

The University of Hong Kong
School of Business

STRA 4701 — Strategic Management

BUSI 0009 — Business Policy

Sub-class: D

1st Semester 2016-2017

General Information

Information on Instructor

Instructor: Dr. Cheng-Wei Wu
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Prerequisites

BUSI1002 Introduction to Accounting/ACCT1101 Introduction to Financial Accounting, and
BUSI1004 Marketing /MKTG2501 Introduction to Marketing, and
BUSI1007/MGMT2401 Principles of Management or BUSI1005/MGMT3405
Organizational Behavior, and
ECON1001/ECON1210 Introduction to economics I, and
FINA1003/FINA1310 Corporate Finance

Textbook and course materials

1. Recommended textbook: *Hitt, M.A., Ireland, R. D., & Hoskisson, R. E. Strategic Management: Concepts: Competitiveness & Globalization with Mindtap e-platform (12th edition)*. ©2017.
2. Lecture notes and supplementary readings will be distributed in class and/or posted on the course's website before each class.

Course Description

The Business Policy course will focus on formulating and implementing firm strategy. Successful business policies require a detailed understanding of the overall environment of which the firm is a part as well as the ability to create value in order to serve customers in the face of competition. Successful business policies also require resources and capabilities. The best analysis in the world will not lead to corporate success if it cannot be turned into actionable strategies that can be successfully implemented. Meanwhile, ethical decision-making and leadership are the foundations for sustainable business policies in modern world. Similarly, the best administrator in the world will not be able to help a firm with the wrong strategy achieve superior performance.

The course will focus on the analytical and managerial tasks involved in developing strategies that create value by satisfying customer demands and stakeholders' interests in an ever-changing competitive landscape. It will also attempt to help students improve their strategic thinking and all around business judgment with the leadership mindset.

We approach strategy issues from the perspectives of Western firms as well as emerging market firms, both of which increasingly exposed to international competition. By using cases in a global context, students are placed in simulated managerial roles where they can apply the concept of strategy in characteristic management situations in the region.

Course Objectives

1. To provide a detailed understanding of the theories of strategic management, firms' external and internal environments, and business strategy.
2. To provide an understanding of the nature of business competition and sources of competitive advantage.
3. To develop the ability to analyze and understand a firm's external and internal environments, its strategies and its performance.
4. To provide an understanding of the business ethics and the linkage between ethical decision-making and sustainable business development.
5. To prepare students for a career in the business field with leadership mindset.

Learning Outcomes

By the end of the course, students should be able to:

- CLOS1. Explain the strategic management theories and concepts.
- CLOS2. Understand the impact of firms' internal and external environments on performance.
- CLOS3. Apply analytical frameworks to define and analyze strategic problems; and to formulate and implement business strategies.
- CLOS4. Explain the complex business opportunities and problems in a global context.
- CLOS5. Understand and apply the concept of business ethics in strategic decision-making
- CLOS6. Demonstrate effective communication skills (oral and written).
- CLOS7. Demonstrate the ability to lead and work in teams effectively.

Alignment of Program and Course Outcomes

Course Learning Outcomes	Alignment of Program and Course Outcomes
CLOS1. Explain strategic management theories and concepts.	PLO1: Acquisition and internalization of knowledge of the program discipline PLO2: Application and integration of knowledge
CLOS2. Understand the impact of firms' internal and external environments on performance.	PLO1: Acquisition and internalization of knowledge of the program discipline

	PLO2: Application and integration of knowledge PLO4: Developing global outlook
CLOS3. Apply analytical frameworks to define and analyze strategic problems, and to formulate and implement business strategies.	PLO2: Application and integration of knowledge PLO3: Inculcating professionalism and leadership PLO4: Developing global outlook
CLOS4. Explain the complex business opportunities and problems in a global context.	PLO2: Application and integration of knowledge PLO4: Developing global outlook
CLOS5 Understand and apply the concept of business ethics in strategic decision-making	PLO2: Application and integration of knowledge PLO3: Inculcating professionalism and leadership
CLOS6. Demonstrate effective communication skills (oral and written).	PLO5: Mastering communication skills
CLOS7. Demonstrate the ability to lead and work in teams effectively.	PLO3: Inculcating professionalism and leadership PLO5: Mastering communication skills

Teaching and Learning Activities

TLA1. Lectures:

Instructor will give lectures on major concepts and issues, and will show video clips to help students better understand the strategic management issues.

