



Strategic Management – BUS 599

Student Course Guide

Prerequisite: To be taken as last or next to last course.

INSTRUCTIONAL MATERIAL

Thompson, A.A., Strickland, A.J., & Gamble, J.E. (2010). *Crafting and executing strategy: The quest for competitive advantage: Concepts and cases: 2009 custom edition* (17th ed.). New York: McGraw-Hill-Irwin.

Custom Book (2009). *BUS599: Strategic management cases*. New York: McGraw-Hill.

INSTRUCTIONAL MATERIAL - Supporting

The following resources provide additional background and supporting information for this course. There is no need to purchase these items for the course.

Adam, L., Jochim, D., & Cutting, T. (2008). *The art of strategic leadership: A proven approach to optimizing your organization*. R.W. Beck.

Ellet, W. (2007). *The case study book: How to read, discuss, and write persuasively about cases*. Boston: Harvard Business School Publishing.

Hughes, R., & Beatty, K. (2005). *Becoming a strategic leader: Your role in your organization's enduring success*. San Francisco: John Wiley & Sons.

COURSE DESCRIPTION

Examines the strategic management process and implementation of successful business strategies in the highly competitive and dynamic global environment. Analyzes the impact of technology, government policy, and world economic and political forces on strategy formulation and execution. This course is the capstone course for the MBA program. Analytic, integrative, and decision-making skills will be exercised through the use of case analysis and decision making that will involve the core business functions, leadership challenges, and global operations.

COURSE OUTCOMES

Upon the successful completion of this course, the student will be able to:

1. Recommend effective business strategies based on an analysis of domestic and global operating environments, market dynamics, and internal capabilities.
2. Analyze the external and internal environment for opportunities, threats, strengths, and weaknesses that impact the firm's competitiveness.
3. Describe strategic planning techniques used to formulate alternative strategies designed

- to achieve stated business goals.
4. Analyze a plan to implement a firm's strategy and manage the change from current operations.
 5. Analyze strategies for exerting the internal leadership needed to drive the implementation of strategic initiatives and improve operating excellence.
 6. Use technology and information resources to research issues in strategic management.

COURSE EXPECTATIONS

To obtain the most benefit from this class:

- Follow Strayer University's policies and procedures as well as those specific to this class.
 - Class specific information can be found within the "Class Information" section within the Student Center.

WEEKLY COURSE SCHEDULE

The weekly schedule below describes the learning activities that will help you achieve the course objectives listed above and the assignments that will be used to measure your mastery of the outcomes.

Each week is divided into sections consisting of activities including readings, lectures and discussions, and assignments. Assignments will reinforce the material covered in the session.

WEEK 1

Course objective in focus:

- Recommend effective business strategies based on an analysis of domestic and global operating environments, market dynamics, and internal capabilities.

Supporting topics:

- Role of business strategy
- Strategy and Ethics
- Relationship between strategy and business model

Activities:

Readings:

- Read Chapter 1.

Lecture/Discussion:

Faculty Introduction, course overview and expectations

- Review course philosophy, expectations, assignments, late policy, grading, academic integrity, APA, and attendance policy

Student introductions

- Lecture/discussion on the role of business strategy, four most reliable strategic approaches, how business strategy evolves over time, business models to support the strategy, tests for winning strategies, and strategy execution and good management.
- Class Discussion: Discuss the elements of Starbuck’s business strategy and how execution of the strategy lead to company growth and provided the organization a competitive advantage in the marketplace.
- Review/demonstration of how to conduct a case analysis and to research a case situation. The case analysis information is located in the course guide appendix.

WEEK 2

Course objective in focus:

- Recommend effective business strategies based on an analysis of domestic and global operating environments, market dynamics, and internal capabilities.
- Use technology and information resources to research issues in strategic management.

Supporting topics:

- Phases of strategy
- Leading strategic management process
- Corporate, business, functional strategy (relationship, single-business vs. diversified company)
- Linking Mission/vision/strategic goals.

Activities:

Readings:

- Read Chapter 2.
- Read Case #2 “Costco Wholesale” (C-32) and be prepared to discuss.

Lecture/Discussion:

- Lecture/discussion on the phases of strategy making and execution including developing a strategic vision, setting objectives, crafting a strategy to achieve the objectives and vision, implementing and executing the strategy, and monitoring developments, evaluating performance, and making corrective adjustments.
- Class Discussion: Evaluate the company objectives for General Motors, The Home Depot, YUM! Brands, and Avon. Discuss whether or not the objectives are measurable and achievable.
- Class Discussion: Case #2: “Costco Wholesale” Students will develop a response to the questions below:
 - Discuss and evaluate Costco’s strategy in terms of pricing, product selection and marketing and advertising strategy.
 - Discuss whether or not Costco can achieve a sustained competitive advantage with this strategy.
 - Discuss the alignment of Costco’s mission and strategy. Evaluate whether or not

- the strategy supports the mission.
- Discuss the company's business philosophy, values and code of ethics. Evaluate how these might give Costco a competitive advantage.

Assignment:

Assignment: #1 - Crafting and Executing Strategy

- Students are required to conduct an analysis of a company situation Case #3 **Jet Blue Airways** (p. C-51) and prepare a 4-5 page report to complete the following:
 1. Discuss the trends in the U.S. airline industry and how these trends might impact a company's strategy.
 2. Discuss Jet Blue's strategic intent.
 3. Discuss Jet Blue's financial objectives and whether or not the company has been successful in achieving this objective.
 4. Discuss Jet Blue's strategic elements of cost, organizational culture, and human resource practices and evaluate whether each element provides the organization with a competitive advantage.
 5. Discuss Jet Blue's strategies for 2008 and beyond and evaluate whether or not Jet Blue will be successful implementing these strategies.

The format of the report is to be as follows:

- Typed, double spaced, Times New Roman font (size 12), one inch margins on all sides, APA format.
- Type the question followed by your answer to the question.
- In addition to the 4-5 pages required, a title page is to be included. The title page is to contain the title of the assignment, your name, the instructor's name, the course title, and the date.

NOTE: One of the criteria that you will be graded on is the quality of your answers, the logic/organization of the report, your language skills, and your writing skills.

The assignment will be graded using the following rubric:

Outcomes Assessed	<ul style="list-style-type: none"> ● Recommend effective business strategies based on an analysis of domestic and global operating environments, market dynamics, and internal capabilities. ● Use technology and information resources to research issues in strategic management.
Grading Rubric for Assignment # 1 – Crafting and Executing Strategy	

Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
1. Discuss the trends in the airline industry and how it may impact a company's strategy.	Did not attempt assignment or did not discuss airline industry trends and its impact on strategy sufficiently.	Discussed airline trends and the impact to strategy with 70 - 79% accuracy, thoroughness, and	Discussed airline trends and the impact to strategy with 80 - 89% accuracy, thoroughness, and	Discussed airline trends and the impact to strategy with 90 -100% accuracy, thoroughness, and

Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
		insight.	insight.	insight.
2. Discuss Jet Blue's strategic intent.	Did not attempt assignment or did not discuss Jet Blue's strategic intent sufficiently.	Discussed Jet Blue's strategic intent with with 70 - 79% accuracy, thoroughness, and insight.	Discussed Jet Blue's strategic intent with with 80 - 89% accuracy, thoroughness, and insight.	Discussed Jet Blue's strategic intent with 90 - 100% accuracy, thoroughness, and insight.
3. Discuss Jet Blue's financial objectives and the related success.	Did not attempt assignment or did not discuss objectives and related success sufficiently.	Discussed some of Jet Blue's financial objectives and related success with 70 - 79% accuracy, thoroughness, and insight.	Discussed most of Jet Blue's financial objectives and related success with 80 - 89% accuracy, thoroughness, and insight.	Discussed all of Jet Blue's financial objectives and related success with 90 - 100% accuracy, thoroughness, and insight.
4. Discuss the strategic elements of cost, organizational culture, human resources practices and evaluate if each provides a competitive advantage.	Did not attempt assignment or did not discuss sufficiently the strategic elements of cost, organizational culture, and human resource practices. Also, did not evaluate sufficiently if the elements provide a competitive advantage.	Discussed some of the strategic elements and evaluated if the elements provide a strategic advantage with 70 - 79% accuracy, thoroughness, logic, and insight.	Discussed most of the strategic elements and evaluated if the elements provide a strategic advantage with 80 - 89% accuracy, thoroughness, logic, and insight.	Discussed all the strategic elements and evaluated if each element provides a strategic advantage with 90 to 100% accuracy, thoroughness, logic, and insight.
5. Discuss Jet Blue's strategies for the future and the successful implementation.	Did not attempt assignment or did not discuss strategies for the future and successful implementation.	The strategies of the future were discussed with 70 - 79% accuracy, thoroughness, and insight.	The strategies of the future were discussed, with 80 - 89% accuracy and appropriate information was discussed.	The strategies of the future were discussed with 90 to 100% accuracy and all appropriate information was identified and discussed clearly.
6. Clarity	Did not complete the assignment or explanations are unclear and not organized. (Major issues)	Explanations generally unclear and not well organized. (Many issues)	Explanations generally clear and/or organized. (Minor issues)	Explanations very clear and well organized. (Added helpful details.)
7. Writing – Grammar, sentence structure, paragraph structure, spelling, punctuation, APA usage.	Did not complete the assignment or had 8 or more different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Major issues)	Had 6 - 7 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Many issues)	Had 4 - 5 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Minor issues)	Had 0 - 3 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage.

WEEK 3

Course objective in focus:

- Analyze the external and internal environment for opportunities, threats, strengths and

weaknesses that impact the firm's competitiveness.

