



College of  
**Business+**  
**Economics**

## ECON\*4800 Theory of Strategic Management Winter 2016

**0.5 Credit weight**

### General Course Information

<b>Instructor:</b>	Douglas Auld
<i>Email</i>	dauld@uoguelph.ca
<i>Office Location</i>	MacKinnon 703
<i>Office Hours</i>	Wednesday 9:00am – 12:00 noon
<i>Department/School</i>	Economics, University of Guelph
<b>TA's</b>	...
<i>Email</i>	...
<i>Office Location</i>	...
<i>Office Hours</i>	...
<b>Class Schedule:</b>	Tuesday and Thursday 10:00am – 11:20am Alexander Hall, Rm 259
<b>Pre-requisites:</b>	...
<b>Co-requisites:</b>	...

### Course Description

Strategic Planning and Management Defined:

***“The science of planning and directing large-scale military operations, of maneuvering forces into the most advantageous position prior to actual engagement with the enemy”***  
[Webster’s New World Dictionary]

***“A formalized procedure to produce articulated results in the form of an integrated system of decisions”***  
[The Definition of strategic planning by Harold Mintzberg in The Rise and Fall of Strategic Planning, The Free Press, NY 1994]

Each of you will someday be involved, one way or another, in strategic planning and management. If you are not part of the planning process, you will certainly be involved in the execution of a strategic plan. **Understanding** the key elements of strategic planning, how it should evolve, how it should be structured and how it is implemented will add immeasurably to your ability to function within an organization of 10,000 employees or in your own 3 person business.

In this course you will learn about strategic planning theory and its application, not only from me, as the professor responsible for the course but from your colleagues enrolled in the course. Each of you will be part of a small team with several of your colleagues. You will read widely, consult with your colleagues in small groups and make a presentation to the class. You will conduct original research in the area of strategic planning.

## Indicative Content

The course is divided into three parts.

**PART 1:** The first six weeks will involve lectures and discussion related to the basic principles of strategic planning and management. **Attendance is very important because the mid-term exam will be based entirely on the lecture material and related references**

**PART 2:** In the first week of the semester, you will be assigned to a small team and given a research project involving a current or recent organization and its strategic planning or lack thereof. Details are outlined below. You will plan your own meetings and in the first two weeks of the semester, select a topic from a list provided.

During weeks 7 to 10, each team will meet with me weekly **for 15 minutes** to discuss the progress of your research. A timetable for these meetings, which will be in class time, is shown below. As a member of a team, you will maintain a 'project diary' identifying the work you undertook on your team's topic, emails to and from team members and sources you have accessed on your team's topic. Since there are no formal lectures during this period, it will be easy to arrange a time for your team to meet each week.

A portion of your evaluation for the course is based on your participation in these team seminars.

### **RESEARCH TOPICS ( Preliminary List)**

1. Target, the US retail giant, made its entry into the Canadian market in 2013. The results have been disastrous. Target planned for this invasion several years before 2013. What errors in strategic planning and execution did Target make that led to the failure of the company's entry into Canada?
2. U.S. Steel, Canada (formerly Stelco of Hamilton, Ontario) filed for bankruptcy in the Fall of 2014. U.S. Steel purchased Stelco several years ago and anticipated long term success. What was their basic strategy when they took over Stelco? What factors in their strategic plan most likely led to their failure? Are there issues they did not address which, had they done so, the plan could have been successful?
3. Southwest Airlines has 'plodded along' for years as a successful regional airline in the US. It is planning to expand to Canada. What attributes of its past strategy has made it such a success in the midst of a long line of failure in US airlines? Does it have a strategic plan for expansion into Canada? If not, what strategy would you advise Southwest Airline to implement to be successful in Canada?
4. Nortel was one of the greatest corporate failures in Canadian business history. Did they have the wrong strategic plan? If so, what components of the plan were poorly developed? What factors in their strategic plan were not executed? Faced with mounting challenges in the early 2000s, what business plan did they follow? Was it based on good, sound strategic planning?
5. Eaton's Canada was once the dominant retail outlet in Canada. The company began in 1869 and filed for bankruptcy in 1999. At one time, it was equivalent to the Walmart of today. What mission and corporate strategy from its inception to the 1970s contributed to Eaton's sustaining success? Identify the flaws in the company's strategy in the 1970s and 1980s that may have or did contribute to the decline and eventual collapse of the chain. Can you identify and strategic directions that might have been undertaken in the 1970s and 1980s that may have prevented the demise of the company?
6. Two years ago, RIM (now Blackberry) was 'written off' as a major player in the digital age. The stock price plummeted, the replacement CEO fumbled and customers ran away. Today the consensus is that Blackberry is recovering. ASSUME, YOUR investment firm is considering an investment of \$250 Million in Blackberry but as the key decision maker in your investment firm, you are curious if the turn-around is real or just luck. Your team has been assigned the job of providing an in-depth examination of the strategic plan developed and executed by the current CEO, John S. Chen. What are the key questions you need to formulate and what answers to those questions did you find?
7. Marks and Spencer  
Within a three year period, Marks and Spencer, once THE dominant retail store in the UK and beyond, saw its share price drop in half followed by plummeting sales and profits. What was the strategy that created this dynamic company and what happened to the strategic planning process between 1998 and 2001 that led to a "near death" scenario for the company?
8. Olympia and York

