

UWOC - 10/30/01 01-31d

Senate - 12/4/01

OCT 26

Undergraduate Distance Education Review Form

(Required for all courses taught by distance education for more than one-third of teaching contact hours)

LIBERAL STUDIES Existing and Special Topics Course

LIBERAL STUDIES

Course: MGMT 495 Business Policy

Instructor of Record: Joette Wisniewski phone: 7-5912 e-mail: wisnie

Step One: Attach signed Budget Approval Form to this form.

Step Two: Department or its Curriculum Committee

The committee has reviewed the proposal to offer the above course using distance education technology, and responds to the CBA criteria as follows:

1. Will a qualified instructor teach the course? Yes No
2. Will the technology serve as a suitable substitute for the traditional classroom? Yes No
3. Are there suitable opportunities for interaction between the instructor and student? Yes No
4. a. Will there be suitable methods used to evaluate student achievement? Yes No
- b. Have reasonable efforts been made to insure the integrity of evaluation methods (academic honesty) Yes No

5. Recommendation: Positive (The objectives of the course can be met via distance education.)

Negative

Joette Wisniewski 10/15/01
signature of department designee date

If positive recommendation, immediately forward copies of this form and attached materials to the Provost and the Liberal Studies Office for consideration by the University-Wide Undergraduate Curriculum Committee. Dual-level courses also require review by Graduate Committee for graduate-level offering. Send information copies to 1) the college curriculum committee, 2) dean of the college, and 3) Dean of the School of Continuing Education.

Step Three: UNIVERSITY-WIDE UNDERGRADUATE CURRICULUM COMMITTEE

Positive recommendation

Negative recommendation

Gail S. Schriest Oct. 31, 2001
signature of committee chair date

Forward this form to the Provost within 24 calendar days after receipt by committee.

Step Four: Provost

Approved as distance education course

Rejected as distance education course

Mark [Signature] 11/1/01
signature of Provost date

Step Five:

Forward materials to Dean of the School of Continuing Education.

1. Will a qualified instructor teach the course?

Yes. Dr. Joette Wisnieski has experience with WebCT along with her expertise in the area of Strategic Management. She has more than a dozen publications and conference presentations in the area of strategic management and business policy. She has received excellent evaluations in the traditional classroom.

2. Will the technology serve as a suitable substitute for the traditional classroom?

Yes. Along with using a textbook, the instructors will provide extensive material through WebCT to facilitate student learning. Business policy is traditionally taught as a case based course. Extensive use of threaded discussion and on-line real time chat rooms can serve as a suitable substitute.

3. Are there suitable opportunities for interaction between the instructor(s) and students?

Yes. Live chat room as well as threaded discussion will be utilized to stimulate discussion among instructor(s) and students. In addition, e-mail will be used for individual consultations.

4 (a) Will there be suitable methods used to evaluate student achievements?

Yes. In addition to the use of online quizzes and short answer assignments, student learning will be evaluated on their participation in discussions (threaded discussions, on-line chat, etc.). Students will be required to submit several written case assignments as well.

4 (b) Have reasonable efforts been made to insure the integrity of evaluation methods (academic honesty)?

WebCT is a secure, password-protected environment. Additionally, the course requires so many different kinds of activities toward the final course grade that it will be quite difficult (however, not impossible) for students to engage in academic dishonesty.

MGMT 495 DE BUSINESS POLICY

Joette M. Wisnieski
Phone: 724-349-0385 (Home)
724-357-2535 (Office)

Email: Wisnie@grove.iup.edu
Office Hours: To be announced

Course Number: MGMT 495 DE
Semester: Spring 2002
Room 308L

Text: Strategic Mgmt: Concept and Cases, by Art Thompson and A. J. Strickland, twelfth edition.

This course syllabus provides a general plan for the course; deviations may be necessary.

Catalog Course Description:

Prerequisites: Completion of all Business Core requirements or permission; graduating seniors

Course Description: A capstone case analysis course designed to give the student practice in applying business theories to the solution of management problems. An analysis of how top management determines strategy and policy and influences the philosophy and character of the company. Develops in the student a general management viewpoint that integrates the various functions of the organization.

Course Objectives:

1. To develop your capacity to think strategically about a company, its business position, how it can gain sustainable competitive advantage, and how its strategy can be implemented and executed successfully.
2. To build your skills in conducting strategic analysis in a variety of industries and competitive situations and, especially, to provide you with a stronger understanding of the competitive challenges of a global market environment..
3. To give you hands-on experience in crafting business strategy, reasoning carefully about strategic options, using what-if analysis to evaluate action alternatives, and making strategic decisions, and figuring out how to implement them successfully.
4. To integrate knowledge gained in earlier College of Business classes.
5. To develop written and oral communication skills, and problem solving skills.

