

MGV 201BV: Organizational Strategy and Structure

Course Description

Why do some firms succeed and others fail? What can managers do about this? In this course, we address these questions, focusing on the role that managers play in determining the performance of the organizations they inhabit and lead. An organization's strategy is its plan to win, that is, how it will create and appropriate value. Formulating and implementing strategy is the primary responsibility of top management, so for much of the course, we take the perspective of CEOs as they make decisions about what businesses they are in, how to compete, and how to structure organizations to support strategy.

The objective of this course is to help you develop skills to analyze and address issues of firm performance and how managers affect it through strategy. As part of your skill development, you will learn strategic analysis tools, including models and frameworks to help you diagnose organizational issues and make recommendations to improve or sustain performance. Some of the work required for this course is independent, and some is performed in groups. Because top managers must typically coordinate and integrate their activities and strategies as part of a top management team, the ability to work in teams is a critical part of their work. Therefore, it is also a part of your learning in this course.

By the end of the course, the expectation is that you will be more knowledgeable about the sources of superior firm performance and will be more conscious of strategic choices and their consequences.

Course Materials

1. Organizational Strategy and Structure Course Syllabus. You are responsible for the information contained in this syllabus.
2. *Strategic Management*, by Frank Rothaermel (5th ed.), McGraw-Hill Education. Note: if there is an older edition of the textbook that you would prefer to use, ask your instructor if it is possible.
3. Case Pack, HBSP (link in Toolbox)
4. Other readings are available through the Toolbox: Reading Materials.

Course Assessments

Assignment/ Assessment	Points	Weight on Final Grade
Contribution to Live Session Discussion	15	15%
Asynch Class Completion	15	15%

Midterm	110	25%
Team Project: Weekly Application Exercise (Weeks 1–7)	Complete/noncomplete	10%
Team Project: Presentation	100	10%
Team Project: Final Report	100	25%

Grading Scale

The course will be graded on a distribution (curve), such that your final grade will depend on the performance of others in the course.

Course Format and Administration

This is a **hybrid course**, which means that it will include both asynchronous components, which you do on your own, and synchronous components, where you will meet with an instructor and classmates in a live session.

Learning occurs both through preparing readings and cases and through in-class experience. Therefore, **it is critical that you complete the weekly 100-minute asynchronous class and come prepared to discuss the assigned material during the weekly 100-minute synchronous (live) class session.**

Asynchronous Components:

This online content includes lectures on the primary concepts and ideas for the week, as well as illustrative examples, and exercises that you will do on your own. It is necessary to keep up with the material in order to succeed in this class. The asynchronous class is designed to take 100 minutes of time for most students; however, you may find that you need more or less time to go through the material, or that you may wish to repeat some content in order to feel comfortable with it. Make sure to leave extra time, in case you need it. You will have an opportunity to raise areas that require additional clarification during the live session.

Synchronous Components:

The live session component of the course will consist primarily of discussing the case assigned for the class, which will integrate some of the concepts from the asynchronous class. Case discussion involves completing analysis of the case with your classmates, led by the instructor. Analysis may involve whole-class discussion or small-group breakouts. The instructor may also include in-class exercises to reinforce understanding of a concept. The instructor will also clarify concepts from the asynchronous class and address questions.

Assignment and Assessment Information

Grading rubrics will be available for homework, weekly project application exercises, the final project report, and the final project presentation. Rubrics are available in the course Toolbox.

Contribution to Live Session Discussion (15% of grade)

Note: Many of you may not have done business case analysis before. If not, or if you want to refresh your memory, you might want to read the following section (“Preparing for Case Discussions”) to better understand expectations. For each case, I provide questions that are meant to help you do a more focused reading of the case. **There’s no need to turn anything in.**

Students who actively and positively contribute to case discussions are performing a service for the whole class by improving everyone’s learning, and they will be rewarded accordingly. In-class contributions are scored immediately after each live session as follows. In class, as in life, showing up matters, and you’ll earn 2 points for that. Any attempt to contribute will merit 1 point, and positive contribution can earn up to 2 additional points for a maximum of 5. Points will be deducted if your behavior in class is inappropriate, for example, you are disrespectful to others in the virtual classroom, or you are on your computer or phone for nonclass purposes. The class is richer if there are diverse ideas voiced from a variety of students. However, this type of scoring can lead some students to say anything at all once per class to try to optimize their participation grade, rather than actually being engaged in the discussion. Such behavior will be noted; it is not productive for learning. Though your instructor may not be able to call on you every time, s/he will notice who’s engaged in the conversation.