- Use technology and information resources to research issues in strategic management.

Supporting topics:

- Components of a company's external environment.
- Industry's dominant economic features.
- Five-Forces of Competition
- Key Success Factors.
- Key Financial Ratios and Contribution analysis.
- Conducting a SWOT analysis.
- Value Chain Activities
- Industry analysis. (purpose, consideration, industry driving forces)

Activities:

Readings:

- Read Chapter 3 and 4.
- Read and analyze the Case #4 "Competition in the Golf Equipment Industry in 2008" (C-77); Be prepared to discuss.

Lecture/Discussion:

- Lecture/discussion on the components of company's macroenvironment, dominant economic features, the five-forces model of competition including rivalry among competing sellers, threat of new entrants, substitute products, supplier bargaining power, and buyer bargaining power, driving forces, strategic mapping, rival moves, and key success factors.
- Class Discussion: Case #4: "Competition in the Golf Equipment Industry in 2008"
Students will develop a response to the questions below:
 - Recent trends in the golf equipment industry and how it may impact a company's strategy.
 - Discuss the importance of innovation, brand, performance and price in the golf equipment industry.
- Lecture/discussion on evaluating current strategy, key financial ratios and calculations, SWAT analysis identifying its resources strengths and weaknesses and external opportunities and threats, value chain and benchmarking.
- Class Discussion: Case #4: "Competition in the Golf Equipment Industry in 2008"
Students will develop a response to the questions below:
 - Identify the strengths and weakness of Callaway, TaylorMade, Titleist, Ping, and Nike. Which company has a competitive advantage in the marketplace? Why?
 - Based on the company selected in the previous questions, how can the company ensure that its competitive advantage is sustained?

Assignment:

Assignment #2 - Competitive Forces and SWOT Analysis.

- Students are required to conduct an analysis of a company situation Case #1 **Whole Foods Market** (p. C-2) and prepare a 4-8 page report to complete the following:
 1. Discuss the trends in retailing of organic foods and the impact of these trends on Whole Foods Market.
 2. Evaluate the competitive environment of the firm: Apply Porter's model and analyze each factor relative to the company.
 3. Discuss which environmental factor poses the most significant threat to Whole Food and what the company can do to combat it.
 4. Complete a SWOT analysis and identify significant opportunities and threats facing the organization.
 5. Discuss how Whole Foods can use it strengths and opportunities to achieve a sustained competitive advantage in the marketplace.

The format of the report is to be as follows:

- Typed, double spaced, Times New Roman font (size 12), one inch margins on all sides, APA format.
- Type the question followed by your answer to the question.
- In addition to the 4-8 pages required, a title page is to be included. The title page is to contain the title of the assignment, your name, the instructor's name, the course title, and the date.

NOTE: One of the criteria that you will be graded on is the quality of your answers, the logic/organization of the report, your language skills, and your writing skills.

The assignment will be graded using the following rubric:

Outcomes Assessed	<ul style="list-style-type: none"> • Analyze the external and internal environment for opportunities, threats, strengths and weaknesses that impact the firm's competitiveness. • Use technology and information resources to research issues in strategic management.
Grading Rubric for Assignment # 2 – Competitive Forces and SWOT Analysis	

Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
1. Discuss the trends in organic foods and how the trends may impact Whole Foods Market.	Did not attempt assignment or did not discuss the organic food trends and it impact on strategy sufficiently.	Discussed the trends in organic foods and how the trends may impact Whole Foods Market with 70 - 79% accuracy, thoroughness, and insight. .	Discussed the trends in organic foods and how the trends may impact Whole Foods Market with 80 - 89% accuracy, thoroughness, and insight. .	Discussed the trends in organic foods and how the trends may impact Whole Foods Market with 90 to 100% accuracy, thoroughness, and insight. .
2. Evaluates the competitive environment using Porter's 5 Forces Model.	Did not attempt assignment or did not discuss the competitive environment trends	Evaluated the competitive environment elements using Porter's 5 Forces	Evaluated the competitive environment elements using Porter's 5 Forces	Evaluated the competitive environment elements using Porter's 5 Forces

Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
	and it impact on strategy sufficiently.	with 70 - 79% accuracy, thoroughness, logic, and insight. .	with 80 - 89% accuracy, thoroughness, logic, and insight. .	with 90 to 100% accuracy, thoroughness, logic, and insight. .
3. Discuss which environmental threat poses the most significant threat to Whole Foods and what the company can do to combat it.	Did not attempt assignment or did not discuss the most significant environmental threat and did not discuss what the company can do to combat it sufficiently.	Discussed which environmental threat poses the most significant threat to Whole Foods and what the company can do to combat it. with 70 - 79% accuracy, thoroughness, and insight.	Discussed which environmental threat poses the most significant threat to Whole Foods and what the company can do to combat it. with 80 - 89% accuracy, thoroughness, and insight.	Discussed which environmental threat poses the most significant threat to Whole Foods and what the company can do to combat it. with 90 to 100% accuracy, thoroughness, and insight.
4. Complete a SWOT analysis and identify significant opportunities and threats.	Did not attempt assignment or did not discuss the SWOT analysis and it impact on strategy.	Completed a SWOT analysis and identified significant opportunities and threats with 70 - 79% accuracy, thoroughness, logic, and insight.	Completed a SWOT analysis and identified significant opportunities and threats with 80 - 89% accuracy, thoroughness, logic, and insight. .	Completed a SWOT analysis and identified significant opportunities and threats with 90 to 100% accuracy, thoroughness, logic, and insight.
5. Discuss how Whole Foods can use its strengths and opportunities to achieve a sustained competitive advantage.	Did not attempt assignment or did not discuss how strengths and opportunities can be used to achieve a sustained competitive advantage.	Discussed how Whole Foods can use its strengths and opportunities to achieve a sustained competitive advantage with 70 - 79% accuracy, thoroughness, and insight.	Discussed how Whole Foods can use its strengths and opportunities to achieve a sustained competitive advantage. with 80 to 89% accuracy, thoroughness, and insight.	Discussed how Whole Foods can use its strengths and opportunities to achieve a sustained competitive advantage. with 90 to 100% accuracy, thoroughness, and insight.
6. Clarity	Did not complete the assignment or explanations are unclear and not organized. (Major issues)	Explanations generally unclear and not well organized. (Many issues)	Explanations generally clear and/or organized. (Minor issues)	Explanations very clear and well organized. (Added helpful details.)
7. Writing – Grammar, sentence structure, paragraph structure, spelling, punctuation, APA usage.	Did not complete the assignment or had 8 or more different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Major issues)	Had 6 - 7 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Many issues)	Had 4 - 5 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Minor issues)	Had 0 - 3 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage.

WEEK 4

Course objective in focus:

- Describe strategic planning techniques used to formulate alternative strategies designed to achieve stated business goals.

Supporting topics:

- Five generic competitive strategies.
- Low Cost
- Differentiation
- Best-Cost Provider
- Niche
- Benchmarking (use in strategic planning)
- Alternative strategy formats and considerations for use.

Activities:**Readings:**

- Read Chapter 5
- Read and analyze the case **Atlantic Computers** and be prepared to discuss.

Lecture/Discussion:

- Lecture/discussion on the five generic competitive strategies including low-cost provider, differentiation, and niche, advantages and pitfalls of each strategy.
- Class Discussion: “Best Buy” competes aggressively on price with rivals such as Costco Wholesale, Sam’s Club, Wal-Mart and Target but is also know by consumers for its first-rate customer service. Discuss how you would characterize Best Buy’s competitive strategy. Should it be classified as a low-cost provider, differentiation, or best-cost strategy? Explain your answer.
- Class Discussion: Based on the analysis of the **Atlantic Computer** case, discuss the following:
 - How can product/service differentiation provide a competitive advantage?
 - Are there strategies that may allow a competitor to compete effectively with Atlantic Computer?
 - What would be the most effective pricing strategy for Atlantic Computer.
- Lecture/discussion on alternative strategy formats and considerations for use (overview of five generic competitive strategies).
- Discussion on the costs of different value chain activities associated with recording and distributing music CDs through traditional retail outlets from Illustration Capsule 4.1.
 - What costs are bypassed when online retailers sell to online buyers?
 - What costs are increased by using online retailing?

WEEK 5**Course objective in focus:**

- Describe strategic planning techniques used to formulate alternative strategies designed to achieve stated business goals.

Supporting topics:

- Strategic alliances and partnerships.
- Merger and Acquisition Strategies.
- Vertical Integration Strategies.
- Outsourcing Strategies
- Business Strategy choices for Specific Market Situations
- Timing Strategic Moves
- Strategy Choices in Foreign Markets
- Global Competition
- Strategies for Competing in Foreign Markets

Activities:

Readings:

- Read Chapters 6 and 7.
- Read and analyze the case **Ikea invades America** and be prepared to discuss.

Lecture/Discussion:

- Lecture/discussion on strategic alliances and partnerships, mergers and acquisition strategies, vertical integration strategies, outsourcing strategies, emerging markets, growing markets, mature markets, stagnant or declining markets, fragmented industries and strategic moves.
- Class Discussion: Discuss the 5 industries listed below and evaluate whether it should be classified as a) emerging, b) rapid-growth, c) mature/slow-growth, d) stagnant/declining, e) high-velocity/turbulent, or f) fragmented. Explain your position. Conduct research on the Internet if needed.
 - 1) Network television
 - 2) Wine, Beer, and Liquor retailing
 - 3) Mobile Phone Industry
 - 4) Computer software industry
 - 5) Petroleum industry
- Lecture/discussion on expansion in to foreign markets, strategic choices in foreign markets, global competition, strategies for entering and competing in foreign markets, achieving a competitive advantage in a global market, and strategies for emerging markets.
- Class Discussion: **Ikea invades America**. The students will develop a response to the following:
 - What do you think of Ikea's product strategy and product range?
 - IKEA's plan to have 50 stores in operation in the United States by 2013 is an indicator of the company's optimism about the viability of its value proposition in this country. Do you think they are being overly optimistic?
 - How would you improve IKEA's value proposition to make it more attractive to American consumers?