TLA2. Class Discussions:

Students will be asked to actively participate in all discussions in class, i.e., during case discussions and the discussion of other practical examples or current affairs.

TLA3. Homework:

Students will be asked to write a report to assess business strategies of firms and to prepare case discussions.

TLA4. Presentation:

Students will be asked to do a presentation on the analysis of the company they chose for the group project

TLA5. Consultation:

Instructor holds weekly consultation hours to address students' questions.

Course Teaching & Learning Activities	Expected Contact Hours	Study Load (% of study)
Lectures, exercises, and in-class discussions	36	30%
Group discussions on team assignments	30	25%
Self-study	54	45%
Total	120	100%

Assessment

The assessment is based on class participation, group projects and final exam. The weights of the components in determining the final grade are:

A1. Attendance and Participation: 20%

This is a participatory class where we will learn from each other as well as the text and related materials. Therefore, participation is required and each student must be willing to contribute effectively. 5% of total grade is based on class attendance. 15% of total grade is based on individuals' performance in class and assigned homework.

You may be called (at random) at any time during class to contribute to or critique the on-going discussion. Therefore, you will be expected to come to class well prepared to discuss and answer questions about all assigned chapters and all cases.

- Come to class well prepared. Read the case several times and think about how the concepts from the chapter or those discussed in class can be applied. Make notes that you can refer to during class.
- Contribute ideas and analysis to the class discussion. Given the complexities of the real world, there is no single right answer. What is more important is how you use strategic concepts and tools to analyse a situation.
- Listen carefully to your classmates and suggest supporting or alternative views.

Your class participation grade is determined based on the quality and quantity of your contributions. Not participating in class discussions will affect your final grade significantly, even if you attend all class sessions. Without participating you will not be able to get a pass grade on the participation component. Therefore, it is extremely important that you attend all classes. Each absence will reduce your class participation grade. Similarly, inappropriate and disturbing behaviour in the class room such as arriving late or distracting other students will negatively affect your participation grade.

Class participation grades are at the discretion of the instructor and are not subject to debate, bargaining or appeal. Absences, excessive tardiness, or leaving early may hurt your individual participation grade. Active participation is not possible if you are distracted. Therefore, the use of laptops for any purpose other than taking notes, and the use of mobile phones is not allowed in the classroom.

A2. Group Project: 40%

Students are required to form a team (details will be provided at the start of the course). Each team is required to perform an in-depth, longitudinal analysis of a company and the industry in which it operates. Each team is required to submit one *written report* (20 pages) and make one *presentation* for the term project.

Written report (20%): Each team should submit one report. The term project report should be type written, 1.5 line-spaced, using 12-point size font, and should not exceed 20 pages (excluding appendices, references, and endnotes). The cover page should provide the complete name of the team members, student ID number, and course code. The report should contain the following sections: (1) A cover page listing team members; (2) Table of contents; (3) Executive Summary; (4) Company Background/History; (5) Industry Analysis (including Environmental/Industry analysis/Future trends, Competitor analysis, etc); (6) Company Analysis (based on the topics covered in class); (7) Analysis on leadership and business ethics; (8) List of references; (9) Exhibits (Tables and charts). The deadline for the written report is on **Friday, December 4th at 5 p.m.**

Presentation (20%): Each team is required to present their analysis to the class. The presentation cannot exceed 20 minutes. Immediately after finishing the presentation, each team will host a Q&A session of 5-10 minutes. Teams should prepare for their presentations as though they will be addressing their respective company's Board of Directors. Also, note that interesting presentations offer a judicious mix of anecdotes and analysis. Therefore, do not try to cram every single detail from your written report into your presentation. Please submit your presentation slides by email 24 hours before class starts.