Your instructor will also notice who’s there. Especially in online courses, showing up is critical. Unavoidable schedule conflicts can occur, so there will be no penalty for missing one or two classes, **if you notify your instructor in advance**. You are expected to make up the class on your own. Missing more than two classes will cap your discussion contribution score at 80%, and your score will be scaled down from there according to your actual performance. Students who miss multiple classes are unable to contribute as effectively as those who do, because of the cumulative learning that happens in class. Since there may be multiple sections of the same course, your instructor might allow, at his or her discretion, to make up a missed class by taking it with another section. At the end of the quarter, your instructor will tally your in-class contributions over the whole quarter and assign a final score of up to 20 points.

Preparing for Case Discussions

Preparing cases involves more than just reading them, so allow plenty of time. If you are unfamiliar with case analysis, you may also want to read “How to Conduct a Case Analysis” in Rothaermel. To prepare for case discussions that will occur in your live sessions, **first read the assigned theory reading(s) for the class**. You might even want to complete the asynchronous content for the week before reading the case. **Keep the key concepts in mind as you read the case.** The readings and asynchronous content provide theoretical guidance for analyzing the case.

Your experience of this course is largely dependent on the quality of *your* collective discussion. Sections where the discussion is thoughtful and lively and where students engage with each other tend to have a better understanding of the course material than sections where students simply answer questions asked by the instructor. A high-quality discussion requires hard work on your part. Before joining the live session, read the case carefully enough to be fully conversant with the facts and have an informed opinion about what’s going on in the case. Become familiar with the main characters in the case: their roles, actions, and

problems. Learn their names—otherwise others may misunderstand what you’re saying. In class, **pay attention to what others say**. A good case discussion is a guided conversation, and responding to a classmate’s comment enhances the conversation. Repeating what others say or weighing in on a topic we have already left is not productive and shows that you are not following the discussion.

The quality of your participation is more important than the quantity. Positive contributions are those that advance the discussion by presenting new ideas or insights, or building on others’ comments, or presenting a counterpoint to others’ comments in a respectful way. Talking without positively contributing to the discussion will not result in the best grade for in-class contributions. However, note that positive contributions are not necessarily “right” answers. You should experiment and take risks. “Wrong” answers can also be instructive, and debate is often a good way to learn.

Asynch Class Completion (15% of grade)

Objective: Solidify your understanding of the week’s theory readings by completing the asynchronous exercises

Each week, the asynchronous material consists of recorded topical lectures and exercises to solidify your understanding of the concepts. The lectures build on the readings for the week, and highlight the most important material.

Completing the asynchronous classwork is a form of class participation. You will be evaluated on the following criteria: you must (1) view the videos and (2) complete the exercises. These exercises do not require polished work. They are developmental exercises that are primarily for your practice applying the concepts you just learned and are more akin to what you might say in a live class than what you would turn in for a graded assignment.

Midterm (25% of grade)

Objective: Test your understanding of strategy theory and concepts contained in readings

The 100-minute exam will take place in the asynchronous portion of Class 8 and will cover Weeks 1–7. The exam will consist of a mix of true/false, multiple choice and short essay. To prepare for the exam, you should make sure you understand the theories you learned in this course well enough to apply them. You will not be tested on specific details about cases; cases just give you practice in applying theory. This will be an open-book exam, but it will be timed and you will need to complete it in one sitting, so good performance will require knowing the material well.