WEEK 6

Course objective in focus:

- Analyze a plan to implement a firm's strategy and manage the change from current operations.
- Use technology and information resources to research issues in strategic management.

Supporting topics:

- Justification for Diversifying
- Strategies for Entering a New Business
- Diversifying into a Related Business.
- Diversifying into an Unrelated Business.
- Evaluating the Strategy of a Diversified Company

Activities:**Readings:**

- Read Chapter 8.
- Read and analyze the case **Nature View Farm** and be prepared to discuss.

Lecture/Discussion:

- Lecture/discussion on justification for diversifying, strategies for entering new businesses, diversifying into related and unrelated businesses.
- Class Discussion: The Walt Disney Company is in the following businesses: Theme Parks, Disney Cruise Line, Resort Properties, Movie, video, and theatrical productions, Television broadcasting , Radio broadcasting, Musical recording and sales of animation art, Anaheim Mighty Ducks NHLfranchise, Anaheim Angels Major League Baseball franchise, Books and magazine publishing, Interactive software and Internet Sites, The Disney Store retail shops.
 - Based on the above list, discuss whether or not Walt Disney's lineup reflects a strategy of related diversification, unrelated diversification, or a combination of related and unrelated. Explain your answer and be prepared to justify the extent to which the value chains of Disney's different businesses seem to have competitively valuable cross-business relationships.
- Lecture/discussion on evaluating the strategy of a diversified company including the industry attractiveness, Business-Unit competitive strength, competitive advantage of cross business strategic fits, resource fit, and strategies to improve corporate performance.
- Discussion on case: Discussion on case: **Nature View Farm**. The students will develop a response to the following:
 - How has Nature View succeeded in the natural foods channel?
 - What are the two primary types of growth strategies under consideration by Nature View?
 - What are the strategic advantages and risks of each option?
 - What channel management and conflict issues are involved?
 - Discuss which option Nature View Farm should adopt and explain why.

Assignment:

Assignment #3: Foreign Market Entry and Diversification.

- Students are required to conduct a case analysis for Case #13 **Corona Beer (Modelo)**. (C-248) and prepare a 4-5 page report to complete the following:
 1. Identify and discuss the trends in the global beer markets.
 2. Discuss how Modelo’s international expansion was made possible through strategic partnerships with experienced distributors in local markets.
 3. Identify and discuss the next foreign market that Modelo should enter and discuss the strategy it should use to enter the market.
 4. Discuss the challenges that Modelo faces from its competitor InBev, and how it might respond strategically to the industry giant.
 5. Discuss whether or not Modelo should diversity its business. If so, what business should it enter and why?

The format of the report is to be as follows:

- Typed, double spaced, Times New Roman font (size 12), one inch margins on all sides, APA format.
- Type the question followed by your answer to the question.
- In addition to the 4-5 pages required, a title page is to be included. The title page is to contain the title of the assignment, your name, the instructor’s name, the course title, and the date.

NOTE: One of the criteria that you will be graded on is the quality of your answers, the logic/organization of the report, your language skills, and your writing skills.

The assignment will be graded using the following rubric:

Outcomes Assessed	<ul style="list-style-type: none"> • Analyze a plan to implement a firm’s strategy and manage the change from current operations. • Use technology and information resources to research issues in strategic management.
Grading Rubric for Assignment # 3 – Foreign Market Entry and Diversification	

Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
1. Discuss the trends in the global beer market.	Did not attempt assignment or did not discuss the global beer industry trends sufficiently.	Discussed the trends in the global beer market with 70 - 79% accuracy, thoroughness, and insight.	Discussed the trends in the global beer market with 80 - 89% accuracy, thoroughness, and insight.	Discussed the trends in the global beer market with 90 – 100% accuracy, thoroughness, and insight.
2. Discuss how Modelo’s international expansion was made possible	Did not attempt assignment or did not discuss sufficiently how Modelo’s	Discussed how Modelo’s international expansion was made possible through	Discussed how Modelo’s international expansion was made possible through	Discussed how Modelo’s international expansion was made possible through

Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
through strategic partnerships with experienced distributors in local markets.	international expansion was made possible through strategic partnerships with experienced distributors in local markets.	strategic partnerships with experienced distributors in local markets with 70 - 79% accuracy, thoroughness, and insight.	strategic partnerships with experienced distributors in local markets with 80 - 89% accuracy, thoroughness, and insight.	strategic partnerships with experienced distributors in local markets with 90 to 100% accuracy, thoroughness, and insight.
3. Discuss the next foreign market Modelo should enter and the strategy it should use to enter the market.	Did not attempt assignment or did not discuss the next foreign market Modelo should enter and the strategy it should use to enter the market sufficiently.	Discussed the next foreign market Modelo should enter and the strategy it should use to enter the market with 70 - 79% accuracy, thoroughness, logic, and insight.	Discussed the next foreign market Modelo should enter and the strategy it should use to enter the market with 80 - 89% accuracy, thoroughness, logic and insight.	Discussed the next foreign market Modelo should enter and the strategy it should use to enter the market with 90 to 100% accuracy, thoroughness, logic and insight.
4. Discuss the challenges related to InBev and how Model may respond strategically to the industry giant.	Did not attempt assignment or did not discuss the challenges related to InBev and its impact on strategy.	The challenges related to InBev were discussed and the related impact on strategy with 70 - 79% accuracy, thoroughness, logic and insight.	Discussed the challenges related to InBev and how Model may respond strategically to the industry giant with 80 - 89% accuracy, thoroughness, logic and insight.	Discussed the challenges related to InBev and how Model may respond strategically to the industry giant with 90 to 100% accuracy, thoroughness, logic and insight.
5. Discuss if Modelo should diversify; identify the business, and explain why it should diversify.	Did not attempt assignment or did not discuss sufficiently the aspects of the question—if Modelo should diversify; the business, and explanation of why it should diversify.	Discussed some aspects of the question—if Modelo should diversify; the business, and explanation of why it should diversify. Discussed with 70 - 79% accuracy, thoroughness, logic and insight.	Discussed most aspects of the question—if Modelo should diversify; the business, and explanation of why it should diversify. Discussed with 80 - 89% accuracy, thoroughness, logic and insight.	Discussed all aspects of the question—if Modelo should diversify; the business, and explanation of why it should diversify. Discussed with 90 to 100% accuracy, thoroughness, logic and insight..
6. Clarity	Did not complete the assignment or explanations are unclear and not organized. (Major issues)	Explanations generally unclear and not well organized. (Many issues)	Explanations generally clear and/or organized. (Minor issues)	Explanations very clear and well organized. (Added helpful details.)
7. Writing – Grammar, sentence structure, paragraph structure, spelling, punctuation, APA usage.	Did not complete the assignment or had 8 or more different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Major issues)	Had 6 - 7 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Many issues)	Had 4 - 5 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Minor issues)	Had 0 - 3 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage.

WEEK 7

Course objective in focus:

- Analyze strategic planning techniques used to formulate alternative strategies designed to achieve stated business goals.
- Use technology and information resources to research issues in strategic management.

Supporting topics:

- What is business ethics?
- Developing ethical standards
- Drivers of Unethical Strategies and Business Behavior
- Moral and Business Case for ethical strategy
- Managing ethical conduct.
- Social Responsibility and Corporate Citizenship.

Activities:

Readings:

- Read Chapter 9
- Read and analyze Case 21 – **Dilemma at Devil’s Den** and be prepared to discuss.

e-Activity:

- Review Microsoft’s statements about its corporate citizenship programs at www.microsoft.com/about/corporatecitizenship.com. Be prepared to discuss.

Lecture/Discussion:

- Lecture/discussion on the meaning of business ethics, creating ethical standards, the categories of management morality, drivers of unethical behavior, moral and business case for ethical strategy, managing ethical conduct.
- Class Discussion: Case 21 – **Dilemma at Devil’s Den**. The students will develop a response to the following:
 - Describe the Culture at Devils Den?
 - Identify and discuss the drivers of unethical behavior at the Devil’s Den.
 - Discuss how the organization may go about changing its ethical standards?
 - Discuss what Susan might do with her knowledge related to the freebies, favors to friends, and employee snacks?
 - Discuss the fears about being a whistle blower and how it may impact an organization’s ethical standards.
- Lecture/discussion on social responsibility and corporate citizenship.
- Class Discussion: Review Microsoft’s statements about its corporate citizenship programs at www.microsoft.com/about/corporatecitizenship. Students will respond to the following:
 - Discuss how the company’s commitment to global citizenship provides positive benefits for its stakeholders.
 - Discuss how Microsoft plans to improve social and economic empowerment in developing countries through its Unlimited Potential Program.

- Discuss why corporate citizenship is important to Microsoft shareholders.

WEEK 8

Course objective in focus:

- Analyze strategies for exerting the internal leadership needed to drive the implementation of strategic initiatives and improve operating excellence.
- Use technology and information resources to research issues in strategic management.

