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UC DAVIS GSM
MGT/P/B: 490BV-2
Managing Strategic Change

Course Information

Term and Year:	Winter 2022
Session Day/Time:	Tuesdays, 6:10-10:00 PM
Room:	Zoom online
Office Hours:	Tuesday 4:30-5:30 PM and by appointment (online Zoom) (contact me via email for a time during regular office hours or for an appointment at another time)

Course Description

Organizations are pivoting to remain competitive and relevant in many fast-paced industries. Implementing these strategic changes are difficult and prone to failure because it requires almost all facets of an organization to adapt towards a new direction. Identifying and developing a new strategy is insufficient since successful implementation requires careful analyses and planning to re-align the entire organization towards its new strategy. This course will review strategic change models and issues to better prepare managers and leaders.

Strategic change is difficult, risky, and costly for organizations. This course will begin with an overview of organizational challenges influencing strategic change to reviewing different approaches to managing change. An underlying point is to understand how to align strategy with the organizational environment to support potential strategic initiatives

The course consists of lecture, discussion, case analyses, insights from your professional experience, a podcase, videos, class exercises, and a simulation. Please note that this course is four (4) hours for five (5) weeks, plus finals week. A four hour class is challenging for an in-person class; and it will be even more challenging for an online/Zoom class. While we will take breaks to re-energize ourselves, I realize this will be difficult. Therefore, let us work together to make this a high energy and great class.

Learning Objectives

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

1. Learn how organizational strategy informs the process of strategic change.
2. Develop an appreciation for key contextual and organizational contingencies when designing and implementing strategic change initiatives.
3. Gain a stronger understanding of how to choose and sequence change strategies and tactics.
4. Assess change approaches and options to best fit with an organizations strategic change objective(s).

Required Course Materials

Linked items are available online or through the UC Davis library. If noted, some links will need to be accessed from on campus or by using the [library VPN](#). Some items will need to be searched for directly. The link will take you to main the database page of the library. Click on “Search within this publication” and then search for “AN [Insert number]” in the second field.

HBS Coursepack (HBS): <https://hbsp.harvard.edu/import/907962>

Please purchase remaining course material from HBS using the link above.

A link for the HBS simulation (Change Management Simulation) will be distributed later.

Expectations of students

Students will integrate and extend the knowledge and skills they have developed throughout their MBA course work (e.g., strategy, finance, marketing, organizational behavior, ethics, accounting, information systems, etc.) to understand, analyze and propose recommendations for managing fundamental strategic changes within organizations. This integration will occur through the lens of various analysis frameworks and concepts. The assignments, cases, and simulation are not busy work. Every case, article, simulation, and assignment contributes to developing a comprehensive understanding of steps for managing strategic change and the materials are presented in a particular order to support this process.

Participation, Case Analysis, & Preparation:

Students’ participation grades are informed by 1) performance on a set of written participation exercises and 2) the quality of contributions and engagement in class discussions.

Case analysis and discussion is one of the primary activities in this course. **Therefore, individual preparation and participation is essential to the class’ success in examining all the relevant issues.**

Students are encouraged to meet with their teams to discuss key issues from a case before a class. I will cold-call on students.

Keep in mind that the cases are an opportunity to apply course concepts to analyze a particular issue or context. Students often try to find out what “actually” happened as a way to analyze the case or issue. However, when you conduct analysis in the “real world” you will not have this insight into the future. Indeed, more often than not you will have limited information and face uncertainty and ambiguity.

As an experienced student, you know that what you learn from your classmates depends on the **quality** of their contributions, **not the quantity** of their contributions. The main criterion for participation is the extent to which your contributions advance the learning of all. *Outstanding students display a mastery of cases and readings, provide original insight into the set of problems the class is discussing, support their analysis with logic and evidence, introduce appropriate examples from experience, apply readings and concepts to develop a deeper critical analysis, listen to others, and are able to effectively communicate their ideas to their classmates.*

Tips for Preparing for Case/Class Discussions

- The obvious: Read the assigned materials; review the assignment questions for clues as to what issues require special attention.
- Read the case more carefully, taking notes that sort information, data and facts, and observations into relevant categories that will inform your answers to the discussion/preparation questions.
- Apply concepts from the readings to analyze the case and answer the discussion/preparation questions.
- Crunch the numbers: Perform some quantitative analyses; look for patterns in the numbers.
- Finally, prepare notes to guide your participation in class discussions on the assigned questions or other issues judged to be critical to a firm’s apparent dilemma.