Team Project: Strategic Analysis of a Firm in Trouble (45% of grade total)

Objective: Demonstrate you can apply course theory to gain insight into a real firm’s problems

The Team Project has three components worth a total of 45% of your grade: the Weekly Application Exercise (10%), the Final Report (25%), and the Presentation (10%). Each of these is explained below.

The Team Project is a strategic analysis of a firm in trouble. The objective of this assignment is for you to demonstrate your mastery of strategic theories you learned in this course by using them to analyze problems faced by a real-life firm. In the first live session, your section instructor will assign groups and provide a limited choice of firms to analyze. Each class section will have multiple teams analyzing the same firm, or firms in the same industry, so each team presentation will have audience members that are familiar with the firm or industry.

Your strategic analysis is essentially a diagnosis of the firm's problem(s), using course frameworks and theories that are relevant to the firm's situation. Your analysis should end with recommendations that flow naturally from your analysis and address problems you have identified. For example, if your analysis of the firm's structure reveals a misfit between the firm's organizational structure and its strategy, your recommendations should include either a change in strategy or a reorganization.

Note on team assignment grading: Freeloading, i.e. when a team member does not pull their weight, sometimes happens in team-based work. You will be offered an optional team peer evaluation in which you can provide a record of any serious issues in your team. In extreme cases, a non-contributing team member's grade might be impacted.

Team Project: Weekly Application Exercise (10% of grade)

To help you stay on track for the final project, each team will create a shared document where you apply the class's learning to the firm you're analyzing. The instructor will create a Google Doc for your team (in Files), for Classes 1–7, due at the beginning of the *following* live session. In the document, you should record your thoughts about the week's theory content and how it applies to the firm you're analyzing. In order to do this, you will need to do some research on the firm and the industry it operates in. These documents are not meant to be elegantly written essays—they're just places to put your notes and learning, so that when you write the final paper, you have a good base to draw from and some good ideas about what might be going on with the firm. There's no length requirement; they could be as short as a few bullet points, or pages in length. You may allocate the work among your teammates however you choose. For example, one model is to split up the work, with different team members taking different weeks. Another model is to just have everyone add ideas and notes to a shared document.

This assignment is ungraded, but your instructor may review them. If you complete all weeks satisfactorily (see rubric in Toolbox), your team will get full credit.

Team Project: Final Report (25% of grade)

The final project paper is due 1 week after the last day of class. This is a group assignment, so only one of you needs to submit the paper. You will wish to draw on your documents from the Weekly Application Exercise to write your paper, but **note that you will not use all of the weekly notes, because not all of the weeks' content will be directly relevant to the primary problem your firm is having.**

Though there is no required structure for the paper, most good papers contain the following components:

1. Problem definition. Give some firm background and history: How profitable is it? Why is this level of profitability problematic? What is its business model? What is the firm's strategy—its underlying economic logic? Has it changed recently, or has the world changed?
2. Define the industry and environment: What's going on in the environment that affects the firm's profitability? What is the competitive landscape?
3. Discuss the firm: What was the source of the firm's competitive advantage, and why is it no longer sustainable? Why didn't the firm keep up with others in the industry? Use theories you have learned in the course to diagnose the underlying cause of problems. Though you should discuss with your group a number of theories in relation to the firm you're analyzing, in the paper, you should only present the one(s) that actually fits the situation. **Papers that try to use many theories tend to**

present them cursorily and be less successful than those that present a focused analysis that applies one or two theories with enough depth to reveal insight.

4. Recommendations: What should the firm do now?

See the rubric in Toolbox for information on how the papers will be evaluated.

Policies for submitting papers: **If you ignore these policies, your work will be returned ungraded.**

- Use Times New Roman, 12-point font, **double-spaced**, with standard margins.
- Number pages.
- The following information must be included in the paper header:
 - Team members' names
 - Firm name
 - Word count
- Upload the assignment to the digital classroom on or before the due date.
- For the final paper, the word limit is 5,000 words in total (about 17 pages). Do not feel obligated to use all of the space if you don't need it.
- Length limits are upper limits. Do not go over the limit, or your work will not be read. Late assignments will receive a very substantial penalty, if they are accepted at all.

