

**The University of Hong Kong
School of Business**

**STRA4702 – Global Corporate Strategy
Sub-classes: A & B
1st Semester 2016-2017**

General Information

Information on Instructor

Instructor:	Dr. Cheng-Wei Wu
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Office hour:	Tuesday & Wednesday: 4:00-5:00PM; other times by appointment

Teaching Assistant:	Miss. Nicole Yang
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Textbook and course materials

1. Recommended textbook: *Collis, D.J. and Montgomery, C. A., Corporate Strategy: A Resource Based Approach (2nd edition)*. ISBN: 0072312866.
2. Lecture notes and supplementary readings will be distributed in class and/or posted on the course's website before each class.

Course Description

This course is to provide students in-depth learning for managing the multinational corporations across various product, business, geographic markets. Specifically, the course focuses on three central themes that are critical to the successful formulation of corporate strategy: (1) What businesses should be brought together inside the company and how they could create value, (2) How could the company grow in different settings through acquisitions, partnerships, or internal development, and (3) How could the company manage the portfolio of its businesses? Overall, this course will highlight the criticality of making profound decisions about the right pathways to firm growth. To tackle these issues, this course will provide theoretical frameworks and guiding principles to analyze practical problems at the corporate or group level experienced by managers.

Course Objectives

1. To provide a detailed understanding of the concepts, frameworks and tools of corporate strategy.
2. To provide an understanding of the role of strategic resources and sources of competitive advantage.
3. To develop the ability to analyze and implement a firm's growth pathways.

4. To prepare students to work in, and eventually, lead multi-business companies.

Learning Outcomes

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

- CLOS1. Explain the corporate strategy 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 corporate strategies.
 CLOS4. Explain the complex business opportunities and problems in a global context.
 CLOS5. Demonstrate effective communication skills (oral and written).

Alignment of Program and Course Outcomes

1. Acquisition and internalization of knowledge of major business disciplines	CLOS1, CLOS2, CLOS3. CLOS4
2. Application and integration of knowledge	CLOS2, CLOS3, CLOS4
3. Inculcating professionalism and leadership	CLOS4
4. Developing global outlook	CLOS2, CLOS3, CLOS4
5. Mastering communication skills	CLOS5

Teaching and Learning Activities

Course Teaching and Learning Activities	Expected contact hour	Study Load (% of study)
TLA1. Lectures: Instructor will give lectures on major concepts and issues, and will show video clips to help students better understand the corporate strategy issues.	15	12.4%
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.	20	16.5%
TLA3. Written Assignments & Self Study: Students will be asked to write case analyses and a report to assess corporate strategies of firms and to prepare case discussions.	60	49.6%
TLA4. Presentation: Students will be asked to do a presentation on the analysis of the company they chose for the group project.	6	5%
TLA5. Consultation: Instructor holds weekly consultation hours to address students' questions.	20	16.5%

Total	121	100%
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Assessment

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

A1. Attendance and Participation: 20%

Class participation provides an opportunity to develop communication skills - in presenting a point of view and in listening. In many ways, these skills are as valuable as the "analytical frameworks" to be discussed during the course. Each student is expected to effectively participate in each class discussion – comment, question, argue, and analyze – on the reading materials, cases and the presentations. 5% of total grade is based on class attendance. 15% of total grade is based on the *quality and quantity* of your contributions and quizzes in class.

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. Case Write-ups (Individual): 30%

Each individual is also expected to submit a typed analysis for 2 cases. This analysis should focus on the study questions. It should consist of a problem statement, analyses, recommendations for a solution, and a brief discussion of implementation issues. Write-ups are to be submitted in hard copies and are due promptly at the start of class. Late assignments will not be accepted and cannot be made up.

In the case write-up, each individual needs to follow the format:

- Title page with your section number, your name, the word count for the document;
- Claim whom you have discussed with, if any;
- 3 pages maximum (excluding tables, figures, appendices and references);
- 1-1/2 line spacing;
- Times New Roman 12-point font;
- 1-inch margin all around (i.e., top- bottom-, left- and right-hand margins);
- Use page numbers;
- Insert footnotes if necessary.

A3: Research Project Report (Group): 25%

A complete learning process on strategy cannot miss an opportunity to conduct an investigation on real business operations with your own efforts. While the case study provides you a business situation to start strategic analysis, the research project will motivate you to explore the business situation from scratch.

Each group is required to conduct a research project that utilizes the tools and concepts of the class. Your team will choose a multinational company and the term project must include (but is not limited to) the following criteria:

1. Company Background & Key Issues
 - 1) Provide a brief introduction of the company background
 - 2) Provide a brief explanation of why company is chosen and the key issues of the company
2. Identification of the firm's key resources
 - 1) Assess the firm's strengths and weaknesses
 - 2) Assess the firm's sources of competitive advantage and evaluate the sustainability of those advantages
 - 3) Investigate the firm's performance based on its financial statements and compare that performance with its competitors
3. Analysis of the corporate-level strategy of the firm
 - 1) Identify the businesses in which the firm competes and whether and how they create additional value to the whole firm. What are the benefits and costs of including each major business under the same umbrella?
 - 2) For businesses that create additional value to the firm, identify and examine the methods of entry the firm has used to enter those businesses. Should they have adopted a better means of entering the business?
4. Recommendations

Based on the key issues of the firm, propose concrete analytical conclusions and sound strategic recommendations and specify the financing that will be required to support those decisions

In the research project report, each group needs to follow the format:

- Title page with your section number, your group number, the names of your members;
- Limited to 20 pages (excluding tables, figures, appendices and references);
- 1-1/2 line spacing;
- Times New Roman 12-point font;
- 1-inch margin all around (i.e., top- bottom-, left- and right-hand margins);
- Use page numbers;
- Insert footnotes if necessary.