The team composition needs to be finalized by **Thursday, September 15th**. The choice of company needs to be approved by **Friday, October 14th** at the latest. In case multiple groups choose the same company, the first to indicate their choice by email will be allowed to proceed with the chosen company, the other group will have to find an alternative. The company needs to be listed on the NYSE, NASDAQ or HKEX, and cannot have been used in class, either as a case study or as an example discussed in detail in class or in the book to illustrate the theory. In addition, a list of companies that cannot be used for the term project will be available on the Moodle Course page. Information for the company must be available in English as well (e.g. annual reports, company websites etc).

A3. Final Exam: 40%

The final exam is closed book exam which will cover the entire content of this course. It will mainly assess students' understanding in key concepts and theories introduced in this course, and, the student's ability to employ the analytical tools they have learned from this course. Multiple choice questions, issues on business leadership and ethics, and a mini-case analysis will be the major components of the final exam.

The alignment of the outcomes, teaching and learning activities and assessment is shown in the following table.

Learning outcome	Teaching and learning activity	Assessment
1. CLOS1	TLA 1, 2, 3, 4	A1, A2, A3
2. CLOS2	TLA 1, 2, 3, 4	A1, A2, A3

3. CLOS3	TLA 1, 2, 3, 4	A1, A2, A3
4. CLOS4	TLA 1, 2, 3, 4	A1, A2, A3
5. CLOS5	TLA 1, 2, 3, 4	A1, A2, A3
6. CLOS6	TLA 1, 2, 3, 4	A1, A2, A3
7. CLOS7	TLA 1, 2, 3, 4	A2, A3

Standards for Assessment

- **Course Grade Descriptors**

Grade	Standards of Assessments
A+, A, A-	Consistently exhibits strong analytical skills and the ability to define, analyze and solve strategic problems by means of the relevant theoretical frameworks and consistently shows original thinking.
B+, B, B-	Frequently exhibits strong analytical skills and the ability to define, analyze and solve strategic problems by means of the relevant theoretical frameworks and shows some original thinking.
C+, C, C-	Only occasionally exhibits strong analytical skills and the ability to define, analyze and solve strategic problems by means of the relevant theoretical framework, showing little evidence of original thinking.
D+, D	Only occasionally exhibits basic analytical skills and the ability to define, analyze and solve strategic problems by means of the relevant theoretical frameworks and lacks original thinking.
F	Unable to define, analyze and solve strategic problems through the relevant theoretical frameworks.

A1: Class Participation (20%)

Standards for assessment – Class Participation

Grade	Assessment criteria:
	<ul style="list-style-type: none"> - Attendance - Voluntary and consistent participation - Quality of comments (accuracy, clarity, relevance) - Analytical ability - Link to theory and concepts
Outstanding 85-100%	<ul style="list-style-type: none"> ▪ Attended all case sessions and missed minimal amount of lectures. ▪ Consistently participated voluntarily in case discussions and other class discussions. ▪ All or almost all contributions to the discussion are relevant, clear, well-articulated and insightful and consist of relevant and helpful examples and analyses, creative and insightful solutions, thereby appropriately challenging assumptions and perspectives, showing outstanding ability to apply theory and concepts to practical examples.
Good 70-84%	<ul style="list-style-type: none"> ▪ Attended all case sessions and missed minimal amount of lectures. ▪ Consistently participated voluntarily in case discussions and other class discussions. ▪ Most contributions to the discussion are relevant, clear, well-articulated and insightful and consist of relevant and helpful examples and analyses, creative and insightful solutions, thereby appropriately challenging assumptions and perspectives, showing strong ability to apply theory and concepts to practical examples.

Competent 60-69%	<ul style="list-style-type: none"> ▪ Attended all case sessions and missed minimal amount of lectures. ▪ Occasionally participated voluntarily in case discussions and other class discussions. ▪ Some contributions to the discussion are relevant, clear, well-articulated and insightful and consist of relevant and helpful examples and analyses, showing some creative and insightful solutions, thereby showing moderate ability to apply theory and concepts to practical examples.
Sufficient 50-59%	<ul style="list-style-type: none"> ▪ Attended all case sessions and missed minimal amount of lectures. ▪ Occasionally participated voluntarily in case discussions and other class discussions. ▪ Few contributions to the discussion are relevant, clear, well-articulated and insightful and consist of limited relevant and helpful examples and analyses, showing very limited creative and insightful solutions, thereby showing very limited ability to apply theory and concepts to practical examples.
Fail <50%	<ul style="list-style-type: none"> ▪ Missed multiple case sessions and/or failed to participate voluntarily or simply recited comments made by others.