In the 1980s Olympia & York, a Canadian Company, grew to be the largest property development firm in the world. In the early 1980s the New York real estate market was severely depressed and the Reichmann's bought a group of nine skyscrapers for the low price of 300 million dollars. In only a few years the group rose in value to 3.5 billion. The company became centered on New York opening an office on [Park Avenue](#). The company won the rights to the largest development project in the city when they were awarded the contract to develop the [Battery Park City](#) infill next door to the [World Trade Center](#). This project became the [World Financial Center](#) and was another great success for the firm. **The company filed for bankruptcy in March 1992** with \$ 20 B in outstanding debt. What principles of strategic management did O and Y fail to understand and execute, leading to its collapse?

**PART 3:** During the final week of the semester, each team will present the findings from their research in a formal presentation to the class. **Those scheduled to present on a given date will be required to prepare a brief assessment of the three other groups that day. For example, on March 24, groups 1,2,3,4 will present their research findings. If you are in group 2, you will critique the presentation of groups 1,3 and 4. A similar process takes place on March 26 when groups 5,6,7,8 present. I will provide a template for the critiques.**

## Course Assessment

			Associated Learning Outcomes	Due Date/ location
<b>Assessment 1:</b>	30%	<i>Mid-Term Exam</i>		<i>February 25th</i>
<b>Assessment 2:</b>	15%	<i>Presentation of Research Report</i>		
<b>Assessment 3:</b>	20%	<i>Research Report</i>		
<b>Assessment 4:</b>	15%	<i>Critique of Other Group Presentations</i>		
<b>Assessment 5:</b>	20%	<i>Participation in Seminars</i>		
<b>Total</b>	<b>100%</b>			

## Teaching and Learning Practices (as appropriate)

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## Course Resources

### Required Texts:

Crossman, Mary, et al, (2015) *Strategic Analysis and Action*, Pearson, Canada (9<sup>th</sup> Edition)

Auld, D. (2010), "Strategic Planning and the Principal Agent Issue in higher education Leadership", *Academic Leadership*. **(Posted on courselink)**

Eccles, R and G. Serafeim, (2013) Innovating for a sustainable Strategy, Harvard Business Review **(posted on course link )**

Auld, D. (2011), *Evaluating success and the Option to Change: The Strategic Planning Audit*. © **(Posted on course link)**

## Course Policies

### Grading Policies

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<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-grds.shtml>

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### Course Policy on Group Work:

#### Expectations Regarding Presentation and Research Project:

A report of your major research should employ up to date presentation methods. All members of the group should participate in the presentation. As a group and as individuals you should present yourself in a manner that speaks to your professional status as a strategic planning analyst for a major consulting firm. Need I say more! Your report must be written up in a professional manner. **The presentation must not exceed 10 minutes. Your group's written report is due one week after your presentation. Penalty for late submission is 5 marks per day.**

#### Expectations Regarding Critique of Presentations:

During the presentation by a team of its research findings and evaluation, you will find it usefully to take notes based on a template that I will provide. With those notes, you will draft a very short,( no more than 250 words... about one page) , critique, positive and negative, of the presentations that day. This is to be submitted to me as hard copy within three days of the presentation.