Course Structure:

Presentation of Subject Matter: A variety of methods will be used for presenting and explaining the concepts , theories and practices of strategic management. This will include case work, web

Course Structure:

Presentation of Subject Matter: A variety of methods will be used for presenting and explaining the concepts, theories and practices of strategic management. This will include case work, web discussions (threaded discussions and on-line chat rooms), written assignments and readings. This course will primarily use the case method. This forces students to think, analyze, and defend their positions on the various real-life situations presented in the text.

Assignments and Grading:

1. Short answer assignments – 28 pts.

Short written assignments, on-line chapter discussions and quizzes will be provided based on chapter material. You must complete all assignments and participate in threaded discussions on each chapter indicated. There will be approximately 14 of these each worth 2 pts.

2. Case Analysis – 40 pts. (Four cases worth 10 pts each)

You are to turn in a brief three pages (I will not read past three pages) write up for four of the cases (your choice) listed on the syllabus. Each write up is worth 10 pts. Please remember I have read the cases so do not waste paper summarizing the cases. I would like you to demonstrate your understanding of such terms as environment, strategy, policies, culture, etc and other material covered in the chapters and determine in your opinion what the company should do next from a strategic point of view. There is no right or wrong answer but I am looking for how well you support your decision. It should be supported using material in the chapters. These written cases represent a major portion of your grade. You should carefully use these three pages to demonstrate to me that you have read and do understand the material in the chapters. The case analysis will be due to me before the date and time indicated on the course calendar.

3. Case discussion –20 pts.

For each case, a threaded discussion will be set up on the computer. You will have a 48 hour window to post comments to the discussion board. For each case, you must post at least three substantive comments.

4. Case discussion in chat rooms—12 pts.

Four cases will be selected for an online, realtime discussion. Two hour blocks of time will be set aside for this to happen. You must participate in at least two of these discussions.

Grading scale—I will use a traditional grading scale.

90-100	A	70-79	C	below a grade of 60 is failing
80-89	B	60-69	D	

Special Resource Requirements:

Computer hardware and software needed for analysis will be provided through the PC lab.

Bibliography:

Andrews, K. R. The Concept of Corporate Strategy, 3rd edition

Barney, Jay Gaining and sustaining competitive advantage, 1997

D'Aveni, Richard. Hypercompetition, 1994

Porter, Michael, Competitive Strategy: Techniques for analyzing industries and competitors, 1980

Porter, Michael. The competitive advantage of nations, 1990

Porter, Michael, "What is Strategy?" *Harvard Business Review*, 1996

Prahalad, C.K. and Gary Hamel, "The core competence of the corporation." *Harvard Business Review*, 1990

Quinn, James Brian, Intelligent enterprise, 1992

* Due dates for assignments will be added

Session	Topic	Assignment
Week 1—3hrs	Strategic Management Overview Developing a mission and setting objectives Introduction and orientation to WebCt. Discussion of on line procedures and etiquette	Read Chpt 1 and 2 Review powerpoint slides related to these chapters Do assignment 1 Join threaded discussion of these two chapters and orientation to WebCt
Week 2—3hrs	Preparing a case study	Review powerpoint slides related to this subject Guiseppe's Original Sausage Company Join threaded discussion of this case
Week 3--3 hrs	Industry and Competitive Analysis	Read Chpt 3 Review powerpoint slides related to this chapter Read America Online Join threaded discussion of this case
Week 4—3hrs	Company resources and competitive capabilities	Read Chpt 4 Review powerpoint slides related to this chapter Read Calloway Golf Join threaded discussion of this case
Week 5—3hrs	Business Strategy and competitive advantage	Read Chpt 5 Review powerpoint slides related to this chapter Read Dell Computers Join threaded discussion of this case Assignment 2
Week 6—3hrs	Strategies for globalizing	Read Chpt 6 Review powerpoint slides related to this chapter Read Ben & Jerry's Japan Join threaded discussion of this case
Week 7—3hrs	New Business Models for Internet	Read Chpt 7 Review powerpoint slides related to this chapter Read Peapod, Inc.

		Join threaded discussion or live discussion of this case
Week 8—3 hrs	Tailoring Strategy to Fit	Read Chpt 8 Review powerpoint slides related to this chapter Read CDNow Join threaded discussion or live discussion of this case Quiz 2
Week 9—3 hrs	Strategy in Diversified Firms	Read Chpt 9 Review powerpoint slides related to this chapter Join threaded discussion of Chpt material
Week 10—3 hrs	Diversified Firms	Read Campbells case Join threaded discussion Quiz 3
Week 11—3hrs	Evaluating Diversified Firms	Read Chpt 10 Review powerpoint slides related to this chapter
Week 12—3hrs	Diversified Firms	Read Black and Decker case Join online case discussion
Week 13—3 hrs	Resource Strengths and Organizational Capabilities Managing the Internal Organization	Read Chpt 11 and 12 Review powerpoint slides related to these chapters Read Kimpton Hotel Join threaded discussion
Week 14-3 hrs	Corporate Culture and Leadership	Read Chpt 13 Review powerpoint slides related to this chapter Read Levi Strauss Join threaded discussion or live discussion of this case
Final		Quiz 4