Note about the use of exhibits: Exhibits can make a paper stronger by graphically illustrating points that are made in the text, or presenting data that is interpreted in the text. These exhibits do not count toward the word count. However, they are not a way of getting around the word count; the paper should stand alone without exhibits. Exhibits that present new information, for example, a table of bullet-pointed arguments that do not exist in the body of the paper, will not be read.

Team Project: Presentation (10% of grade)

In the final live session class, you will have presentations on your final projects. You will present your case for why the firm is in trouble and what you think they should do about it, followed by Q&A. Since others in the class will be equally familiar with the problems of the firm, the discussion is likely to be lively.

1. Manage your time carefully. Your presentation time may be very limited to allow time for Q&A. Watch your time and rehearse—it's surprising how fast the time goes. Make sure you get your primary points across. Logistics for the presentations, including the time you have to present, will be available during the course.
2. You may use PowerPoint slides or any other media you like for your presentation, though you are not required to use anything at all. Make sure you know how to use Zoom for presentations.
3. Presenters tend to use too many slides. A good rule of thumb is 2 to 3 minutes/slide.
4. Structure your presentation as you see fit: One person can do all of the talking, or you can split up the presenting in any way you want to.
5. However, each person on the presenting team must address at least one question from the audience during discussion.
6. Part of your grade will be determined by your peers. You will also be asked to complete a peer assessment of the presentations you observe. Peer assessments will use the same criteria as your instructor will use, so they can be thought of as a rubric (available in your Toolbox).

Course Schedule

Cl	Topic	Read Before Asynchronous Session (Ch. from Rothaermel)	Read/Prepare Before Live Class Session (The questions here are to guide your reading of the case. Nothing needs to be submitted.)	Due at the Start of Live Class Session
1	Introduction to Strategy What Is Strategy?	<ul style="list-style-type: none"> Ch. 1.1, Ch. 2.2¹ Are You Sure You Have a Strategy? (in Toolbox) 	<ul style="list-style-type: none"> Starbucks Reading Packet 1 <ul style="list-style-type: none"> What do the shareholder's letter and other company-provided material tell you about Starbucks' strategy? What is Starbucks' economic logic? What evidence do you see that supports your position? 	<ul style="list-style-type: none"> Video Statement
2	Competitive Advantage, Part 1: Environment, Industry Structure, and the Five Forces	<ul style="list-style-type: none"> Ch. 3 	<ul style="list-style-type: none"> Cola Wars Continue: Coke and Pepsi in 2010 <ul style="list-style-type: none"> Why has the soft drink industry been so profitable over its long history? How has the competition between Coke and Pepsi affected the industry's profits? 	<ul style="list-style-type: none"> Weekly Application Exercise based on Class 1: <ul style="list-style-type: none"> What are the vision, mission, and values for your firm? Can you articulate the strategy of the firm?
3	Competitive Advantage, Part 2: Resources and Competences	<ul style="list-style-type: none"> Ch. 4.1–4.3² 	<ul style="list-style-type: none"> Apple in 2015 <ul style="list-style-type: none"> What historically were Apple's strategic resources? Have they changed over time? Which, if any, resources are still relevant and why? Analyze the structure of the personal computer industry over Apple's life. How have the dynamics of the PC industry changed? How sustainable is Apple's competitive position in smartphones? 	<ul style="list-style-type: none"> Weekly Application Exercise based on Class 2: <ul style="list-style-type: none"> What are the most important environmental elements that impact your firm's profit potential? What are the most important forces for the industry your firm operates in?
4	Competitive Advantage, Part 3: Business Models and Strategic Positioning	<ul style="list-style-type: none"> Ch. 5.2 Ch. 6 Review Ch. 3.4 	<ul style="list-style-type: none"> Starbucks Reading Packet 2 <ul style="list-style-type: none"> Why are Dunkin' and McDonald's putting more emphasis on coffee products? How do their strategic choices with regard to coffee differ?? 	<ul style="list-style-type: none"> Weekly Application Exercise based on Class 3 <ul style="list-style-type: none"> What is the core competence of your firm? What strategic resources or capabilities do your firm have?