A2: Group Projects (40%)

• **Standards for assessment – Group Project Presentation**

Grade	Criteria: <ul style="list-style-type: none"> - Focus - Logic - Understanding of topic - Presentation skills - Timing
Outstanding 85-100%	<p><u>Content of presentation (70%)</u></p> <ul style="list-style-type: none"> ▪ The presentation was highly successful at communicating the essential elements of the analysis and conclusions to the audience in a logical manner. ▪ Concepts were thoroughly explained and clarified when necessary. ▪ The presentation demonstrated a deep understanding and comprehension of the topic (theory and practical application). ▪ There was clear evidence of independent and critical thinking. <p><u>Execution of presentation (30%)</u></p> <ul style="list-style-type: none"> ▪ The presenter(s) displayed excellent verbal skills and delivered a highly interesting and coherent presentation. ▪ Visual aids were appropriately used and clear. ▪ The presentation was completed within the time limit.
Good 70-84%	<p><u>Content of presentation (70%)</u></p> <ul style="list-style-type: none"> ▪ The presentation was successful at communicating the essential elements of the analysis and conclusions to the audience in a logical manner. ▪ Most concepts were thoroughly explained and clarified when necessary. ▪ The presentation demonstrated a sound understanding and comprehension of the topic (theory and practical application). ▪ There was evidence of independent and critical thinking. <p><u>Execution of presentation (30%)</u></p> <ul style="list-style-type: none"> ▪ The presenter(s) displayed good verbal skills and delivered an interesting and coherent presentation. ▪ Visual aids were appropriately used and clear.

	<ul style="list-style-type: none"> ▪ The presentation was completed within the time limit.
Competent 60-69%	<p><u>Content of presentation (70%)</u></p> <ul style="list-style-type: none"> ▪ The presentation adequately communicated the essential elements of the analysis and conclusions to the audience in a logical manner. ▪ Most but not all concepts were thoroughly explained and clarified when necessary. ▪ The presentation demonstrated an acceptable level of understanding and comprehension of the topic (theory and practical application). ▪ There was limited evidence of independent and critical thinking. <p><u>Execution of presentation (30%)</u></p> <ul style="list-style-type: none"> ▪ The presenter(s) displayed mediocre verbal skills and delivered a somewhat interesting and coherent presentation. ▪ Visual aids were appropriately used and clear. ▪ The presentation was completed within the time limit.
Sufficient 50-59%	<p><u>Content of presentation (70%)</u></p> <ul style="list-style-type: none"> ▪ The presentation only covered some basic elements of the analysis and conclusions to the audience in a somewhat logical manner. ▪ Very few concepts were thoroughly explained and clarified when necessary. ▪ The presentation demonstrated very limited level of understanding and comprehension of the topic (theory and practical application). ▪ There was very limited evidence of independent and critical thinking. <p><u>Execution of presentation (30%)</u></p> <ul style="list-style-type: none"> ▪ The presenter(s) displayed minimal verbal skills and the presentation lacked in coherence. ▪ Visual aids were somewhat appropriately used but unclear. ▪ The presentation was completed within the time limit.
Fail <50%	<p><u>Content of presentation (70%)</u></p> <ul style="list-style-type: none"> ▪ The presentation failed to address the basic and key issues of the analysis and conclusions. ▪ The presentation did not demonstrate sufficient understanding and comprehension of the topic. <p><u>Execution of presentation (30%)</u></p> <ul style="list-style-type: none"> ▪ Verbal skills were inadequate. ▪ Visual aids were inadequately used. ▪ The presentation was not completed within the time limit.