Joette M. Wisnieski
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357-2535 (Office)
Email: Wisnie@grove.iup.edu
Office Hours: To be announced

Course Number: MG 495
Semester: Fall 2001
Room 308L

Text: Strategic Mgmt: Concept and Cases, by Art Thompson and A. J. Strickland, Twelfth edition

Game: The Business Strategy Game: A Global Industry Simulation by Art Thompson and Greg Stappenbeck, Seventh Edition

This course syllabus provides a general plan for the course; deviations may be necessary.

Catalog Course Description: Prerequisites: Completion of all Business Core requirements or permission; graduating seniors. This will be strictly enforced.

Course Description: A capstone case analysis course designed to give the student practice in applying business theories to the solution of management problems. An analysis of how top management determines strategy and policy and influences the philosophy and character of the company. To develop in the student a general management viewpoint that integrates the various functions of the organization.

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3. To give you hands-on experience in crafting business strategy, reasoning carefully about strategic options, using what-if analysis to evaluate action alternatives, and making strategic decisions, and figuring out how to implement them successfully.
4. To integrate knowledge gained in earlier College of Business classes.

5. To develop written and oral communication skills, problem solving skills and better interpersonal skills.
6. To develop and improve teamwork skills.

Course Structure:

Presentation of Subject Matter: A variety of methods will be used for presenting and explaining the concepts, theories and practices of strategic management. This will include the business strategy game, videos, field trips, case work, and class discussion in addition to traditional lectures. This course will use the case method. This forces students to think, analyze, and defend their positions on the various real-life situations discussed in class. The emphasis will be on student participation, so it is imperative that you attend class and read assignments before class. Only three unexcused absences will be permitted before it begins to affect your grade.

Assignments and Grading:

1. Class participation and short answer assignments – 20 pts.

Students are expected to participate actively in class discussions. It is your responsibility to be prepared for each and every class. Attendance at all class sessions is expected.

Preparing for a case class is substantially different than your other classes. Expect to spend 1 1/2 to 2 hours preparing for case discussion in class. You will find it helpful to come with 2-3 pages of handwritten notes to the assignment questions. Having these notes will make it much easier to participate in the class discussions. Trying to wing it is ill-advised. In classes where cases are being discussed, I do not always wait for volunteers to answer the questions. **BE PREPARED!!!**

Active participation is required. In order to assess class participation, each student will assess his or her daily participation according to the following scale:

- 0 – absent
- 1 – present but no comment
- 2 – made a minor point
- 3 – present and offered several minor comments or one major comment that astounded your classmates with your brilliance
- 4 – a major comment that astounded me your brilliance

As you can see by the scale, the quality of the comments is more important than the quantity.

Grades will be kept on cards and turned in at the end of each day to the instructor. I will make comments on these cards concerning agreement or non-agreement with the grade. Students are permitted one unexcused absence before the participation grade is affected. Excused absences include illness with receipt of doctor's visit, death in the family or other family emergency.

In addition, short written assignments or quizzes will occur periodically and will be included as part of the class participation grade. These assignments or quizzes will occur most frequently when the majority of the class shows up unprepared to discuss the case.

2. Midterm Exam and Final Exam – 20 pts. each for a combined total of 40 pts.

A mid-term will be given. The exam will be multiple choice, short answer and essay questions. A case will be assigned prior to the midterm. The essay will apply to the case.

Makeup exam policy. A makeup exam will be given only in the event of a documented illness or emergency. I must be notified prior to the exam of the reason you are planning to miss it. The final exam will be given only during the exam period. Plan your vacations accordingly.

3. Case Analysis – 10 pts.

You will select a group to prepare an in-depth case analysis. This will be the final culminating experience and due during the final exam period. Choose members of your group with care!

4. Business Strategy Game – 30 pts.

Students will work with the same group mentioned above to play the Business strategy game already shrink wrapped to your textbook. Only one game per group is needed so if you have purchased a used book this is not a problem. The game grade will be based on how well you score each week in the game (10pts.) and the group presentation and write up(20 pts.). You will be competing against your classmates in this game. The presentation should take approximately 30 minutes, 20-25 minutes of presentation and 5-10 minutes for question and answer session. **At the time of the presentation, groups must provide the instructor with copies of all overheads used in the presentation and a short 3-4 pg. summary of your business game experience. Failure to provide these materials will cause a 10% reduction in your grade for this portion of the course. Professional dress is required for the presentation. Points will be deducted from your individual grade if you fail to dress appropriately.**

Special Resource Requirements:

Computer hardware and software needed for analysis will be provided through the PC lab.