¹ If you have the 4th edition, read Ch. 1.1 -1.2

² If you have the 4th edition, read Ch. 4.1-4.2

5	Organizational Design and Structure	<ul style="list-style-type: none"> • Ch. 11 (skip 11.3) 	<ul style="list-style-type: none"> • Executive Decision-Making at GM <ul style="list-style-type: none"> ○ How have GM's strategy, structure, and decision-making processes evolved over time? How well aligned were they in each of the three major eras? ○ What are the distinctive challenges of managing a matrix organization like GM's "basketweave"? How has GM chosen to address these challenges? ○ What role is played by the Automotive Strategy Board (ASB)? What is your assessment of ASB's decision-making dynamics? 	<ul style="list-style-type: none"> • Weekly Application Exercise based on Class 4 <ul style="list-style-type: none"> ○ What is your firm's business model? ○ What is the basis of your firm's competitive advantage? ○ Who are the important competitors, and do they have the same or different strategic positions?
6	Corporate Strategy: Value Chain Analysis and Vertical Integration	<ul style="list-style-type: none"> • Value Chain Memo (in Toolbox) • Ch. 8.1–8.3 	<ul style="list-style-type: none"> • Zara: Fast Fashion <ul style="list-style-type: none"> ○ Which of the international competitors listed in the case is the most interesting to compare to Inditex's in terms of financial results (see pp. 4–8 and Exhibit 6)? Why? ○ How do distinctive features of Zara's business model affect its operating economics? Where in the value chain does Zara add value, and how does this differ from the women's apparel industry as a whole? ○ How sustainable is Zara's competitive advantage versus the kinds of advantage typically pursued by other apparel retailers? What threats are on the horizon? 	<ul style="list-style-type: none"> • Weekly Application Exercise based on Class 5 <ul style="list-style-type: none"> ○ What kind of organizational structure does your firm have? ○ Can you tell what kind of culture your firm has? ○ Does there seem to be a fit between strategy, structure, and culture?
7	Corporate Strategy: Diversification, Alliances, and M&A	<ul style="list-style-type: none"> • Ch. 8.4 • Ch. 9 (skim) 	<ul style="list-style-type: none"> • Irene Rosenfeld at Mondelēz International <ul style="list-style-type: none"> ○ What has been achieved at Mondelēz since Irene Rosenfeld took over as CEO? In particular, how did the Kraft legacy affect her decisions and actions? ○ What remains to be done in Mondelēz's corporate transformation? Is the strategy consistent with the changing CPG industry structure? ○ As you reflect on Rosenfeld's decade-long transformation, what have you learned about how to execute a corporate strategy? Can it be planned in advance, or should it be driven by market pressures and opportunities? 	<ul style="list-style-type: none"> • Weekly Application Exercise based on Class 6 <ul style="list-style-type: none"> ○ How vertically integrated is your firm? Is its level of integration similar or different to competitors? ○ Where in the value chain do they add value and cost vs. their competition?

8	Midterm (Asynchronous) Strategy, Corporate Social Responsibility, and Ethics (Live Session)	<ul style="list-style-type: none"> • Midterm: covers Weeks 1–7 	<ul style="list-style-type: none"> • Ch. 12 (skip 12.2) • Child Labor in Cacao Farming³ <ul style="list-style-type: none"> ◦ Why haven't global chocolate brands lived up to their promises to eradicate child labor? ◦ Many people have vowed to stop buying chocolate until the industry addresses the problem of child labor. Will this help solve the problem? • Wells Fargo (video case, no advance prep) 	<ul style="list-style-type: none"> • Weekly Application Exercise based on Class 7 <ul style="list-style-type: none"> ◦ How diversified are the major competitors? Should the firm diversify?
9	Strategy and Entrepreneurial (and Intrapreneurial) Ventures	<ul style="list-style-type: none"> • Ch. 7 	<ul style="list-style-type: none"> • NetApp <ul style="list-style-type: none"> ◦ How does NetApp's organizational design change in the period 2000–2015? ◦ How are they managing trade-offs between execution and exploration? 	<ul style="list-style-type: none"> • Nothing! (Work on your final projects)
10	Making Strategy Course Wrap-Up	<ul style="list-style-type: none"> • Ch. 2.1, Ch. 2.3⁴ • The Honda Effect (in Toolbox) 	<ul style="list-style-type: none"> • Team Project: Presentations 	<ul style="list-style-type: none"> • Team Project: Presentations • Team Project: Final Report (due 1 week after last class)