When preparing for class discussions, ask yourself the following questions:

- What is the point that I am trying to make? Why is this issue/point important?
- Is my comment relevant/linked to the discussion? Do my comments go beyond a mere recitation of the case facts, and are the implications clearly drawn?
- Am I providing evidence of analysis or merely expressing my opinion?
- Did my comment contribute to the class’ understanding of the issues?
- Am I listening to the other participants?

Successful students

- Attend and Actively read and prepare for each session.
- Make thoughtful contributions to the learning environment throughout the course.
- Participate fully and responsibly in class discussions.
- Conduct themselves in a professional manner in all engagements.

Attendance & On Time Policies

Your attendance is expected for **all** sessions. Session 1 and the simulation sessions of the course are **mandatory (no exceptions)**. Why is this critical? In this course, each student is a member of a community of learners who educate each other through case analysis and discussion.

An absence from class negatively affects your learning – especially when we only have five (5) sessions. On the rare, urgent occasion when work, family emergencies, or illness require you to miss a class session, let me know. If you miss a session, you are required to turn in a Parity Assignment = a write up of the assignment questions for the missed class session. A hard copy of the parity assignment is due at the subsequent class session. Parity assignments are not substitutes for in class participation or participation exercises. Note: excessive absences do lower your grade. Missing 1 or more sessions will likely lower your overall course grade.

Evaluation

Assignment Type	Percentage/Points
In-Class Participation	15% (15)
Written Assignment 1*	20% (20)
Written Assignment 2*	20% (20)
Reflection Paper (team of two change management simulation)	25% (25)
Written Assignment 3 (Blue Ocean)-in class team	20% (20)

*Written assignments may be completed as individuals or in teams of 1-3.

Grading Policy

Final letter grades will be assigned according to the following percentages.

A	93+	C	72-74.9
A-	89-92.9	C-	69-71.9
B+	85-88.9	D+	66-68.9
B	81-84.9	D	63-65.9
B-	78-80.9	D-	60-62.9
C+	75-77.9	F	0-59.9

Assignments

1) Participation: Students are evaluated based on the **quality** of contributions in class discussions.

2) 3 Written Assignments – see the syllabus for details:

- Written Assignment I: Format - 1 page, single space, 12 point font, 1 inch margins.
- Written Assignment II: Format – 1 page, single space, 12 point font, 1 inch margins.
- Written Assignment III—Reflection Paper : Format –1-1.5 pages, single space, 12 point font, 1 inch margins.

3) Blue Ocean exercise: in class and submitted at **end** of class.

Rights and Responsibilities

All participants in the course, instructor and students, are expected to follow the UC Davis [Principles of Community](#), which includes affirmation of the right of [freedom of expression](#), and rejection of discrimination. The right to express points-of-view without fear of retaliation or censorship is a cornerstone of academic freedom. A diversity of opinions with respectful disagreement and informed debate enriches learning. However, in this course, any expression or disagreement should adhere to the obligations we have toward each other to build and maintain a climate of mutual respect and caring.

You are expected to take UC Davis's [Code of Academic Conduct](#) as seriously as we do. You were given this code of conduct with explicit explanations of violations (e.g. plagiarism, cheating, unauthorized collaboration, etc.) and your responsibilities in regard to them during orientation, and you signed a statement affirming that you understand it. Academic conduct violations will not be tolerated, and your instructor will not hesitate to turn violators over to Student Judicial Affairs. If you are uncertain about what constitutes an academic conduct violation, please refer to the code above, contact your instructor, or refer to the [Office of Student Judicial Affairs](#).

All material in the course that is not otherwise subject to copyright is the copyright of the course instructor and should be considered the instructor's intellectual property.

Statement on Accommodations

UC Davis is committed to educational equity in the academic setting, and in serving a diverse student body. All students who are interested in learning about how disabilities are accommodated can visit the [Student Disability Center](#) (SDC). If you are a student who requires academic accommodations, please contact the SDC directly at sdc@ucdavis.edu or 530-752-3184. If you receive an SDC Letter of Accommodation, submit it to your instructor for each course as soon as possible, at least within the first two weeks of a course.

