

UC Davis GSM Organizational Strategy and Structure
Syllabus – Spring 2022 – Prof. Elizabeth Pontikes
Preliminary – subject to change (March 2022)

MGT 401B: Wed 9AM-1PM (4 credits)
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Why do some firms succeed while others fail? A good product is not enough. To achieve high performance, managers must execute a viable strategy: the organization's plan to win. A successful strategy creates and captures value. In this course, we will learn strategy creation and execution, drawing on interdisciplinary research for models and frameworks to understand competitive forces in the environment, the fundamentals of organization design, and how to bring these together in a well-designed strategy. This is not about day-to-day operations, but about crafting strategy and designing structures to achieve lasting competitive advantage.

Part I of the course covers strategy fundamentals. Part II dives into trade-offs inherent in creating and executing strategy, as well as a tension between designing an organization for strategy execution under market statics, or having a process for strategy discovery to remain competitive under market dynamics. Part III explores how companies can create strategies for social as well as economic value.

The objective of this course is to develop critical thinking skills to identify assumptions of a strategic plan, to construct a logical argument around why the strategy will succeed, and tools to design organizational structures to forward the strategic goal. Some of the required work is independent and some is in groups. This mirrors how you will be evaluated in the workplace. Lessons are uncovered through case-based analysis, exercises, lecture, and video.

Course Requirements and Grading

Two memos	40%
Course contributions	30%
Final team project	30%

Course materials. All cases and readings are in the required course pack. **You must purchase your own course pack.** Some of the materials are video-based and cannot be shared. **Many of the links to the readings require you to be on campus or use the library VPN. Other readings are found on Study.net or the Harvard Business Publishing coursepack.**

Course Schedule

Part I: Strategy Fundamentals

Class 1. Strategy Identification

What is strategy? In the first session we will learn how a firm's strategy will create and capture value, resulting in sustained performance and competitive advantage. We will learn the strategy identification framework and apply it to example firms.

Theory Readings:

- Porter, M. E. (1996). [What is Strategy?](#) Harvard Business Review (This link takes you to the HBR page of the library. Click on "Search within this publication" and then search for "AN 9611187954" in the second field.)
- Sull, D. R. Homkes and C. Skull. (2015). [Why Strategy Execution Unravels – and What to do about it.](#) Harvard Business Review.
- Pontikes. Teaching note on *Strategy Identification*. [HBS]
- [UC Davis Principles of Community](#)
- Nohira, N. "[What the Case Study Method Really Teaches.](#)" Harvard Business Publishing Perspectives.
- "[Avoiding Plagiarism](#)" OSSJA, UC Davis

Class Preparation:

1. **Read the syllabus** [Yes, the entire syllabus]
2. Complete the background survey on canvas
3. Apply Strategy Identification to Southwest and Ikea from the description in Porter (1996): identify its goal, scope, competitive advantage, and logic.
4. We will use UC Davis' principles of community to guide our discussions. Outline three steps you will take to listen in class discussions and respect people's lived experience, acknowledging that our society "carries within it deep-rooted injustices and biases."
5. What is the purpose of the case method? Outline three steps you will take to read and prepare cases for this quarter.
6. What is the difference between research and plagiarism? Why is plagiarism so serious? What will you do to ensure you do not plagiarize?

Supplementary Material (Research informing class rules and guidelines)

- *Power Point hand-outs*: Worthington, D. and D. Levasseur (2015). "[To Provide or not to Provide Course Power Point Slides? The Impact of Instructor-Provided Slides upon Student Attendance and Performance.](#)" *Computers and Education*.
- *Longhand vs laptop note taking*: Muller, P. and D. Oppenheimer (2014). "[The pen is mightier than the keyboard: Advantages of longhand over laptop note taking.](#)" *Psychological Science*.
- *Laptop multi-tasking*: Sana, F., T. Weston and N. Cepeda (2013). "[Laptop multitasking hinders classroom learning for both users and nearby peers.](#)" *Computers & Education*.

- Student-as-consumer? "[Students with consumer mindset get lower grades.](#)" Original research: Bunce, L., A. Baird, and S. Jones (2017). "The student-as-consumer approach in higher education and its effects on academic performance." *Studies in Higher Education*.

Class 2. Environmental Analysis, Competitive Advantage, and Core Competencies

Whether a strategy can be successful depends on a firm's environment. We will learn Porter's five forces framework and apply it using the Merck & Co. case, and consider how Merck can create sustainable competitive advantage in its environment. We will also evaluate the implications of cost leadership versus differentiation strategies, and will consider strategic implications of integrating the cooperative advantage framework. A key take-away from this class session is that there are often multiple approaches to creating sustainable competitive advantage even within the same industry.

Theory readings:

- Porter (2008). "[The Five Competitive Forces that Shape Strategy](#)," *Harvard Business Review*. (This link takes you to the HBR page of the library. Click on "Search within this publication" and then search for "AN 28000138" in the second field.)
- Porter (1985). *Competitive Advantage*. "Generic Competitive Strategies," pp. 11 – 26. [HBS]
- Prieto, L. and Phipps, S. (2020) "[Cooperative Advantage: Rethinking the Company's Purpose.](#)" *MIT Sloan Management Review*.