Supporting topics:

- Staffing to sustain core competencies
- Intellectual capital, training and creativity
- Developing HR competencies to support strategy implementation.
- HRM issues related to execution and modification of strategy
- Organizational structure considerations to support strategy implementation.

Activities:

Readings:

- Read Chapter 10
- Read and analyze case study: **Brady Training** and be prepared to discuss.

e-Activity:

- Review the Careers link on L'Oreal's worldwide corporate Web site (go to www.loreal.com and click on the company's worldwide corporate Web site option). Be prepared to discuss.

Lecture/Discussion:

- Lecture/discussion on building an organization capable of good strategy execution, staffing organizations, building core competencies and competitive capabilities.
- Class Discussion: Review the Careers link on L'Oreal's worldwide corporate Web site (go to www.loreal.com and click on the company's worldwide corporate Web site option). The section provides extensive information about personal development, international learning opportunities, integration of new hires into existing teams, and other areas of management development. Students will respond to the following:
 - Discuss how the programs discussed help build core competencies and competitive capabilities at L'Oreal.
 - Use the chapter's discussion of building core competencies and competitive capabilities as a guide for formulating your response.
- Lecture/discussion on employee training and execution related aspects of organizing the work effort, organizational structure, strategic alliances, and organizational trends.
- Discussion on case: **Brady Training** to address the following:
 - How do you account for Bill's behavior during and after participation in the training?

- Should Bill stay with Brady or take a job with one of the other companies he has interviewed with?

Assignment:

Assignment #4 - HRM Issues/Diversification Strategies.

- Students are required to conduct an analysis of Case #10 **Nucor Corporation** and prepare a 4-5 page report.
 1. Discuss the trends in the steel industry and how it may impact Nucor’s strategy.
 2. Discuss the organizational structure and management philosophy at Nucor.
 3. Identify three HRM issues related to strategy implementation and recommend actions to address these issues.
 4. Based on the situation, recommend whether a related or unrelated diversification should be used by the company. Provide supporting rationale.
 5. Based on your recommendation for related or unrelated diversification, identify the organizational structure issues that the company would need to address to implement that diversification.

The format of the report is to be as follows:

- Typed, double spaced, Times New Roman font (size 12), one inch margins on all sides, APA format.
- Type the question followed by your answer to the question.
- In addition to the 4-5 pages required, a title page is to be included. The title page is to contain the title of the assignment, your name, the instructor’s name, the course title, and the date.

NOTE: One of the criteria that you will be graded on is the quality of your answers, the logic/organization of the report, your language skills, and your writing skills.

The assignment will be graded using the following rubric:

Outcomes Assessed	<ul style="list-style-type: none"> ● Analyze strategies for exerting the internal leadership needed to drive the implementation of strategic initiatives and improve operating excellence. ● Use technology and information resources to research issues in strategic management.
Grading Rubric for Assignment # 4 – HRM Issues/Diversification Strategies	

Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
1. Discuss the trends in steel industry and how it may impact Nucor’s strategy.	Did not attempt assignment or did not discuss the trends in steel industry and how it may impact Nucor’s strategy sufficiently.	Discussed the trends in steel industry and how it may impact Nucor’s strategy with 70 - 79% accuracy, thoroughness, and insight.	Discussed the trends in steel industry and how it may impact Nucor’s strategy with 80 - 89% accuracy, thoroughness, and insight.	Discussed the trends in steel industry and how it may impact Nucor’s strategy with 90 to 100% accuracy, thoroughness, and insight.

Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
2. Discuss the organizational and management philosophy at Nucor.	Did not attempt assignment or did not discuss the organizational and management philosophy at Nucor sufficiently.	Discussed the organizational and management philosophy at Nucor.with 70 - 79% accuracy, thoroughness, and insight.	Discussed the organizational and management philosophy at Nucor.with 80 - 89% accuracy, thoroughness, and insight.	Discussed the organizational and management philosophy at Nucor.with 90 to 100% accuracy, thoroughness, and insight.
3. Identify 3 HRM issues related to strategy implementation and recommend actions to address these issues.	Did not attempt assignment or did not discuss issues related to strategy implementation or actions to address issues sufficiently.	Discussed 1 of 2 HRM issues related to strategy implementation and recommended actions to address 1 of 3 issues. Discussed with 70 - 79% accuracy, thoroughness, logic, and insight.	Discussed 2 of 3 HRM issues related to strategy implementation and recommended actions to address 2 of 3 issues. . Discussed with 80 - 89% accuracy, thoroughness, logic, and insight.	Discussed all 3 HRM issues related to strategy implementation and recommended actions to address all 3 issues. Discussed with 90 to 100% accuracy, thoroughness, logic, and insight.
4. Recommend whether a related or unrelated diversification should be used and provide supporting rationale.	Did not attempt assignment or did not recommend whether a related or unrelated diversification should be used and provided supporting rationale. Discussed issues insufficiently.	Recommended whether a related or unrelated diversification should be used and provided supporting rationale. Discussed issues with 70 - 79% accuracy, thoroughness, and logic.	Recommended whether a related or unrelated diversification should be used and provided supporting rationale. Discussed issues with 80 - 89% accuracy, thoroughness, and logic.	Recommended whether a related or unrelated diversification should be used and provided supporting rationale. Discussed issues with 90-100% accuracy, thoroughness, and logic.
5. Based on the recommended diversification strategy, identify the organizational structure issues the company would need to address to implement the strategy.	Did not attempt assignment or did not discuss the organizational issues and its impact on strategy.	Identify the organizational structure issues the company would need to address to implement the strategy and discussed issues with 70 - 79% accuracy, thoroughness, logic, and insight.	Identify the organizational structure issues the company would need to address to implement the strategy and discussed issues with 80 - 89% accuracy, thoroughness, logic, and insight.	Identify the organizational structure issues the company would need to address to implement the strategy and discussed issues with 90 to 100% accuracy, thoroughness, logic, and insight.
6. Clarity	Did not complete the assignment or explanations are unclear and not organized. (Major issues)	Explanations generally unclear and not well organized. (Many issues)	Explanations generally clear and/or organized. (Minor issues)	Explanations very clear and well organized. (Added helpful details.)
7. Writing – Grammar, sentence structure, paragraph structure, spelling, punctuation, APA usage.	Did not complete the assignment or had 8 or more different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Major issues)	Had 6 - 7 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Many issues)	Had 4 - 5 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Minor issues)	Had 0 - 3 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage.

WEEK 9

Course objective in focus:

- Analyze strategies for exerting the internal leadership needed to drive the implementation of strategic initiatives and improve operating excellence.
- Use technology and information resources to research issues in strategic management.

Supporting topics:

- Policies and procedures for strategy execution.
- Best practices and continuous improvement.
- Business process reengineering.
- Information and operating systems
- Rewards and incentives for strategy execution

Activities:

Readings:

- Read Chapter 11

e-Activity:

- Review the last five Malcolm Baldrige National Quality Award recipients at www.quality.nist.gov. Be prepared to discuss.

Lecture/Discussion:

- Lecture/discussion on policies and procedures for strategy execution, best practices and continuous improvement, and business process re-engineering.
- Class Discussion: Discuss the last five Malcolm Baldrige National Quality Award recipient at www.quality.nist.gov. Students will respond to the following:
 - Discuss the standout features of the companies' approaches to managing operations.
 - What attributes do you find impressive about the companies' policies and procedures, and use of best practices.
 - Discuss how the companies emphasize continuous improvement and the use of rewards and incentives.
- Lecture/discussion on information and operating systems and rewards and incentives for strategy execution.
- Discussion on case 22: Wal-Mart Stores Inc. (C-367). Students will address the following:
 - Discuss the Wal-Mart bashing and how it led to transforming initiatives.
 - Discuss Wal-Mart's strategy related to low prices and how it supports the strategy.
 - Discuss Wal-Mart's policies and relationship with suppliers.
 - Discuss how Wal-Mart's distribution center operations support its strategy and

- provides a competitive advantage.
- Discuss how Wal-Mart's compensation and benefits package is a key component of its strategy.

WEEK 10

Course objective in focus:

- Analyze strategies for exerting the internal leadership needed to drive the implementation of strategic initiatives and improve operating excellence.
- Use technology and information resources to research issues in strategic management.

Supporting topics:

- Characteristics of corporate culture (key features, values, ethics, strong vs. weak)
- Impact of corporate culture on performance.
- Creating/changing a company's culture
- Strategy and corporate culture in multinational companies
- Leadership actions to support strategy implementation.

Activities:

Readings:

- Read Chapter 12.
- Read and analyze the **Home Depot** case and be prepared to discuss.

e-Activity:

- Go to the jobs section at www.intel.com and see what Intel has to say about its culture under the links for Careers, Diversity, and the Workplace. Be prepared to discuss.

Lecture/Discussion:

- Lecture/discussion on instilling a corporate culture to promote strategy execution, types of cultures, and value and ethics.
- Class Discussion: Go to the jobs section at www.intel.com and see what Intel has to say about its culture under the links for Careers, Diversity, and the Workplace. Students will discuss the following:
 - Discuss whether or not what is on the website is recruiting propaganda or does it convey the type of work climate that management is actually trying to create.
 - Discuss how the culture at Intel may give them a competitive advantage in the industry.
 - Discuss whether or not the culture would be a good fit for you as an employee.
- Lecture/discussion on leading the strategy execution process.
- Discussion on the **Home Depot** case in the textbook: Students will develop a response to the questions below:
 - How would you describe the culture at Home Depot?
 - Discuss the impact of the cultural change and the reaction of the employee.

- Discuss how the new culture was implemented at Home Depot.
- How did the cultural change give Home Depot a competitive advantage?