Please hand in both a soft and hard copy of your project report and PPT before your presentation.

A4. Research Project Presentation (Group): 25%

Each team should provide a 15-20-minute professional presentation. The instructor and all your classmates other than your group members will evaluate your presentation. Time for presentation will be decided and announced in class.

Notice: All Group Work

In order for a group to do well, each member must be actively involved in the research, discussion, and preparation of the final report and presentation. Failure to actively participate cheats both you and your other team members. Thus, there is little tolerance for free riding. It is primarily your responsibility to eliminate free riding. The incentive alignment mechanism will be the **peer evaluation** at the conclusion of the course. Individual members who have not contributed to the group reports will have the final grade for group assignments adjusted to reflect their actual contribution level.

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

Learning outcome	Teaching and learning activity	Assessment
CLOS1	TLA 1, 2, 3, 4, 5	A1, A2, A3, A4
CLOS2	TLA 1, 2, 3, 4, 5	A1, A2, A3, A4
CLOS3	TLA 1, 2, 3, 4, 5	A1, A2, A3, A4
CLOS4	TLA 1, 2, 3, 4, 5	A1, A2, A3, A4
CLOS5	TLA 2, 3, 4	A1, A2, A3, A4

Standards for Assessment

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.
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A2: Individual Case Write-ups (30%)

Standards for assessment – Case Write-ups

Grade	Criteria:
	<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
Outstanding 85-100%	<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.
Good 70-84%	<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.

A3&A4: Group Projects (50%)

Standards for assessment – Research Project Presentation

Grade	Criteria:
	<ul style="list-style-type: none"> - Focus - Logic - Understanding of topic - Presentation skills - Timing

<p>Outstanding 85-100%</p>	<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.
<p>Good 70-84%</p>	<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. ▪ The presentation was completed within the time limit.
<p>Competent 60-69%</p>	<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.
<p>Sufficient 50-59%</p>	<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%	<u>Content of presentation (70%)</u> <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.
	<u>Execution of presentation (30%)</u> <ul style="list-style-type: none"> ▪ Verbal skills were inadequate. ▪ Visual aids were inadequately used. ▪ The presentation was not completed within the time limit.

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%) + Case Write-ups (30%) + Group projects (50%)

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 all classes on time**.

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 Global Corporate Strategy, Chapter 1 in text
2. Case analysis & Brief review on Financial Analysis

Week 2

1. Resources and Rents, Chapter 2 in text & In-Class Activity
- **Read: Todd Zenger. 2013. "What Is the Theory of Your Firm?" *Harvard Business Review*.**

Week 3

1. Scale and Scope within an industry, Chapter 3 in text
- **Case 1: Zara: Fast Fashion**

Week 4

1. Diversified Expansion, Chapter 4 in text
- **Case 2: Apple, 2012**
 - **Read: David J. Collis and Cynthia A. Montgomery. 2008. "Competing on Resources." *Harvard Business Review***

Week 5

1. Organizational Limits to Firm Scope and Vertical Integration, Chapter 5 in text
- **Case 3: Arauco (A): Forward Integration or Horizontal Expansion?**

Week 6

1. Managing the Multibusiness Corporation (I): Mergers & Acquisitions, Chapter 6 in text and supplementary readings
- **Case 4: Crown Cork & Seal / CarnaudMetalbox**
 - **Read: Benjamin Gomes-Casseres. 2015. "Making Mergers, Acquisitions, and Other Business Combinations Work." *Harvard Business Review***

Week 7

Reading week (no class)

Week 8

1. Managing the Multibusiness Corporation (II): Joint Ventures, Alliances and Other Contractual Arrangements, Chapter 6 in text and supplementary readings
- **Case 5: Ebay in China**

Week 9

1. Creating Corporate Advantage, Chapter 7 in text
- **Read: Todd Zenger. 2013. “Strategy: The Uniqueness Challenge” *Harvard Business Review*.**
 - **Case 6: Google Inc.**

Week 10

1. Corporate Governance in Global Markets in Global Markets, Chapter 8 in text
 2. More information forthcoming
- **Read: Michael C. Jensen. 2010. “Value Maximization, Stakeholder Theory, and the Corporate Objective Function” *Journal of Applied Corporate Finance*.**

Week 11

1. Global Corporate Strategy in Network Industries, supplementary readings
2. In-Class Activity

Week 12

1. The Dynamics of Corporate Strategy in Global Markets, Chapter 9 in text
 2. Corporate Transformation, supplementary readings
- **Case 7: Tencent’s Business Model**

Week 13

Group Presentations & Course Wrap-up

Week 14

Revision

DATES AND SCHEDULE ARE SUBJECT TO CHANGE