Case:

- Merck & Co, Inc. [HBSP site; McGraw Hill Education MH0035] [HBS]

Class Preparation:

1. Apply Porter's five forces analysis to the pharmaceutical industry, based on the Merck & Co. case. Is it an attractive industry? Why or why not?
2. Looking at Merck's strengths, weaknesses, opportunities, and threats, determine if Merck can gain and sustain a competitive advantage in the pharmaceutical industry. Why or why not?
3. What are the potential challenges to Merck's using open innovation to both create and capture value?
4. Think of two examples of companies with cost leadership and differentiation competitive advantages. Write down strategy identification, and specifically why their cost/differentiation is a competitive advantage in their environment.
5. Porter (1985) defines two types of competitive advantages, cost leadership and differentiation. How do Prieto and Phipps (2020) see advantage differently? How might Merck & Co. create and capture value using cooperative advantage?

Class 3. Strategy Execution: Organization Design and Strategy Logic

Successful strategies depend on strategy execution. Managers need to map out their strategy argument to identify the underlying assumptions that will make their strategy viable (or not). A key element of strategy execution and the strategy argument is whether a firm's competencies, embedded in its organization design (formal structure, people, culture, and critical tasks), enable it to execute the competitive advantage from its strategy. Bringing together classes 1-3, a firm's strategy is viable when their organization design is uniquely suited to execute a competitive advantage that creates and captures value in their environment.

Assignment - Memo #1 Due. Prepare a 3 – 5 page case analysis in response to the following questions. In your response use information from the case and course readings only; do not consult external sources. (See the Memo section of the syllabus for details).

1. Apply strategy identification to lululemon: goal, scope, competitive advantage. Is lululemon employing a cost leadership or differentiation strategy?
2. Apply Porter's five forces to the industry (women's athletic and leisure wear) in which lululemon operates. [Note: it is more important to identify and describe what gives rise to the forces and less important to "correctly" classify as low/medium/high].
3. From the description in the case, what is the *logic*, or *strategy argument*, for how lululemon will create sustained competitive advantage (given the environmental forces)? Draw on the strategy identification framework as well as the Carroll and Sorensen reading. [Note, a text explanation is sufficient; you do not have to draw the strategy map].
4. How do elements of lululemon's organization design, using the "Leader as Architect" framework (critical tasks, formal structure, people, culture), contribute to sustainable competitive advantage (and the strategy argument)?

Theory Readings:

- Bernstein, E., R. Raffaelli and J. Margolis. "Leader as Architect: Alignment." (9-415-039) [READ CAREFULLY]. [HBS]
- Bernstein, E. and N. Nohria. "Note on Organizational Structure." (9-491-083) [SKIM] [HBS]
- Carroll, G. and J. Sorensen, "[Why Good Arguments Make Better Strategy](#)," MIT Sloan Management Review.

Case:

- Leadership, Culture and Transition at lululemon (multimedia, HBS 410705-HTM-ENG) [HBS]

In-class (no preparation required):

- Politico exercise
- Managing friction: Friction Podcast: Sutton and Pfeffer. Dear Micro-Manager, Control Yourself. <https://ecorner.stanford.edu/articles/transcript-dear-micro-manager-control/>

Class 4. Intrinsic Motivation: Culture Deep Dive

Culture, the "software" of organization design, is a key – and often overlooked – tool to foster unique competencies. In this session we will learn how culture contributes to strategy execution. We will examine how managers can set up "macro level" structures that tap into people's psychological processes and motivations for a healthy work environment that creates unique competitive advantages. We will also understand how culture draws from and is reinforced by the larger community and the company's social mission.

Theory readings:

- Chatman, J. and Cha, S. (2003). "[Leading by Leveraging culture](#)." *California Management Review*. 45:19 – 34.
- Edmonson, A. (2019). Ch 2: "The Paper Trail." [The Fearless Organization](#), pp. 25 – 49.

Cases:

- Zappos.com 2009: Clothing, Customer Service, and Company Culture (multimedia) [HBS]

- Prieto, L. and Phipps, S. (2019). [Chapter 3: “Charles Clinton Spaulding – the Father of African American Management Thought,”](#) *African American Management History: Insights on Gaining a Cooperative Advantage*. (pp. 63-84).

Class Preparation:

1. Outline the five forces for the shoe industry before Zappos’ entry (e.g. offline). What is Zappos’ strategy, and what is the strategy argument for how it can have competitive advantage in this industry? Do you think their competitive advantages are sustainable?
2. How does Zappos’ culture contribute to its ability to execute its strategy? Draw on the Chatman and Edmonson readings. Do you see their investments in culture as a “perk” or as essential to strategy execution?
3. What formal structures and processes did Charles Clinton Spaulding put into place at North Carolina Mutual to create and maintain the culture?
4. In what ways did the organization culture at North Carolina Mutual draw from the larger culture in the community? How did it *contribute* to the community culture?
5. To what extent do you think the culture at North Carolina Mutual was due to the social mission of the company and Spaulding? What about for Zappos – how much do you think Hsieh’s social mission drove their unique culture?