### Course Policy regarding use of electronic devices and recording of lectures

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## University Policies

### Academic Consideration

When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for

Academic Consideration: <http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-ac.shtml>

## Academic Misconduct

The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Undergraduate Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/2015-2016/>

## Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact the Centre for Students with Disabilities as soon as possible.

For more information, contact CSD at 519-824-4120 ext. 56208 or email [csd@uoguelph.ca](mailto:csd@uoguelph.ca) or see the website: <http://www.csd.uoguelph.ca/csd/>

## Course Evaluation Information

Please refer to the [Course and Instructor Evaluation Website](#)

## Drop date

The last date to drop one-semester courses, without academic penalty, is **Friday, March 11 2016**. For regulations and procedures for Dropping Courses, see the Academic Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/2015-2016/>

## Additional Course Information

ECONOMICS 4800 WINTER 2016  
TIMETABLE FOR THE SEMESTER

WEEK OF	LECTURE TOPIC	Team Seminars With professor	Teams Present
WEEK 1 Jan 12,14	<ol style="list-style-type: none"> <li>1. Micro economic foundations for strategic planning.</li> <li>2. The Importance of Planning: Planning vs Strategic Planning</li> </ol>		
WEEK 2 Jan19,21  1.(Crossan, Chapter 1, 2.Eccles, Harvard Business Review	<ol style="list-style-type: none"> <li>1. Mission, vision and Values....</li> <li>2. Profit and Not for Profit</li> </ol>		
WEEK 3 Jan 26,28  1. (Crossan, Ch. 3 and 4. 2.Kahneman, Daniel <i>Thinking Fast and Slow</i> (on reserve)	<ol style="list-style-type: none"> <li>1.Foundation for Strategic Goals: SWOT.....The Diamond E model... Porter Five Forces.</li> <li>2. Dealing with Uncertainty and Risk</li> <li>3. Governance and Risk</li> </ol>		
WEEK 4 Feb 2,4  1.(Crossan, Chaps 8, 10)	Writing the Strategic directions or goals... the SMART test...assignment of duty (1)....		
WEEK 5 FEB 9.11  (Crossan, Ch 10 and pp 98-100; 67-69; Auld (2010)	<ol style="list-style-type: none"> <li>1.Executing the plan</li> <li>2.Principal agent challenges</li> </ol>		
WEEK 6 Feb 23  (Crossan, pp 3-6, 55-56; 85-86; 242-243. Auld, (2011) .	The Strategic Audit	↓	↓
<b>FEB 25</b>	<b>MID TERM</b>		
March 1,3	Groups Seminars held in Mackinnon 720	Tues: Teams 1- 5. Thurs: Teams 6-10	
March 8,10		Tues: Teams 1-5	

		<b>Thurs: Teams 6-10</b>	
<b>Mar 15,17</b>		<b>Tues: Teams 1-5 Thur: Teams 6-10</b>	
<b>Mar 22,24</b>		<b>Tues: Teams 1-5 Thur: Teams 6-10</b>	
<b>Mar 29</b>	<b>Research Presentation</b>		<b>Teams 1,2,3,4,5</b>
<b>Mar 31</b>	<b>Research Presentation</b>		<b>Teams 6,7,8,9,10</b>
<b>Apr. 4</b>	<b>REPORT from Groups 1,2,3,4,5 DUE Apr 4</b>		
<b>Apr. 6</b>	<b>REPORT from Groups 6,7,8,9,10 DUE, Apr 6</b>		
	<b>Please note these due dates must be met. There is a 5 (out of 30) mark penalty PER DAY for late submission</b>		

## Course Learning Outcomes

e.g. Upon successfully completing this course, you will be able to:

### Knowledge and Understanding:

- 1) e.g. *Demonstrate in-depth knowledge of ...*
- 2) e.g. *Develop a comprehensive and critical understanding of ...*

### Discipline/Professional and Transferable Skills:

- 3) e.g. *Demonstrate advanced skills in the conduct of ...*
- 4) e.g. *Enhance visual and oral communication through ...*

### Attitudes and Values:

- 5) e.g. *Show critical appreciation of the principals for ...*