Bibliography:

Andrews, K. R. The Concept of Corporate Strategy, 3rd edition

Barney, Jay Gaining and sustaining competitive advantage, 1997

D'Aveni, Richard. Hypercompetition, 1994

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Quinn, James Brian, Intelligent enterprise, 1992

Date Due	Assignment
Aug 28	Overview and orientation for the course
Aug 30	Chapter 1 – The Strategic Management Process: An Overview How to prepare a case for class discussion
Sept 4	Chapter 2 – The Three Strategy Making Tasks: Developing a Strategic Vision, Setting Objectives, and Crafting a Strategy Orientation to the game Read first 70 pgs of manual. There will be a short quiz
Sept 6	Chapter 5—Strategy and competitive advantage
Sept 11	America Online Decision 1 due
Sept 13	Chapter 3—Industry and Competitive Analysis Game Results
Sept 18	Calloway Golf
Sept 20	Chapter 4—Evaluating company resources and competitive capabilities Decision 2 due
Sept 25	Dell Computers
Sept 27	Chapter 6—Strategies for Globalizing Decision 3 due
Oct 2	Ben & Jerry's Japan

Oct 4	Chapter 7—New Business Models for Internet Decision 4 due
Oct 9	eBay
Oct 11	Chapter 8-Tailoring Strategy Decision 5 Due
Oct 16	Cannondale
Oct 18	Midterm
Oct 23	Chapter 9—Strategy in Diversified Firms Decision 6 due
Oct 25	Campbell's Soup
Oct 30	Chapter 10 Decision 7 due
Nov 1	Black and Decker
Nov 6	Chapter 11 and 12 Decision 8 due
Nov 8	Robin Hood
Nov 13	Replacements Ltd.
Nov 15	Chapter 13 Decision 9 due
Nov 18-25	Thanksgiving Recess
Nov 27	Review for Exam Decision 10 due
Nov 29	Exam
Dec 4	Presentations
Dec 6	Presentations
Dec 18 8a.m-10a.m.	Final case due

MGMT 495 Assignments

All assignments should be completed in word. Please use the same title for each assignment. Upload in your student presentation folder. Due dates are indicated with each assignment.

Chapter 1 assignments

Find the vision and mission of a local company. Write it down and critique it based on information in chapter 1 and chapter 2.

STRATEGIC MANAGEMENT: Concepts and Cases

12th Edition

Arthur A. Thompson, Jr. &
A. J. Strickland, III

The University of Alabama

CHAPTER 1

THE STRATEGIC MANAGEMENT PROCESS

Chapter Outline

- ◆ Five Tasks of Strategic Management
 - Developing a Strategic Vision and Mission
 - Setting Objectives
 - Crafting a Strategy
 - Implementing and Executing the Strategy
 - Evaluating Performance and Initiating Corrective Adjustments
- ◆ Why Strategic Management Is a Process
- ◆ Who Performs the Tasks of Strategy?
- ◆ Benefits of "Thinking and Managing Strategically"



Thinking Strategically: The Three Big Strategic Questions

1. Where are we now?
2. Where do we want to go?
 - Business(es) to be in and market positions to stake out?
 - Buyer needs and groups to serve?
 - Outcomes to achieve?
3. How do we get there?



What is Strategy?

- ◆ A company's strategy consists of the set of competitive moves and business approaches that management is employing to run the company
- ◆ Strategy is management's "game plan" to
 - Attract and please customers
 - Stake out a market position
 - Conduct operations
 - Compete successfully
 - Achieve organizational objectives



What is a Business Model?

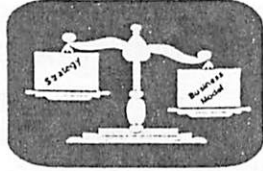
- ◆ A company's business model addresses "How do we make money in this business?"
 - Is the strategy that management is pursuing capable of delivering good bottom-line results?
- ◆ Do the revenue-cost-profit economics of the company's strategy make good business sense?
 - Look at the revenue streams the strategy is expected to produce
 - Look at the associated cost structure and potential profit margins
 - Do the resulting earnings streams and ROI indicate the strategy makes sense and that the company has a viable business model?



**Strategy vs. Business Model:
What is the Difference?**

Strategy -- Deals with a company's competitive initiatives and business approaches

Business Model -- Concerns whether the revenues and costs flowing from the *strategy* demonstrate that the business can be amply profitable and viable



Microsoft's Business Model *Microsoft*

Employ a cadre of highly skilled programmers to develop proprietary code; keep source code hidden from users

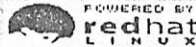
Sell resulting operating system and software packages to PC makers and users at relatively attractive prices and achieve large unit sales

Most costs arise in developing the software; variable costs are small—once breakeven volume is reached, revenues from additional sales are almost pure profit.