Assignment:

Assignment #5 - Corporate Culture/Leadership Actions for Strategy Implementation.

- Students are required to conduct an analysis of **Case 23 Southwest Airlines (c-401)** and prepare a 4-7 page report. Students will address the following:
 1. Discuss the corporate culture at Southwest Airlines and how it leverages its culture to achieve a competitive advantage.
 2. Evaluate the company’s financial performance by calculating and interpreting the profitability ratios (operating profit margin, net profit margin, return on total assets, and return on stockholders’ equity).
 3. Describe the characteristics of company’s culture and how you think it affects company performance.
 4. Given the strategic decisions in the case, recommend actions that Southwest’s management should take to sustain/strengthen the culture (or implement a change) based on the situation given.
 5. Given the strategic decisions in the case, identify three leadership actions that the company would need to consider to implement the decisions. Explain why these are critical to implementing the strategic decision.

The format of the report is to be as follows:

- Typed, double spaced, Times New Roman font (size 12), one inch margins on all sides, APA format.
- Type the question followed by your answer to the question.
- In addition to the 4-7 pages required, a title page is to be included. The title page is to contain the title of the assignment, your name, the instructor’s name, the course title, and the date.

NOTE: One of the criteria that you will be graded on is the quality of your answers, the logic/organization of the report, your language skills, and your writing skills.

The assignment will be graded using the following rubric:

Outcomes Assessed	<ul style="list-style-type: none"> • Analyze strategies for exerting the internal leadership needed to drive the implementation of strategic initiatives and improve operating excellence. • Use technology and information resources to research issues in strategic management. 			
Grading Rubric for Assignment # 5 – Corporate Culture/Leadership Actions for Strategy Implementation				
Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
1. Discuss the corporate culture at	Did not attempt assignment or did not	Discussed the corporate culture at	Discussed the corporate culture at	Discussed the corporate culture at

Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
Southwest Airlines and how it leverages its culture to achieve a competitive advantage.	discuss the corporate culture at Southwest Airlines and how it leverages its culture to achieve a competitive advantage sufficiently.	Southwest Airlines and how it leverages its culture to achieve a competitive advantage with 70 - 79% accuracy, thoroughness, and insight.	Southwest Airlines and how it leverages its culture to achieve a competitive advantage with 80 - 89% accuracy, thoroughness, and insight.	Southwest Airlines and how it leverages its culture to achieve a competitive advantage with 90 to 100% accuracy, thoroughness, and insight.
2. Evaluate the company's financial performance by calculating and interpreting the profitability ratios (operating profit margin, net profit margin, return on total assets, return on stockholders' equity).	Did not attempt assignment or did not evaluate the company's financial performance by calculating and interpreting the profitability ratios accurately or sufficiently.	Evaluated some of the company's financial performance by calculating and interpreting the profitability ratios with 70 - 79% accuracy and thoroughness.	Evaluated most of the company's financial performance by calculating and interpreting the profitability ratios with 80 - 89% accuracy and thoroughness.	Evaluated all of the company's financial performance by calculating and interpreting the profitability ratios with 90 to 100% accuracy and thoroughness.
3. Describe the elements of a company's corporate culture and how it impacts performance.	Did not attempt assignment or did not discuss elements or the impact sufficiently.	Described some of the elements of a company's corporate culture and how it impacts performance. Discussed with 70 - 79% accuracy, thoroughness, and insight.	Described most of the elements of a company's corporate culture and how it impacts performance. Discussed with 80 - 89% accuracy, thoroughness, and insight.	Described all of the elements of a company's corporate culture and how it impacts performance. Discussed with 90 to 100% accuracy, thoroughness, and insight.
4. Recommend actions that Southwest's management should take to sustain/strengthen the culture (or implement a change) based on the situation given.	Did not attempt assignment or did not recommend actions that Southwest's management should take to sustain/strengthen the culture (or implement a change) based on the situation given. Or, discussed recommendations insufficiently.	Recommended actions that Southwest's management should take to sustain/strengthen the culture (or implement a change) based on the situation given. Discussed recommendations with 70 - 79% accuracy, thoroughness, logic, and insight.	Recommended actions that Southwest's management should take to sustain/strengthen the culture (or implement a change) based on the situation given. Discussed recommendations with 80 - 89% accuracy, thoroughness, logic, and insight.	Recommended actions that Southwest's management should take to sustain/strengthen the culture (or implement a change) based on the situation given. Discussed recommendations with 90 to 100% accuracy, thoroughness, logic, and insight.
5. Identify 3 leadership actions the company needs to consider to implement the strategic decisions at Southwest and explain why they are critical.	Did not attempt assignment or did not identify actions and did not explain why they were critical sufficiently.	Identified 1 of 3 leadership actions to implement the strategic decisions at Southwest and explained why 1 of 3 was critical. Discussed with 80 - 89% accuracy,	Identified 2 of 3 leadership actions to implement the strategic decisions at Southwest and explained why 2 of 3 were critical. Discussed with 80 - 89% accuracy,	Identified 3 leadership actions to implement the strategic decisions at Southwest and explained why each was critical. Discussed with 90-100% accuracy,

Criteria	0 Unacceptable	20 Developing	30 Competent	40 Exemplary
		thoroughness, and insight.	thoroughness, and insight.	thoroughness, and insight.
6. Clarity	Did not complete the assignment or explanations are unclear and not organized. (Major issues)	Explanations generally unclear and not well organized. (Many issues)	Explanations generally clear and/or organized. (Minor issues)	Explanations very clear and well organized. (Added helpful details.)
7. Writing – Grammar, sentence structure, paragraph structure, spelling, punctuation, APA usage.	Did not complete the assignment or had 8 or more different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Major issues)	Had 6 - 7 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Many issues)	Had 4 - 5 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage. (Minor issues)	Had 0 - 3 different errors in grammar, sentence structure, paragraph structure, spelling, punctuation or APA usage.

WEEK 11

Course objective in focus:

- Formulate, implement and evaluate effective business strategies based on an analysis of domestic and global operating environments, market dynamics, and internal capabilities.

Supporting topics:

- Previous course materials.

Activities:

Readings:

- Review prior course materials.

Lecture/Discussion:

- Discussion on Case 6: Dell Inc. in 2008 (C-115). Students will address the following:
 - Discuss how Dell has become the global market leaders in PC's.
 - Discuss Dell's strategy and business model including build to order and direct sales strategy.
 - Discuss if Dell should expand into new products, and if so, what products?
 - Discuss Dell's customer service and technical support and whether or not it yields satisfied customers.
 - Discuss whether or not Dell's strategy can be supported over time thus, providing a sustained competitive advantage in the marketplace.

V. ASSIGNMENT OUTLINE AND GRADING

<u>Assignment Type</u>	<u>Total Points</u>	<u>Percentage*</u>
Assignment # 1	280	17%
Assignment # 2	280	17%
Assignment # 3	280	17%
Assignment # 4	280	17%

Assignment # 5	280	17%
Participation	<u>210</u>	13%
Total	1,610	

* The percentages may not total 100% due to rounding.

Grading Scale		
<u>Points</u>	<u>Percentage</u>	<u>Grade</u>
1,449-1,610	90-100	A
1,288-1,448	80-89	B
1,127-1,287	70-79	C
Below 1,127	Below 70	F

APPENDIX

A Guide to Case Analysis (McGraw-Hill)

In most courses in strategic management, students use cases about actual companies to practice strategic analysis and to gain some experience in the tasks of crafting and implementing strategy. A case sets forth, in a factual manner, the events and organizational circumstances surrounding a particular managerial situation.

It puts readers at the scene of the action and familiarizes them with all the relevant circumstances. A case on strategic management can concern a whole industry, a single organization, or some part of an organization; the organization involved can be either profit seeking or not-for-profit. The essence of the student's role in case analysis is to *diagnose* and *size up* the situation described in the case and then to *recommend* appropriate action steps.

Why Use Cases to Practice Strategic Management?

The foregoing limerick was used some years ago by Professor Charles Gragg to characterize the plight of business students who had no exposure to cases.¹

The facts are that the mere act of listening to lectures and sound advice about managing does little for anyone's management skills and that the accumulated managerial wisdom cannot effectively be passed on by lectures and assigned readings alone.

If anything had been learned about the practice of management, it is that a storehouse of ready-made textbook answers does not exist.

Each managerial situation has unique aspects, requiring its own diagnosis, judgment, and tailor made actions.

Cases provide would-be managers with a valuable way to practice wrestling with the actual problems of actual managers in actual companies.

The case approach to strategic analysis is, first and foremost, an exercise in learning by doing.

Because cases provide you with detailed information about conditions and problems of different industries and companies, your task of analyzing company after company and situation after situation has the twin benefit of boosting your analytical skills and exposing you to the ways companies and managers actually do things.

Most college students have limited managerial backgrounds and only fragmented knowledge about companies and real-life strategic situations.

Cases help substitute for on-the-job experience by (1) giving you broader exposure to a variety of industries, organizations, and strategic problems; (2) forcing you to assume a managerial role (as opposed to that of just an onlooker); (3) providing a test of how to apply the tools and techniques of strategic management; and (4) asking you to come up with pragmatic managerial action plans to deal with the issues at hand.