Safety and Emergency Preparedness

UC Davis has many resources to help in case of emergency or crisis. While reviewing campus [Emergency Information](#), you may want to register for UC Davis Warn Me and Aggie Alert, which will give you timely information and instructions about emergencies and situations on campus that affect your safety.

If there is an emergency in the classroom or in non-Davis locations, follow the instructions of your instructor.

Disclaimer

Unexpected events might require elements of this syllabus to change. Your instructor will keep you informed of any changes.

Course Outline

(NOTE: If needed, adjustments will be made to readings and assignments to best accommodate the course and Zoom instruction.)

Session 1: 2/9/2022

Module 1: Introduction to course: Overview of strategic change and its inherent difficulties.

Readings:

- 1) Syllabus
- 2) Raffaelli, R. 2016. Leading and managing change (abridged), Harvard Business School # 416021. **[HBS]**

Questions for Discussion:

Recall a time when you were exposed to a strategic change effort or organization-wide change effort. Come to class prepared to discuss your experience given the above reading.

1. What was your experience? Were you the change agent or the change target?
2. Why was the strategic change implemented?
3. What type of change (see Raffaelli)?
4. How was the experience? Who was impacted by the change? What were the costs and benefits for stakeholders?
5. Was the change initiative successful? Why or why not? How did you measure success?

Module 2: Diagnosing, Problem Solving, and Design

Quiz/Exercise

Readings:

- 1) Collis, D.J. and Rukstad, M.G. [Can you say what your strategy is?](#) Harvard Business Review, April 2008, 82-90. (Posted to Canvas; Focus on the ‘strategic sweet spot’.) **[Needs VPN, search for, AN 31372942]**
- 2) Kotter, J. [Leading Change: Why transformation efforts fail.](#) Harvard Business Review, Mar/Apr 1995 59-67. **[Needs VPN, search for, AN 9503281992]**
- 3) Case: Unilever’s New Global Strategy: Competing through Sustainability. Harvard Business School # 916414 **[HBS]**

Questions for Case Discussion:

1. How would you evaluate Paul Polman’s 2010 decision to implement a new strategy based on the Unilever Sustainable Living Plan? What benefits did it offer? What risks did it present?
2. How effective has the implementation of the new strategy been to date? What has it done most effectively? What problems or concerns do you have with the implementation?
3. What actions should the company take now? Which of the three options identified at the end of the case would you recommend management take?
4. How would you go about implementing your recommendation?

Session 2: 2/16/2022: Managing and Delivering Strategic Change

Module 1: Assessing change and creating buy-in

Readings:

- 1) Kotter, J. 2008. It all starts with a sense of urgency: Laying the groundwork for change. HBS # 4831BC. **[HBS]**
- 2) Kotter, J. 2008. Increasing true urgency: One strategy and four tactics. HBS# 4887BC-PDF-ENG. **[HBS]**
- 3) Podcase (audio HBS case): Pivot to succeed: a podcase with Stewart Butterfield. Harvard Business School # 7152 **[HBS]**

Questions for podcase, Stewart Butterfield:

1. What do you think of the decision to dissolve Glitch? What factors would make it difficult?
2. In podcase A, Butterfield says, “The job of a CEO is often just to come up with a story that enough people believe that you can make something happen in the world.” What does he mean by this statement? Why does he believe this task is so important?
3. Was Butterfield right to wind Glitch’s operations down in the way he did? As an employee of Glitch, would you want to work with him again?

Module 2: Structure and strategic change

Readings:

- 1) Structural designs (see Canvas/Files; skim for background information only)
- 2) Kotter, J. [Accelerate!](#) Harvard Business Review November 2012. **[Needs VPN, search for, AN 82532450]**
- 3) O’Reilly, C.A. and Tushman, M. [The ambidextrous organization](#), Harvard Business Review. April 2004 **[Needs VPN, search for, AN 12774665]**
- 4) Case: Stone Finch Inc.: Young Division, Old Division. Harvard Business School # 3214 **[HBS]**

Questions for case discussion:

1. What is your assessment of Jim Billings’ performance as president of Stone Finch? What do you think of his leadership style?
2. What is your assessment of the entrepreneurial subsidiary concept? How can companies manage the contradictions of managing existing products and innovation simultaneously (i.e., strategic entrepreneurship)?
3. What are two major problems that Jim Billings faces at the end of the case? What can Billings do to create a ‘true sense of urgency’ (Kotter) for change? Would an ambidextrous design benefit Stone Finch? Explain.
4. What should Jim Billings do?