• **Standards for assessment – Written Report**

Grade	<p>Criteria:</p> <ul style="list-style-type: none"> - Understanding and correct application of theory - Articulation of arguments - Relevance, logic and creativity of recommendations - Structure - Language and style (grammar and spelling)
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<p>Outstanding 85-100%</p>	<p><u>Analysis and application of theory (50%):</u></p> <ul style="list-style-type: none"> • Demonstrates an outstanding understanding of, and the ability to apply theory and concepts to the case company chosen. • All relevant aspects about the case company were addressed and researched in sufficient depth. • Draws widely from relevant sources and cites sources correctly. <p><u>Recommendations and Conclusions (30%):</u></p> <ul style="list-style-type: none"> • Outstanding ability to adopt a critical perspective and provide adequate, feasible and creative strategy formulation and execution. • Conclusions follow logically from analysis. <p><u>Writing and Structure (20%):</u></p> <ul style="list-style-type: none"> • Logical structure of report as a whole. • Excellent development of arguments and offers a logically consistent and well-articulated analysis and insight into the subject. • No spelling or grammar mistakes.
<p>Good 70-84%</p>	<p><u>Analysis and application of theory (50%):</u></p> <ul style="list-style-type: none"> • Demonstrates a good understanding of, and the ability to apply theory and concepts to the case company chosen. • Most relevant aspects about the case company were addressed and researched in sufficient depth. • Draws widely from relevant sources and cites sources correctly. <p><u>Recommendations and Conclusions (30%):</u></p> <ul style="list-style-type: none"> • Mediocre ability to adopt a critical perspective and provide adequate, feasible and creative recommendations. • Conclusions follow logically from analysis. <p><u>Writing and Structure (20%):</u></p> <ul style="list-style-type: none"> • Logical structure of report as a whole. • Good development of arguments and offers a logically consistent and well-articulated analysis and insight into the subject. • No spelling or grammar mistakes.
<p>Competent 60-69%</p>	<p><u>Analysis and application of theory (50%):</u></p> <ul style="list-style-type: none"> • Demonstrates a sufficient understanding of, and the ability to apply theory and concepts to the case company chosen. • Some relevant aspects about the case company were addressed and researched in depth. • Draws widely from relevant sources and cites sources correctly. <p><u>Recommendations and Conclusions (30%):</u></p> <ul style="list-style-type: none"> • Good ability to adopt a critical perspective and provide adequate, feasible and creative recommendations. • Conclusions follow logically from analysis. <p><u>Writing and Structure (20%):</u></p> <ul style="list-style-type: none"> • Logical structure of report as a whole. • Good development of arguments offering limited insight into the subject. • No spelling or grammar mistakes.

<p>Sufficient 50-59%</p>	<p><u>Analysis and application of theory (50%):</u></p> <ul style="list-style-type: none"> • Demonstrates limited understanding of, and the ability to apply theory and concepts to the case company chosen. • Some relevant aspects about the case company were addressed and researched in depth. • Limited use of sources of information but correct citation of sources. <p><u>Recommendations and Conclusions (30%):</u></p> <ul style="list-style-type: none"> • Good ability to adopt a critical perspective and provide adequate, feasible and creative recommendations. • Conclusions follow logically from analysis. <p><u>Writing and Structure (20%):</u></p> <ul style="list-style-type: none"> • Flaws in the logic of the structure of report as a whole. • Mediocre development of arguments offering limited insight into the subject. • No spelling or grammar mistakes.
<p>Fail <50%</p>	<p><u>Analysis and application of theory (50%):</u></p> <ul style="list-style-type: none"> • Demonstrates lack of understanding of, and the ability to apply theory and concepts to the case company chosen. • Relevant aspects about the case company were not addressed. <p><u>Recommendations and Conclusions (30%):</u></p> <ul style="list-style-type: none"> • Inability to adopt a critical perspective and provide adequate, feasible and create recommendations. • Conclusions do not follow logically from the analysis. <p><u>Writing and Structure (20%):</u></p> <ul style="list-style-type: none"> • Flaws in the logic of the arguments and the structure of the report. • Failure to use available software for grammar and spelling checks, resulting in poor writing, typos and grammatical errors.