³ Source: Excerpts from <https://www.washingtonpost.com/graphics/2019/business/hershey-nestle-mars-chocolate-child-labor-west-africa/> and Abdulsamad et al. (2015), Pro-poor development and power asymmetries in global value chains, Technical Report from Duke University Center on Globalization, Governance, and Competitiveness, accessed at https://www.researchgate.net/publication/308606263_Pro-Poor_Development_and_Power_Asymmetries_in_Global_Value_Chains.

⁴ If you have the 4th edition read Ch. 2.1-2.2

Attendance Policy

Attending every live session class is expected, and doing so will reinforce your understanding of the theory in this course. More directly, missing classes can negatively impact your Contribution to Live Session Discussion score, especially if you don't tell your instructor in advance, and missing more than 2 classes will carry an extra penalty (see section on Contribution to Live Session Discussion).

Program Mission

The mission of the UC Davis Graduate School of Management is to be a global leader in management research and education. As part of the world's premier public university system, we pursue significance, excellence and scholarly rigor in our research, teaching and service to the people of California. We emphasize curiosity, creativity and high standards in the generation and transmission of theoretical and practical knowledge relevant for business.

Honor Code and Academic Integrity

You are expected to take UC Davis's code of academic conduct as seriously as we do. It is an academic conduct violation to present others' ideas or writing as your own (plagiarism), or to discuss cases with students who have already analyzed the case in class. You were informed about this code of conduct during orientation and signed a statement affirming that you understand it. Academic conduct violations will not be tolerated, and your instructor will not hesitate to turn cheaters over to Student Judicial Affairs. If you are uncertain about what constitutes an academic conduct violation, please contact your instructor, or refer to https://gsm.ucdavis.edu/sites/default/files/2020-10/code_of_conduct_booklet_2020.pdf.

Students are expected to adhere to the UC Davis Principles of Community:

The University of California, Davis, is first and foremost an institution of learning and teaching, committed to serving the needs of society. Our campus community reflects and is a part of a society comprising all races, creeds, and social circumstances. The successful conduct of the university's affairs requires that every member of the university community acknowledge and practice the following basic principles:

We affirm the inherent dignity in all of us, and we strive to maintain a climate of justice marked by respect for each other. We acknowledge that our society carries within it historical and deep-rooted misunderstandings and biases, and therefore we will endeavor to foster mutual understanding among the many parts of our whole.

We affirm the right of freedom of expression within our community and affirm our commitment to the highest standards of civility and decency towards all. We recognize the right of every individual to think and speak as dictated by personal belief, to express any idea, and to disagree with or counter another's point of view, limited only by university regulations governing time, place, and manner. We promote open expression of our individuality and our diversity within the bounds of courtesy, sensitivity, and respect.

We confront and reject all manifestations of discrimination, including those based on race, ethnicity, gender, age, disability, sexual orientation, religious or political beliefs, status within or outside the university, or any of the other differences among people which have been excuses for misunderstanding, dissension, or hatred. We recognize and cherish the richness contributed to our lives by our diversity. We take pride in our various achievements, and we celebrate our differences.

We recognize that each of us has an obligation to the community of which we have chosen to be a part. We will strive to build a true community of spirit and purpose based on mutual respect and caring.