Objectives of Case Analysis

Using cases to learn about the practice of strategic management is a powerful way for you to accomplish five things:

- 1. Increase your understanding of what managers should and should not do in guiding a business to success.***
- 2. Build your skills in sizing up company resource strengths and weaknesses and in conducting strategic analysis in a variety of industries and competitive situations.***
- 3. Get valuable practice in identifying strategic issues that need to be addressed, evaluating strategic alternatives, and formulating workable plans of action.***
- 4. Enhance your sense of business judgment, as opposed to uncritically accepting the authoritative crutch of the professor or “back-of-the-book” answers.***
- 5. Gaining in-depth exposure to different industries and companies, thereby acquiring something close to actual business experience.***

If you understand that these are the objectives of case analysis, you are less likely to be consumed with curiosity about “the answer to the case.” Students who have grown comfortable with and accustomed to textbook statements of fact and definitive lecture notes are often frustrated when discussions about a case do not produce concrete answers. Usually, case discussions produce good arguments for more than one course of action. Differences of opinion nearly always exist. Thus, should a class discussion conclude without a strong, unambiguous consensus on what to do, don’t grumble too much when you are *not* told what the answer is or what the company actually did. Just remember that in the business world answers don’t come in conclusive black-and-white terms. There are nearly always several feasible courses of action and approaches, each of which may work out satisfactorily.

Moreover, in the business world, when one elects a particular course of action, there is no peeking at the back of a book to see if you have chosen the best thing to do and no one to turn to for a provably correct answer. The best test of whether management action is “right” or “wrong” is *results*. If the results of an action turn out to be “good,” the decision to take it may be presumed “right.” If not, then the action chosen was “wrong” in the sense that it didn’t work out.

Hence, the important thing for you to understand about analyzing cases is that the managerial exercise of identifying, diagnosing, and recommending is aimed at building your skills of business judgment. Discovering what the company actually did is no more than frosting on the cake—the actions that company managers actually took may or may not be “right” or best (unless there is accompanying evidence that the results of their actions were highly positive).

The point is this: *The purpose of giving you a case assignment is not to cause you to run to the library or surf the Internet to discover what the company actually did but, rather, to enhance your skills in sizing up situations and developing your managerial judgment about what needs to be done and how to do it.* The aim of case analysis is for *you* to become actively engaged in diagnosing the business issues and managerial problems posed in the case, to propose workable solutions, and to explain and defend your assessments— this is how cases provide you with meaningful practice at being a manager.

Preparing a Case for Class Discussion

If this is your first experience with the case method, you may have to reorient your study habits. Unlike lecture courses where you can get by without preparing intensively for each class and where you have

latitude to work assigned readings and reviews of lecture notes into your schedule, a case assignment requires conscientious preparation before class. You will not get much out of hearing the class discuss a case you haven't read, and you certainly won't be able to contribute anything yourself to the discussion. What you have got to do to get ready for class discussion of a case is to study the case, reflect carefully on the situation presented, and develop some reasoned thoughts. Your goal in preparing the case should be to end up with what you think is a sound, well-supported analysis of the situation and a sound, defensible set of recommendations about which managerial actions need to be taken.

To prepare a case for class discussion, we suggest the following approach:

- 1. Skim the case rather quickly to get an overview of the situation it presents.** This quick overview should give you the general flavor of the situation and indicate the kinds of issues and problems that you will need to wrestle with. If your instructor has provided you with study questions for the case, now is the time to read them carefully.
- 2. Read the case thoroughly to digest the facts and circumstances.** On this reading, try to gain full command of the situation presented in the case.
- 3. Carefully review all the information presented in the exhibits.** Often, there is an important story in the numbers contained in the exhibits. Expect the information in the case exhibits to be crucial enough to materially affect your diagnosis of the situation.
- 4. Decide what the strategic issues are.** Until you have identified the strategic issues and problems in the case, you don't know what to analyze, which tools and analytical techniques are called for, or otherwise how to proceed. At times the strategic issues are clear—either being stated in the case or else obvious from reading the case. At other times you will have to dig them out from all the information given.
- 5. Start your analysis of the issues with some number crunching.** A big majority of strategy cases call for some kind of number crunching—calculating assorted financial ratios to check out the company's financial condition and recent performance, calculating growth rates of sales or profits or unit volume, checking out profit margins and the makeup of the cost structure, and understanding whatever revenue cost-profit relationships are present. See Table 4.1 for a summary of key financial ratios, how they are calculated, and what they show.
- 6. Apply the concepts and techniques of strategic analysis you have been studying.** Strategic analysis is not just a collection of opinions; rather, it entails applying concepts and analytical tools. Every case assigned is strategy related and presents you with an opportunity to usefully apply what you have learned.
- 7. Check out conflicting opinions and make some judgments about the validity of all the data and information provided.** Many times cases report views and contradictory opinions (after all, people don't always agree on things, and different people see the same things in different ways). Forcing you to evaluate the data and information presented in the case helps you develop your powers of inference and judgment. Asking you to resolve conflicting information “comes with the territory” because a great many managerial situations entail opposing points of view, conflicting trends, and sketchy information.
- 8. Support your diagnosis and opinions with reasons and evidence.** The most important things to prepare for are your answers to the question “Why?” For instance, if after studying the case you are of the opinion that the company's managers are doing a poor job, then it is your answer to “Why?” that establishes just how good your analysis of the situation is.
- 9. Develop an appropriate action plan and set of recommendations.** Diagnosis divorced from corrective action is sterile. The test of a manager is always to convert sound analysis into sound actions—actions that will produce the desired results. Hence, the final and most telling step in preparing a case is to develop an action agenda for management that lays out a set of specific recommendations on what to do. Bear in mind that proposing realistic, workable solutions is far preferable to casually tossing out off-the-top-of-your-head suggestions. Be prepared to argue why your recommendations are more attractive than other courses of action that are open.

Key Financial Ratios: How to Calculate Them and What They Mean

Table 4.1 Key Financial Ratios: How to Calculate Them and What They Mean

Ratio	How Calculated	What It Shows
Profitability ratios		
1. Gross profit margin	$\frac{\text{Sales} - \text{cost of goods sold}}{\text{Sales}}$	Shows the percentage of revenues available to cover operating expenses and yield a profit. Higher is better, and the trend should be upward.
2. Operating profit margin (or return on sales)	$\frac{\text{Sales} - \text{Operating expenses}}{\text{Sales}}$ or $\frac{\text{Operating income}}{\text{Sales}}$	Shows the profitability of current operations without regard to interest charges and income taxes. Higher is better, and the trend should be upward.
3. Net profit margin (or net return on sales)	$\frac{\text{Profits after taxes}}{\text{Sales}}$	Shows after-tax profits per dollar of sales. Higher is better, and the trend should be upward.
4. Return on total assets	$\frac{\text{Profits after taxes} + \text{Interest}}{\text{Total assets}}$	A measure of the return on total investment in the enterprise. Interest is added to after-tax profits to form the numerator since total assets are financed by creditors as well as by stockholders. Higher is better, and the trend should be upward.
5. Return on stockholders' equity	$\frac{\text{Profits after taxes}}{\text{Total stockholders' equity}}$	Shows the return stockholders are earning on their investment in the enterprise. A return in the 12–15 percent range is average, and the trend should be upward.
6. Earnings per share	$\frac{\text{Profits after taxes}}{\text{Number of shares of common stock outstanding}}$	Shows the earnings for each share of common stock outstanding. The trend should be upward, and the bigger the annual percentage gains, the better.
Liquidity ratios		
1. Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	Shows a firm's ability to pay current liabilities using assets that can be converted to cash in the near term. Ratio should definitely be higher than 1.0; ratios of 2 or higher are better still.
2. Quick ratio (or acid-test ratio)	$\frac{\text{Current assets} - \text{Inventory}}{\text{Current liabilities}}$	Shows a firm's ability to pay current liabilities without relying on the sale of its inventories.
3. Working capital	Current assets – Current liabilities	Bigger amounts are better because the company has more internal funds available to (1) pay its current liabilities on a timely basis and (2) finance inventory expansion, additional accounts receivable, and a larger base of operations without resorting to borrowing or raising more equity capital.
Leverage ratios		
1. Debt-to-assets ratio	$\frac{\text{Total debt}}{\text{Total assets}}$	Measures the extent to which borrowed funds have been used to finance the firm's operations. Low fractions or ratios are better—high fractions indicate overuse of debt and greater risk of bankruptcy.

Table 4.1 Continued

Ratio	How Calculated	What It Shows
2. Debt-to-equity ratio	$\frac{\text{Total debt}}{\text{Total stockholders' equity}}$	Should usually be less than 1.0. High ratios (especially above 1.0) signal excessive debt, lower creditworthiness, and weaker balance sheet strength.
3. Long-term debt-to-equity ratio	$\frac{\text{Long-term debt}}{\text{Total stockholders' equity}}$	Shows the balance between debt and equity in the firm's long-term capital structure. Low ratios indicate greater capacity to borrow additional funds if needed.
4. Times-interest-earned (or coverage) ratio	$\frac{\text{Operating income}}{\text{Interest expenses}}$	Measures the ability to pay annual interest charges. Lenders usually insist on a minimum ratio of 2.0, but ratios above 3.0 signal better creditworthiness.
Activity ratios		
1. Days of inventory	$\frac{\text{Sales} + 365}{\text{Inventory}}$	Measures inventory management efficiency. Fewer days of inventory are usually better.
2. Inventory turnover	$\frac{\text{Sales}}{\text{Inventory}}$	Measures the number of inventory turns per year. Higher is better.
3. Average collection period	$\frac{\text{Accounts receivable}}{\text{Total sales} + 365}$ or $\frac{\text{Accounts receivable}}{\text{Average daily sales}}$	Indicates the average length of time the firm must wait after making a sale to receive cash payment. A shorter collection time is better.
Other important measures of financial performance		
1. Dividend yield on common stock	$\frac{\text{Annual dividends per share}}{\text{Current market price per share}}$	A measure of the return that shareholders receive in the form of dividends. A "typical" dividend yield in 2–3%. The dividend yield for fast-growth companies is often below 1% (may be even 0); the dividend yield for slow-growth companies can run 4–5%.
2. Price/earnings ratio	$\frac{\text{Current market price per share}}{\text{Earnings per share}}$	P/E ratios above 20 indicate strong investor confidence in a firm's outlook and earnings growth; firms whose future earnings are at risk or likely to grow slowly typically have ratios below 12.
3. Dividend payout ratio	$\frac{\text{Annual dividends per share}}{\text{Earnings per share}}$	Indicates the percentage of after-tax profits paid out as dividends.
4. Internal cash flow	After tax profits + Depreciation	A quick and rough estimate of the cash a company's business is generating after payment of operating expenses, interest, and taxes. Such amounts can be used for dividend payments or funding capital expenditures.