Provide technical support to users at no cost

Redhat Linux's Business Model

Use volunteer programmers to create the software; make source code open and available to all users



Give Linux operating system away free of charge to those who download it (charge a small fee to users who want a copy on CD)

Make money by employing a cadre of technical support personnel who provide technical support to users for a fee

Why Are Strategies Needed?

To *proactively* shape how a company's business will be conducted

To mold the independent actions and decisions of managers and employees into a *coordinated, company-wide* game plan

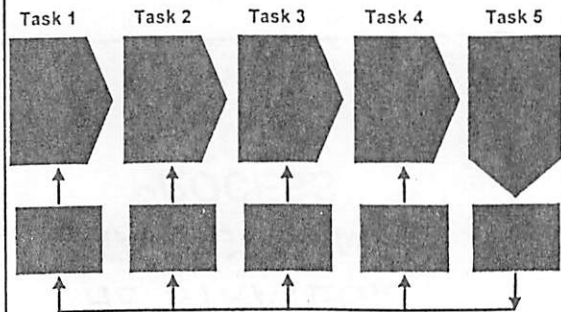


Strategic Management Concept

Competent execution of a well-conceived strategy is the *best* test of managerial excellence and a proven recipe for organizational success!

Good Strategy + Good Strategy Execution = Good Management

Figure 1-1: The Five Tasks of Strategic Management



Developing a Strategic Vision


First Task of Strategic Management

- ◆ Involves *thinking strategically* about
 - Firm's future business plans
 - Where to "go"
- ◆ Tasks include
 - Creating a *roadmap* of the future
 - Deciding *future business position* to stake out
 - Providing *long-term direction*
 - Giving firm a *strong identity*




Characteristics of a Strategic Vision

- ◆ A roadmap of a company's future
 - Future technology-product-customer focus
 - Geographic and product markets to pursue
 - Capabilities to be developed
 - Kind of company management is trying to create

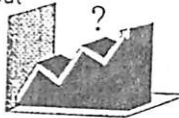


Missions vs. Strategic Visions

<ul style="list-style-type: none"> ◆ A <i>mission</i> statement focuses on <i>current</i> business activities – "who we are and what we do" <ul style="list-style-type: none"> → Current product and service offerings → Customer needs being served → Technological and business capabilities 	<ul style="list-style-type: none"> ◆ A <i>strategic vision</i> concerns a firm's <i>future</i> business path – "where we are going" <ul style="list-style-type: none"> → Markets to be pursued → Future technology-product-customer focus → Kind of company that management is trying to create 
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Why is a Strategic Vision Important?

- ◆ A managerial imperative exists to *look beyond today* and *think strategically* about
 - Impact of new technologies
 - How customer needs and expectations are changing
 - What it will take to outrun competitors
 - Which promising market opportunities ought to be aggressively pursued
 - External and internal factors driving what a company needs to do to prepare for the future



Examples: Mission and Vision Statements


Microsoft **Microsoft Corporation**



Empower people through great software anytime, anywhere, and on any device.

Examples: Mission and Vision Statements

intel. *Intel*



Our *vision*: Getting to a billion connected computers worldwide, millions of servers, and trillions of dollars of e-commerce. Intel's core *mission* is being the building block supplier to the Internet economy and spurring efforts to make the Internet more useful. Being connected is now at the center of people's computing experience. We are helping to expand the capabilities of the PC platform and the Internet.

Examples: Mission and Vision Statements



Otis Elevator



Our mission is to provide any customer a means of moving people and things up, down, and sideways over short distances with higher reliability than any similar enterprise in the world.



Avis Rent-a-Car



Our business is renting cars. Our mission is total customer satisfaction.

Examples: Mission and Vision Statements

TRADER JOE'S
(a unique grocery store chain)

Our mission: To give our customers the best food and beverage values that they can find anywhere and to provide them with the information required for informed buying decisions. We provide these with a dedication to the highest quality of customer satisfaction delivered with a sense of warmth, friendliness, fun, individual pride, and company spirit.

Examples: Mission and Vision Statements



American Red Cross



The mission of the American Red Cross is to improve the quality of human life; to enhance self-reliance and concern for others; and to help people avoid, prepare for, and cope with emergencies.

Examples: Mission and Vision Statements

3Com

3Com



Our mission is to connect more people and organizations to information in more innovative, simple, and reliable ways than any other networking company in the world. Our vision of pervasive networking is of a world where connections are simpler, more powerful, more affordable, more global, and more available to all.

Examples: Mission and Vision Statements



Ritz-Carlton Hotels



The Ritz-Carlton Hotel is a place where the genuine care and comfort of our guests is our highest mission.

We pledge to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed yet refined ambiance.

The Ritz-Carlton experiences enlivens the senses, instills well-being, and fulfills even the unexpressed wishes and needs of our guests.