A3: End of term exam (40%)

- **Standards for assessment – Case analysis (exam)**

Grade	Criteria:
<p>Outstanding 85-100%</p>	<ul style="list-style-type: none"> - Ability to think analytically (conduct case analysis) - Ability to apply concepts and theory - Ability to clearly articulate a point of view and answer <ul style="list-style-type: none"> ▪ All or almost all of the questions are clearly and accurately answered showing outstanding insights into the theoretical material and an outstanding ability to conduct case analysis and apply concepts and theory. ▪ All or almost all of the responses are well organized, clear, fluent, and with sufficient elaboration.
<p>Good 70-84%</p>	<ul style="list-style-type: none"> ▪ Most of the questions are clearly and accurately answered showing good insights into the theoretical material and a strong ability to conduct case analysis and apply concepts and theory. ▪ Most of the responses are well organized, clear, fluent, and with sufficient elaboration.

Competent 60-69%	<ul style="list-style-type: none"> ▪ Some of the questions are clearly and accurately answered showing good insights into the theoretical material and a strong ability to conduct case analysis and apply concepts and theory. ▪ Some of the responses are well organized, clear, fluent, and with sufficient elaboration.
Sufficient 50-59%	<ul style="list-style-type: none"> ▪ Few of the questions are clearly and accurately answered showing good insights into the theoretical material and a strong ability to conduct case analysis and apply concepts and theory. ▪ Few of the responses are well organized, clear, fluent, and with sufficient elaboration.
Fail <50%	<ul style="list-style-type: none"> ▪ Very few or none of the questions are clearly and accurately answered showing good insights into the theoretical material and a strong ability to conduct case analysis and apply concepts and theory. ▪ Very few or none of the responses are well organized, clear, fluent, and with sufficient elaboration.

• **Standards for assessment –Multiple Choice Questions**

Grade	
Outstanding 85-100%	100-80% of questions correct
Good 70-84%	79-70% of questions correct
Competent 60-69%	69-60% of questions correct
Sufficient 50-59%	59-50% of questions correct
Fail <50%	Less than 50% of questions correct

Course Final Grade:

The final grade for the course will be based on the scores for all the assessment tasks as follows:

Final grade = Class participation (20%) + Group projects (40%) + Final Exam (MC+Essay questions) (40%)

The conversion of the score to the course final grade is summarized below:

A+, A, A-	85%-100%
B+, B, B-	70% – 84%
C+, C, C-	60% – 69%
D+, D	50% – 59%
F	< 50%

Academic and Class Conduct

The University Regulations on academic dishonesty will be strictly enforced. Please check the University Statement on plagiarism at <http://www.hku.hk/plagiarism/>.

Students are required to attend classes **on time**. Arriving late or leaving early or walking in/out during class without permission will affect your class participation grade. Students are required to turn off your mobile phones. No chatting is allowed in class.

Additional Course Information

Please check the Moodle Course page regularly for updates. Any changes in the course schedule due to unforeseen circumstance or important notices about the class content, assignments or exam will be posted on Moodle.

COURSE SCHEDULE

Week 1

1. Introduction to Business Policy/Strategy, Chapter 1 in text

Week 2

1. External (Industry) Analysis, Chapter 2 in text
2. External (Industry) Analysis contd. Team time for team formation.

Week 3

1. **Airline case.**
2. In-Class Activity

Week 4

1. Internal (Company) Analysis, Chapter 3 in text
2. **Starbucks case.**

Week 5

1. Business-level Strategy, Chapter 4 in text
2. Business-level Strategy contd.

Week 6

1. Competitive Dynamics, Chapter 5 in text
2. **Beauregard Textile case**

Week 7

Reading week (no class)

Week 8

1. Corporate-level Strategy I: Diversification, Chapter 6 in text
2. Diversification contd.

Week 9

1. **Lego: The crisis.**
2. Acquisitions and restructuring, Chapter 7 in text

Week 10

1. Corporate-level Strategy II: Strategic alliances and cooperative strategies, Chapter 9 in text

2. Strategic alliances and cooperative strategies contd.

Week 11

1. Corporate-level Strategy III: Internationalization, Chapter 8 in text
2. **The GSK Scandal in China case**

Week 12

1. Business Ethics and Leadership, Chapter 12 in text
2. In-class activity on strategic leadership

Week 13

Group Presentations & Course Wrap-up

Weeks 14

Revision

DATES AND SCHEDULE ARE SUBJECT TO CHANGE