- November 3 through December 5** Major case oral presentations. All written major case reports must be submitted before midnight December 5.
- November 24 through December 5** All students in Strategic Management 490 must have taken CBA Core Competency Test.

**Final Note:** While I enjoy writing letters of recommendation for employment or graduate schools, I will do so only for those students earning an A and behaving ethically in this class. As a student about to enter the professional world of business management, the most ethical thing you can be doing now is to learn as much as you possibly can about business management so your future managerial actions will more likely benefit the entire array of stakeholders in the business where you will soon be employed. Business leadership is a big responsibility and not using your college years to properly prepare for that responsibility is unethical.

*"I will study and prepare and perhaps someday my chance will come."  
...Abraham Lincoln*