As long as you are conscientious in preparing your analysis and recommendations, and have ample reasons, evidence, and arguments to support your views, you shouldn't fret unduly about whether what you've prepared is "the right answer" to the case. In case analysis there is rarely just one right approach or set of recommendations. Managing companies and crafting and executing strategies are not such exact sciences that there exists a single provably correct analysis and action plan for each strategic situation.

Of course, some analyses and action plans are better than others; but, in truth, there's nearly always more than one good way to analyze a situation and more than one good plan of action.

Participating in Class Discussion of a Case

Classroom discussions of cases are sharply different from attending a lecture class. In a case class students do most of the talking. The instructor's role is to solicit student participation, keep the discussion on track, ask "Why?" often, offer alternative views, play the devil's advocate (if no students jump in to offer opposing views), and otherwise lead the discussion. The students in the class carry the burden for analyzing the situation and for being prepared to present and defend their diagnoses and recommendations. Expect a classroom environment, therefore, that calls for *your* size-up of the situation, *your* analysis, what actions *you* would take, and why *you* would take them. Do not be dismayed if, as the class discussion unfolds, some insightful things are said by your fellow classmates that you did not think of. It is normal for views and analyses to differ and for the comments of others in the class to expand your own thinking about the case.

As the old adage goes, "Two heads are better than one." Therefore, it is to be expected that the class as a whole will do a more penetrating and searching job of case analysis than will any one person working alone. This is the power of group effort, and its virtues are that it will help you see more analytical

applications, let you test your analyses and judgments against those of your peers, and force you to wrestle with differences of opinion and approaches.

To orient you to the classroom environment on the days a case discussion is scheduled, we compiled the following list of things to expect:

- 1. Expect the instructor to assume the role of extensive questioner and listener.**
- 2. Expect students to do most of the talking. The case method enlists a maximum of individual participation in class discussion. It is not enough to be present as a silent observer; if every student took this approach, there would be no discussion. (Thus, expect a portion of your grade to be based on your participation in case discussions.)**
- 3. Be prepared for the instructor to probe for reasons and supporting analysis.**
- 4. Expect and tolerate challenges to the views expressed. All students have to be willing to submit their conclusions for scrutiny and rebuttal. Each student needs to learn to state his or her views without fear of disapproval and to overcome the hesitation of speaking out. Learning respect for the views and approaches of others is an integral part of case analysis exercises. However, there are times when it is OK to swim against the tide of majority opinion. In the practice of management, there is always room for originality and unorthodox approaches. So, while discussion of a case is a group process, there is no compulsion for you or anyone else to cave in and conform to group opinions and group consensus.**
- 5. Don't be surprised if you change your mind about some things as the discussion unfolds. Be alert to how these changes affect your analysis and recommendations (in the event you get called on).**
- 6. Expect to learn a lot in class as the discussion of a case progresses; furthermore, you will find that the cases build on one another—what you learn in one case helps prepare you for the next case discussion.**

There are several things you can do on your own to be good and look good as a participant in class discussions:

Although you should do your own independent work and independent thinking, don't hesitate before (and after) class to discuss the case with other students. In real life, managers often discuss the company's problems and situation with other people to refine their own thinking.

- In participating in the discussion, make a conscious effort to contribute, rather than just talk. There is a big difference between saying something that builds the discussion and offering a long-winded, off-the-cuff remark that leaves the class wondering what the point was.**
- Avoid the use of "I think," "I believe," and "I feel"; instead, say, "My analysis shows —" and "The company should do _____.because _____." Always give supporting reasons and evidence for your views; then your instructor won't have to ask you "Why?" every time you make a comment.**
- In making your points, assume that everyone has read the case and knows what it says; avoid reciting and rehashing information in the case—instead, use the data and information to explain your assessment of the situation and to support your position.**

Preparing a Written Case Analysis

Preparing a written case analysis is much like preparing a case for class discussion, except that your analysis must be more complete and put in report form. Unfortunately, though, there is no ironclad procedure for doing a written case analysis. All we can offer are some general guidelines and words of wisdom—this is because company situations and management problems are so diverse that no one mechanical way to approach a written case assignment always works.

Your instructor may assign you a specific topic around which to prepare your written report. Or, alternatively, you may be asked to do a comprehensive written case analysis, where the expectation is that you will

(1) *identify* all the pertinent issues that management needs to address, (2) perform whatever *analysis* and *evaluation* is appropriate, and (3) propose an *action plan* and *set of recommendations* addressing the issues you have identified. In going through the exercise of identify, evaluate, and recommend, keep the following pointers in mind.

Identification It is essential early on in your paper that you provide a sharply focused diagnosis of strategic issues and key problems and that you demonstrate a good grasp of the company's present situation.

Consider beginning your paper with an overview of the company's situation, its strategy, and the significant problems and issues that confront management. State problems/issues as clearly and precisely as you can. Unless it is necessary to do so for emphasis, avoid recounting facts and history about the company (assume your professor has read the case and is familiar with the organization).

Analysis and Evaluation This is usually the hardest part of the report. Analysis is hard work! Check out the firm's financial ratios, its profit margins and rates of return, and its capital structure, and decide how strong the firm is financially. Table 4.1 contains a summary of various financial ratios and how they are calculated.

Use it to assist in your financial diagnosis. Similarly, look at marketing, production, managerial competence, and other factors underlying the organization's strategic successes and failures. Decide whether the firm has valuable resource strengths and competencies and, if so, whether it is capitalizing on them.

Check to see if the firm's strategy is producing satisfactory results and determine the reasons why or why not. Probe the nature and strength of the competitive forces confronting the company. Decide whether and why the firm's competitive position is getting stronger or weaker. In writing your analysis and evaluation, bear in mind four things:

- 1. You are obliged to offer analysis and evidence to back up your conclusions. Do not rely on unsupported opinions, over-generalizations, and platitudes as a substitute for tight, logical argument backed up with facts and figures.*
- 2. If your analysis involves some important quantitative calculations, use tables and charts to present the calculations clearly and efficiently. Don't just tack the exhibits on at the end of your report and let the reader figure out what they mean and why they were included. Instead, in the body of your report cite some of the key numbers, highlight the conclusions to be drawn from the exhibits, and refer the reader to your charts and exhibits for more details.*
- 3. Demonstrate that you have command of the strategic concepts and analytical tools to which you have been exposed. Use them in your report.*
- 4. Your interpretation of the evidence should be reasonable and objective. Be wary of preparing a one-sided argument that omits all aspects not favorable to your conclusions. Likewise, try not to exaggerate or overdramatize. Endeavor to inject balance into your analysis and to avoid emotional rhetoric. Strike phrases such as "I think," "I feel," and "I believe" when you edit your first draft and write in "My analysis shows," instead.*

Recommendations The final section of the written case analysis should consist of a set of definite recommendations and a plan of action. Your set of recommendations should address all of the problems/issues you identified and analyzed. If the recommendations come as a surprise or do not follow logically from the analysis, the effect is to weaken greatly your suggestions of what to do. Obviously, your recommendations for actions should offer a reasonable prospect of success. High-risk, bet-the-company recommendations should be made with caution. State how your recommendations will solve the problems you identified. Be sure the company is financially able to carry out what you recommend; also check to see if your recommendations are workable in terms of acceptance by the persons involved, the organization's competence to implement them, and prevailing market and environmental constraints. Try not to hedge or weasel on the actions you believe should be taken.

By all means state your recommendations in sufficient detail to be meaningful—get down to some definite nitty-gritty specifics. Avoid such unhelpful statements as "the organization should do more planning" or "the company should be more aggressive in marketing its product." For instance, if you determine that "the firm should improve its market position," then you need to set forth exactly how you think this should be done. Offer a definite agenda for action, stipulating a timetable and sequence for

initiating actions, indicating priorities, and suggesting who should be responsible for doing what. In proposing an action plan, remember there is a great deal of difference between, on the one hand, being responsible for a decision that may be costly if it proves in error and, on the other hand, casually suggesting courses of action that might be taken when you do not have to bear the responsibility for any of the consequences.

A good rule to follow in making your recommendations is: *Avoid recommending anything you would not yourself be willing to do if you were in management's shoes.* The importance of learning to develop good managerial judgment is indicated by the fact that, even though the same information and operating data may be available to every manager or executive in an organization, the quality of the judgments about what the information means and which actions need to be taken does vary from person to person.⁴

It goes without saying that your report should be well organized and well written. Great ideas amount to little unless others can be convinced of their merit—this takes tight logic, the presentation of convincing evidence, and persuasively written arguments.