Examples: Mission and Vision Statements



LONG JOHN SILVERS



To be America's best quick service restaurant chain. We will provide each guest great tasting, healthful, reasonably priced fish, seafood, and chicken in a fast, friendly manner on every visit.





Eli Lilly and Company





The mission is to extend and enhance human life by providing the highest quality health and personal care products. We intend to be the preeminent global diversified health and personal care company.

Examples: Mission and Vision Statements

 **Eastman Kodak** 

We are in the picture business.

 **Wit Capital** 
(an Internet startup company)

Our mission is to be the premier Internet investment banking firm focused on the offering and selling of securities to a community of online individual investors.

Setting Objectives

Second Task of Strategic Management

- ◆ Converts strategic vision and mission into specific performance targets
- ◆ Creates yardsticks to track performance
- ◆ Pushes firm to be inventive and focused on results
- ◆ Helps prevent complacency and coasting



Types of Objectives Required

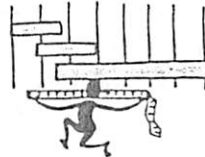
Financial Objectives

Outcomes focused on improving *financial* performance



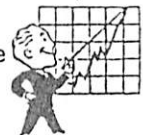
Strategic Objectives

Outcomes focused on improving *long-term, competitive* business position



Examples of Financial Objectives

- ◆ Grow earnings per share 15% annually
- ◆ Boost annual return on investment (or EVA) from 15% to 20% within three years
- ◆ Increase annual dividends per share to stockholders by 5% each year
- ◆ Strive for stock price appreciation equal to or above the S&P 500 average
- ◆ Maintain a positive cash flow every year
- ◆ Achieve and maintain a AA bond rating





Examples of Strategic Objectives



- ◆ Increase firm's market share
- ◆ Overtake key rivals on quality or customer service or product performance
- ◆ Attain lower overall costs than rivals
- ◆ Boost firm's reputation with customers
- ◆ Attain stronger foothold in international markets
- ◆ Achieve technological superiority
- ◆ Become leader in new product introductions
- ◆ Capture attractive growth opportunities



Examples: Strategic Objectives

 **Banc One Corporation** 

To be one of the top three banking companies in terms of market share in all significant markets we serve.

 **Domino's Pizza** 

To safely deliver a hot, quality pizza in 30 minutes or less at a fair price and a reasonable profit.

Example: Strategic Objectives



Ford Motor Company



- ◆ To satisfy our customers by providing
 - Quality cars and trucks,
 - Developing new products,
 - Reducing the time it takes to bring new vehicles to market,
 - Improving the efficiency of all our plants & processes, and
 - Building on our teamwork with employees, unions, dealers, and suppliers.

Examples: Strategic and Financial Objectives



Alcan Aluminum



To be the lowest-cost producer of aluminum and to outperform the average return on equity of the Standard and Poor's industrial stock index.

Atlas Corporation

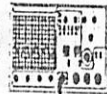


To become a low-cost, mediumsize gold producer, producing in excess of 125,000 ounces of gold a year and building gold reserves of 1,500,000 ounces.

Example: Strategic Objective



Bristol-Myers Squibb Company

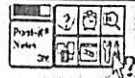


To focus globally on those businesses in health and personal care where we can be number one or number two through delivering superior value to the customer.

Example: Financial and Strategic Objectives



3M Corporation



- ◆ Annual growth in earnings per share of 10% or better, on average;
- ◆ A return on stockholders' equity of 20-25%;
- ◆ A return on capital employed of 27% or better; and
- ◆ Have at least 30% of sales come from products introduced in the past four years.

Crafting a Strategy

Third Task of Strategic Management

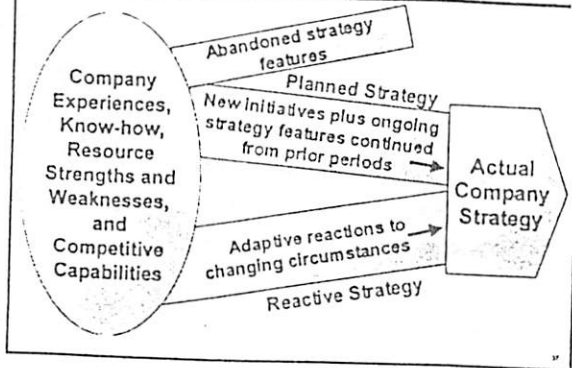
- ◆ Strategy involves determining *whether* to
 - Concentrate on a single business or several businesses (diversification)
 - Cater to a broad range of customers or focus on a particular niche
 - Develop a wide or narrow product line
 - Pursue a competitive advantage based on
 - Low cost or
 - Product superiority or
 - Unique organizational capabilities

Crafting a Strategy

- ◆ Involves deciding *how* to
 - Respond to changing buyer preferences
 - Respond to new market conditions
 - Grow the business over the long-term
 - Achieve performance targets
 - Outcompete rivals