DUE: Assignment 1

Session 3: 2/23/2022: Shifting from Legacy Businesses to New Areas of Growth

Module 1: Drivers of Digital Transformation and Digital Strategy

Readings:

- 1) Kanter, R.M. 2011. The change wheel: Elements of systemic change and how to get change rolling, HBS # 312083. [**HBS**]
- 2) Suarez, F.F., Utterback, J.M., von Gruben, P., Kang, H.Y. 2018. [The hybrid trap: Why most efforts to bridge old and new technology miss the mark](#), Spring: 51-57. [**Needs VPN**]
- 2) Case: IBM Transforming, 2012-2016: Ginni Rometty Steers Watson. Harvard Business School # 317046 [**HBS**]

Questions for Case Discussion

1. What were the challenges facing IBM when Rometty become CEO (why does IBM need to change)? Did she correctly identify those challenges?
2. Did Rometty have a clear strategy from the beginning? What were her major moves as CEO and how did they fit or not fit into her transformational strategy? Did she act quickly enough?
3. Use the Change Wheel to **evaluate** Rometty's efforts. Be sure to evaluate how well Rometty followed Kanter's Change Wheel vs. only showing how Rometty applied the Change Wheel.
4. What should IBM do next?

Module 2: Executing Strategic Change

- 1) Franken, A., Edwards, C., and Lambert, R. 2009. [Executing strategic change: Understanding the critical management elements that lead to success](#), California Management Review, Spring: 48-73. [**Needs VPN**]

Questions for Discussion:

- 1) How well did IBM implement strategic change according to Franken et al., above?

DUE: Assignment 2

Session 4: 3/2/2022

Module. 1: Strategic Change Management Simulation

You will play this simulation in a **team of two** and ONLY ONE PERSON should purchase the simulation from HBSP. This link will be provided after the first session.

After you purchase the simulation from HBSP, you will be able to access introductory information. Read the simulation Foreground Reading and review the pdf: Change Management Simulation – How to Play or Watch the “How to Play Video”. You may want to print the background information for reference.

In this simulation, you will play one of two roles at a sunglass manufacturing firm and face the challenges associated with implementing an organization-wide environmental sustainability initiative. The initiative seeks to change raw material inputs in order to make the company's products more "green," and to address environmental waste issues. In your role, you are tasked with using different change levers in order to persuade key members of the organization to adopt the change initiative.

In class activity: We will play 4 rounds/scenarios of the simulation in class.

Simulation Debrief (time permitting)

Session 5: 3/9/2022: Blue Ocean Strategy and Wrap-up

Module 1: Change Simulation Debrief (if not completed in session 4)

Module 2: Introduction to Blue Ocean Strategy

Reading:

- 1) W. Chan Kim and Renee A. Mauborgne, Blue Ocean Strategy, Expanded Edition: How to Create Uncontested Market Space and Make the Competition Irrelevant, chapter 1, Creating Blue Oceans, Harvard Business School Press, 2015. **[HBS]**
- 2) W. Chan Kim and Renee A. Mauborgne, Blue Ocean Strategy, Expanded Edition: How to Create Uncontested Market Space and Make the Competition Irrelevant, chapter 2, Analytical Tools and Frameworks, Harvard Business School Press, 2015. **[HBS]**
- 3) HBSP Case: The Marvel Way **[HBS]**

Questions for Case Discussion

1. What are Marvel's strengths and weaknesses post-bankruptcy? What would you do if you were trying to revive Marvel after bankruptcy?
2. How can Marvel grow a business while simultaneously either cutting costs or keeping costs low?
3. Apply the 4 actions framework: What should Marvel eliminate, reduce, raise and create for a successful turnaround?
4. Did Perelman's tactics align value, profit and people? Why or why not? What did Perlmutter do differently?

Module 3: Practice/Exercise Blue Ocean Strategy

Work in teams (same teams you used for the change simulation during session 4) for final assignment on blue ocean application. This will be submitted at the end of the class. Instructions will be provided.

DUE: Reflection paper (team of two) on change management simulation.