Preparing an Oral Presentation

During the course of your business career it is very likely that you will be called upon to prepare and give a number of oral presentations. For this reason, it is common in courses of this nature to assign cases for oral presentation to the whole class. Such assignments give you an opportunity to hone your presentation skills.

The preparation of an oral presentation has much in common with that of a written case analysis. Both require identification of the strategic issues and problems confronting the company, analysis of industry conditions and the company's situation, and the development of a thorough, well-thought out action plan. The substance of your analysis and quality of your recommendations in an oral presentation should be no different than in a written report. As with a written assignment, you'll need to demonstrate command of the relevant strategic concepts and tools of analysis and your recommendations should contain sufficient detail to provide clear direction for management. The main difference between an oral presentation and a written case is in the delivery format. Oral presentations rely principally on verbalizing your diagnosis, analysis, and recommendations and visually enhancing and supporting your oral discussion with colorful, snappy slides (usually created on Microsoft's PowerPoint software).

Typically, oral presentations involve group assignments. Your instructor will provide the details of the assignment—how work should be delegated among the group members and how the presentation should be conducted. Some instructors prefer that presentations begin with issue identification, followed by analysis of the industry and company situation analysis, and conclude with a recommended action plan to improve company performance. Other instructors prefer that the presenters assume that the class has a good understanding of the external industry environment and the company's competitive position and expect the presentation to be strongly focused on the group's recommended action plan and supporting analysis and arguments. The latter approach requires cutting straight to the heart of the case and supporting each recommendation with detailed analysis and persuasive reasoning. Still other instructors may give you the latitude to structure your presentation however you and your group members see fit.

Regardless of the style preferred by your instructor, you should take great care in preparing for the presentation. A good set of slides with good content and good visual appeal is essential to a first-rate presentation. Take some care to choose a nice slide design, font size and style, and color scheme. We suggest including slides covering each of the following areas:

- An opening slide covering the "title" of the presentation and names of the presenters.
- A slide showing an outline of the presentation (perhaps with presenters' names by each topic).
- One or more slides showing the key problems and strategic issues that management needs to address.
- A series of slides covering your analysis of the company's situation.
- A series of slides containing your recommendations and the supporting arguments and reasoning for each recommendation—one slide for each recommendation and the associated reasoning has a lot of merit.

You and your team members should carefully plan and rehearse your slide show to maximize impact and

minimize distractions. The slide show should include all of the pizzazz necessary to garner the attention of the audience, but not so much that it distracts from the content of what group members are saying to the class. You should remember that the role of slides is to help you communicate your points to the audience.

Too many graphics, images, colors, and transitions may divert the audience's attention from what is being said or disrupt the flow of the presentation. Keep in mind that visually dazzling slides rarely hide a shallow or superficial or otherwise flawed case analysis from a perceptive audience. Most instructors will tell you that first-rate slides will definitely enhance a well-delivered presentation but that impressive visual aids, if accompanied by weak analysis and poor oral delivery, still adds up to a substandard presentation.

Researching Companies and Industries via the Internet and Online Data Services

Very likely, there will be occasions when you need to get additional information about some of the assigned cases, perhaps because your instructor has asked you to do further research on the industry or company or because you are simply curious about what has happened to the company since the case was written. These days it is relatively easy to run down recent industry developments and to find out whether a company's strategic and financial situation has improved, deteriorated, or changed little since the conclusion of the case. The amount of information about companies and industries available on the Internet and through online data services is formidable and expanding rapidly.

It is a fairly simple matter to go to company Web sites, click on the investor information offerings and press release files, and get quickly to useful information. Most company Web sites allow you to view or print the company's quarterly and annual reports, its 10K and 10Q filings with the Securities and Exchange Commission, and various company press releases of interest. Frequently, a company's Web site will also provide information about its mission and vision statements, values statements, codes of ethics, and strategy information, as well as charts of the company's stock price. The company's recent press releases typically contain reliable information about what of interest has been going on—new product introductions, recent alliances and partnership agreements, recent acquisitions, summaries of the latest financial results, tidbits about the company's strategy, guidance about future revenues and earnings, and other late-breaking company developments. Some company Web pages also include links to the home pages of industry trade associations where you can find information about industry size, growth, recent industry news, statistical trends, and future outlook. Thus, an early step in researching a company on the Internet is always to go to its Web site and see what's available.

Online Data Services

Lexis-Nexis, Bloomberg Financial News Services, and other on-line subscription services available in many university libraries provide access to a wide array of business reference material. For example, the web based Lexis-Nexis Academic Universe contains business news articles from general news sources, business publications, and industry trade publications. Broadcast transcripts from financial news programs are also available through Lexis-Nexis, as are full-text 10-Ks, 10-Qs, annual reports, and company profiles for more than 11,000 U.S. and international companies. Your business librarian should be able to direct you to their sources available through your library that will aid you in your research.

Public and Subscription Websites with Good Information

Plainly, you can use a search engine such as Google or Yahoo! or MSN to find the latest news on a company or articles written by reporters that have appeared in the business media. These can be very valuable in running down information about recent company developments. However, keep in mind that the information retrieved by a search engine is "unfiltered" and may include sources that are not reliable

or that contain inaccurate or misleading information. Be wary of information provided by authors who are unaffiliated with reputable organizations or publications and articles that were published in off-beat sources or on Web sites with an agenda. Be especially careful in relying on the accuracy of information you find posted on various bulletin boards. Articles covering a company or issue should be copyrighted or published by a reputable source. If you are turning in a paper containing information gathered from the Internet, you should cite your sources (providing the Internet address and date visited); it is also wise to print Web pages for your research file (some Web pages are updated frequently).

The Wall Street Journal, *Business Week*, *Forbes*, *Barron's*, and *Fortune* are all good sources of articles on companies. *The Wall Street Journal Interactive Edition* contains the same information that is available daily in its print version of the paper, but also maintains a searchable database of all *Wall Street Journal* articles published during the past few years. *Fortune* and *Business Week* also make the content of the most current issue available online to subscribers as well as provide archives sections that allow you to search for articles related to a particular keyword that were published during the past few years.

The following Websites are particularly good locations for company and industry information:
Securities and Exchange Commission EDGAR database (contains company 10-Ks, 10-Qs, etc.)

<http://www.sec.gov/cgi-bin/srch-edgar>

CNN Money <http://money.cnn.com>

Hoover's Online <http://hoovers.com>

The Wall Street Journal Interactive Edition <http://www.wsj.com>

Business Week <http://www.businessweek.com>

Fortune <http://www.fortune.com>

MSN Money Central <http://moneycentral.msn.com>

Yahoo! Finance <http://finance.yahoo.com/>

Some of these Internet sources require subscriptions in order to access their entire databases.

Learning Comes Quickly With a modest investment of time, you will learn how to use Internet sources and search engines to run down information on companies and industries quickly and efficiently. And it is a skill that will serve you well into the future. Once you become familiar with the data available at the different Web sites mentioned above and with using a search engine, you will know where to go to look for the particular information that you want. Search engines nearly always turn up too many information sources that match your request rather than two or three; the trick is to learn to zero in on those most relevant to what you are looking for. Like most things, once you get a little experience under your belt on how to do company and industry research on the Internet, you will find that you can readily find the information you need.

The Ten Commandments of Case Analysis

As a way of summarizing our suggestions about how to approach the task of case analysis, we have compiled what we like to call "The Ten Commandments of Case Analysis." If you observe all or even most of these commandments faithfully as you prepare a case either for class discussion or for a written report, your chances of doing a good job on the assigned cases will be much improved. Hang in there, give it your best shot, and have some fun exploring what the real world of strategic management is all about.

The Ten Commandments of Case Analysis

To be observed in written reports and oral presentations, and while participating in class discussions.

1. Go through the case twice, once for a quick overview and once to gain full command of the facts; then take care to explore the information in every one of the case exhibits.
2. Make a complete list of the problems and issues that the company's management needs to address.
3. Be thorough in your analysis of the company's situation.

4. Look for opportunities to apply the concepts and analytical tools.
5. Do enough number crunching to discover the story told by the data presented in the case. (To help you comply with this commandment, consult Table 4.1 in this section to guide your probing of a company's financial condition and financial performance.)
6. Support any and all off-the-cuff opinions with well-reasoned arguments and numerical evidence; don't stop until you can purge "I think" and "I feel" from your assessment and, instead, are able to rely completely on "My analysis shows."
7. Prioritize your recommendations and make sure they can be carried out in an acceptable time frame with the available resources.
8. Support each recommendation with persuasive argument and reasons as to why it makes sense and should result in improved company performance.
9. Review your recommended action plan to see if it addresses all of the problems and issues you identified—any set of recommendations that does not address all of the issues and problems you identified is incomplete and insufficient.
10. Avoid recommending any course of action that could have disastrous consequences if it doesn't work out as planned; therefore, be as alert to the downside risks of your recommendations as you are to their upside potential and appeal.

¹ Charles I. Gragg, "Because Wisdom Can't Be Told," in *The Case Method at the Harvard Business School*, ed. M. P. McNair (New York: McGraw-Hill, 1954), p. 11.

² Ibid., pp. 12–14; and D. R. Schoen and Philip A. Sprague, "What Is the Case Method?" in *The Case Method at the Harvard Business School*, ed. M. P. McNair, pp. 78–79.

³ For some additional ideas and viewpoints, you may wish to consult Thomas J. Raymond, "Written Analysis of Cases," in *The Case Method at the Harvard Business School*, ed. M. P. McNair, pp. 139–63. Raymond's article includes an actual case, a sample analysis of the case, and a sample of a student's written report on the case.

⁴ Gragg, "Because Wisdom Can't Be Told," p. 10.