Figure 1-2: A Company's Strategy is Partly Planned and Partly Reactive

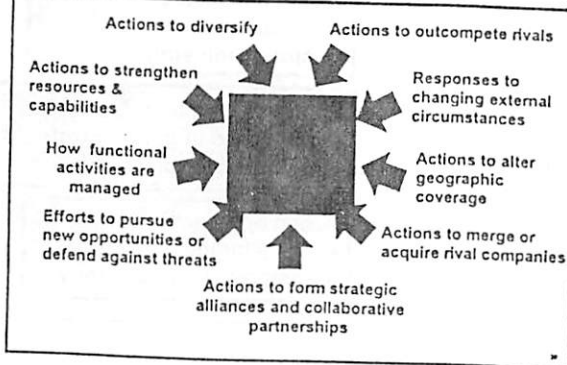


The Hows That Define a Firm's Strategy

- ◆ How to grow the business
- ◆ How to please customers
- ◆ How to outcompete rivals
- ◆ How to respond to changing market conditions
- ◆ How to manage each functional piece of the business and develop needed organizational capabilities
- ◆ How to achieve strategic and financial objectives



Figure 1-3: Understanding a Company's Strategy -- What to Look For



Strategic Priorities of McDonald's

- ◆ Continued growth
- ◆ Providing exceptional customer care
- ◆ Remaining an efficient and quality producer
- ◆ Developing people at every organizational level
- ◆ Sharing best practices among all units
- ◆ Reinventing the fast food concept by fostering innovation in the menu, facilities, marketing, operation, and technology



Core Elements of McDonald's Strategy

- ◆ Add 1750 restaurants annually
- ◆ Promote frequent customer visits via attractive menu items, low-price specials, and Extra Value Meals
- ◆ Be highly selective in granting franchises
- ◆ Locate on sites offering convenience to customers and profitable growth potential
- ◆ Focus on limited menu and consistent quality
- ◆ Careful attention to store efficiency
- ◆ Extensive advertising and use of Mc prefix
- ◆ Hire courteous personnel; pay an equitable wage; provide good training


Crafting Strategy is an Exercise in Entrepreneurship

- ◆ Strategy-making is a *market-driven* and *customer-driven* activity that involves
 - Keen eye for spotting emerging market opportunities
 - Keen observation of customer needs
 - Innovation and creativity
 - Prudent risk-taking
 - Strong sense of how to grow and strengthen business



Characteristics of Managers with Good Entrepreneurial Skills

- ◆ Boldly pursue new strategic opportunities
- ◆ Emphasize out-innovating the competition
- ◆ Lead the way to improve firm performance
- ◆ Willing to be a first-mover and take risks
- ◆ Respond quickly and opportunistically to new developments
- ◆ Devise trail blazing strategies



Why Do Strategies Evolve?

- ◆ There is *always* an ongoing need to react to
 - Shifting market conditions
 - Fresh moves of competitors
 - New technologies
 - Evolving customer preferences
 - Political and regulatory changes
 - New windows of opportunity
 - Crisis situations




Figure 1-4: Strategic Approaches to Preparing for Future Market Conditions

		Company Approaches	
		Reactive/Follower	Proactive/Leader
Future Market Conditions	Rapid Revolutionary Change	Keep from being swamped by the waves of change	Aggressively altering strategy to make waves and drive change
	Gradual Evolutionary Change	Revising strategy (hopefully in time) to catch the waves of change	Anticipating change and initiating strategic actions to ride the crest of change

Source: Adapted from David P. Abel, "Company Today While Preparing for Tomorrow," Sloan Management Review 46, No. 3 (Spring 2004), p. 73.


What is a Strategic Plan?

- Where firm is headed – Strategic vision and business mission
- Short and long term performance targets – Strategic and financial objectives
- Action approaches to achieve targeted results – A comprehensive strategy

Implementing and Executing Strategy

Fourth Task of Strategic Management

- ◆ Taking actions to put a freshly-chosen strategy into place
- ◆ Supervising the ongoing pursuit of strategy
- ◆ Improving the competence and efficiency with which the strategy is being executed
- ◆ Showing measurable progress in achieving the targeted results and objectives



Strategy Implementation and Execution

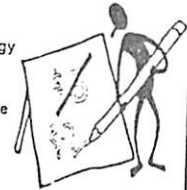
Strategy implementation and execution is an action-oriented, "make-it-happen" process involving people management, developing competencies and capabilities, budgeting, policy-making, motivating, culture-building, and leadership

What Does Strategy Implementation and Execution Include?

- ◆ Building a capable organization
- ◆ Allocating resources to strategy-critical activities
- ◆ Establishing strategy-supportive policies
- ◆ Motivating people to pursue the target objectives
- ◆ Tying rewards to achievement of results
- ◆ Creating a strategy-supportive corporate culture
- ◆ Installing needed information, communication, and operating systems
- ◆ Instituting best practices and programs for continuous improvement
- ◆ Exerting the leadership necessary to drive the process forward and keep improving

Monitoring, Evaluating, and Taking Corrective Actions as Needed Fifth Task of Strategic Management

- ◆ The tasks of crafting, implementing, and executing a strategy are *not* a one-time exercise
 - Customer needs and competitive conditions change
 - New opportunities appear; technology advances; any number of other outside developments occur
 - One or more aspects of executing the strategy may not be going well
 - New managers with different ideas take over
 - Organizational learning occurs
- ◆ All these trigger the need for corrective actions and adjustments



Characteristics of the Strategic Management Process

- ◆ Need to do the five tasks *never* goes away
- ◆ Boundaries among the five tasks are blurry
- ◆ Strategizing is not isolated from other managerial activities
- ◆ Time required comes in lumps and spurts
- ◆ **The big challenge:** To get the best strategy-supportive performance from employees, perfect current strategy, and improve strategy execution

Who Performs the Five Strategic Management Tasks?

- ◆ Senior Corporate Executives
- ◆ Managers of Subsidiary Business Units
- ◆ Functional Area Managers
- ◆ Operating Managers



Approaches to Performing the Strategy-Making Task

Chief Architect

Manager personally functions as chief strategist

Delegate-It-to-Down-the-Line Managers

Manager delegates some strategy-making responsibility to subordinates in charge of key organizational units

Collaborative/Team

Manager enlists assistance and advice of key subordinates in hammering out a consensus strategy

Corporate Intrapreneur

Manager encourages subordinates to develop and champion proposals for new ventures

Strategic Role of a Board of Directors

- ◆ Critically appraise and ultimately approve strategic action plans
- ◆ Evaluate strategic leadership skills of the CEO and candidates to succeed the CEO

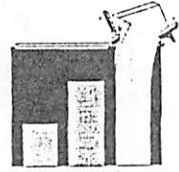


Strategic Management Principle

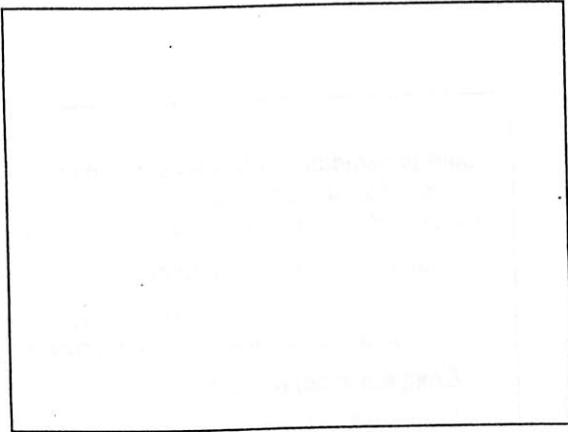
A board of director's role in the strategic management process is to critically appraise and ultimately approve strategic action plans and to evaluate the strategic leadership skills of the CEO and others in line to succeed the incumbent CEO.

Benefits of "Strategic Thinking" and a "Strategic Approach" to Managing

- ◆ Guides entire firm regarding "what it is we are trying to do and to achieve"
- ◆ Makes managers more alert to "winds of change, new opportunities, and threatening developments"
- ◆ Unifies numerous strategy-related decisions and organizational efforts
- ◆ Creates a proactive atmosphere
- ◆ Promotes development of an evolving business model focused on bottom-line success
- ◆ Provides basis for evaluating competing budget requests



HELPS A COMPANY PREPARE FOR THE FUTURE!



2

Budget Approval Form

(Each semester a distance education course is offered, prior budget approval of the sponsoring dean is required.)

Distance Education Course

Course and Section: MGMT 495 for Semester: Spring Year: 2002

Instructor of Record: Joette Wisnieski phone: 7-5912 e-mail: wisnie

Initial scheduling as a distance education course

Check all that apply:

Base compensation: on-load overload Article 27

Other required payments: preparation compensation remote site fee(s)
 remote site student fee(s) travel reimbursement and Article 40 stipend

Other costs: video transmission marketing

OR

Subsequent scheduling as a distance education course

Check all that apply:

Base compensation: on-load overload Article 27

Other required payments: course revision compensation (three years after course initially taught)

remote site fee(s) remote site student fee(s)

travel reimbursement and Article 40 stipend

Budget Approval

Funds are available in my college to subsidize the above costs for this course.

Enrollment of is required to cover the costs of this course.

Other _____

Dean: [Signature] 10/17/01 Faculty member: [Signature] 10/18/01
signature (budget approval) date signature date

For the initial scheduling, attach this signed form to the Review/Approval Form.
For subsequent scheduling, send signed form to the Dean of the School of Continuing Education, who will advise the Registrar to add the course to the schedule.