Part II: Managing Trade-offs and Market Dynamics

Class 5. Scaling and Growth: Vertical Integration, Diversification, and M&A

Every successful firm faces the question of how to scale. In this class, we will use our strategy framework to evaluate trade-offs of scaling through vertical integration and expanding scope through diversification – or, conversely, spinning off businesses when there are no longer synergies in strategy and/or organization design. We will also evaluate when this can be accomplished through acquisition.

Assignment: Final Project proposals due.

Theory readings:

- Rothaermal, Frank. Strategic Management. Chapter 8: focus on 8.3 – 8.4 (pp. 278 – 297); skim rest. [HBS]

Case:

- PepsiCo and Frito Lay: A Salty Combination? [HBP# CU282] [HBS]

In-class (no prep): Podcase, Stacy Brown-Philpot, CEO TaskRabbit

Class Preparation:

1. What is the difference between *economies of scale* and *economies of scope*?
2. When is acquiring (or operating) a business in another industry good strategy? Consider building core competencies and competitive advantage.
3. What were the initial reasons for PepsiCo’s entry into the restaurants business? Why did PepsiCo ultimately decide to spin-off Tricon?
4. What are the proposed synergies between snacks and beverages? Construct a *strategy argument* to answer this question (see class 3). What are the assumptions that underlie the argument to keep the businesses together or to spin-off? Ultimately, what do you recommend?

Class 6. People: Diversity and Organizational Learning

Incorporating diversity of backgrounds and perspectives is important for fairness as well as organizational learning, to maintain competitive advantage and strategic value in a changing world. This class will cover research into why diversity matters, the conditions under which diversity confers benefits and how it can be difficult, and paradigms and practices for managing and promoting diversity in the workplace.

Assignment: Guest speaker questions due three days before class (canvas).

Theory:

- Phillips, Katherine (2015) "[Why Diversity Matters](#)" talk at Columbia (video).
- Rivera, L (2015). "[Guess who doesn't fit in at work.](#)" *The New York Times*.
- D. Thomas & R. Ely (1996). "[Making differences matter: A new paradigm for managing diversity](#)" *Harvard Business Review*. (This link takes you to the HBR page of the library. Click on "Search within this publication" and then search for "AN 9609167709" in the second field.)
- Creary, S. (2020). "[How to begin talking about race in the workplace.](#)" *Knowledge at Wharton*.

Case:

- Shifting the Diversity Climate: The Sodexo Solution [HBS 9-412-020] [HBS]

In-class (questions for guest speaker required):

- Guest speaker: Al Ko, CEO, Early Warning

Class Preparation:

1. What is the paradox Phillips (2015) discovered in terms of how diverse teams *perform* as compared to how they *think* they have performed? Consider this in light of the hiring practices described by Rivera (2015): how might the perception of performance on diverse teams create a road block to realizing the value of diversity? How might it be counteracted?
2. To be effective diversity initiatives must be incorporated throughout a company's organization design. Describe the diversity initiatives Anand implemented at Sodexo in the "Leader as Architect" framework, including critical tasks, people, formal organization, and culture, first in North American and then globally. Why did they need to take different approaches in different countries?
3. How might the third paradigm from Thomas and Ely (1996), connecting diversity to work perspectives, create competitive advantage and promote organizational learning? Would you describe Sodexo's initiatives as part of this paradigm?
4. Why do you think the diversity initiatives at Sodexo were successful?
5. Creary (2020) introduces the RACE framework for discussing race in the workplace. Apply this framework to our classroom. What have we done to enable productively talking about race in our discussions? What could we do to improve?

Class 7: Strategy Discovery and Entrepreneurial Design

Classic strategy assumes market statics: that environments change slowly enough such that firms can thrive by executing a strategy that is periodically updated. But in our era of disruption, market change is rapid and ongoing. To effectively compete under market dynamics, firms need to shift from strategy execution toward strategy discovery. In this session, we will learn how entrepreneurial design is necessary to transform organizational learning into strategy discovery, and how firms can balance strategy execution with strategy discovery.

Assignment - Memo #2 Due. Prepare a 3 – 5 page case analysis in response to the following questions. In your response use information from the case and course readings only; do not consult external sources. (See the Memo section of the syllabus for details).

1. Describe key elements of the organization design of “classic” 3M (the McKnight era), using the “Leader as Architect” model.
2. How is their organizational design “entrepreneurial” – e.g., how does it reflect Ries’ recommendations from “The Spreadsheet Troll”? How does their design create competitive advantage for 3M?
3. Lou Lehr undertakes a major reorganization when he becomes CEO. Would you say his changes push 3M more toward exploration or exploitation, from Shih (2013)? How does it strengthen and/or weaken 3M? Draw on the required readings in your response.

Theory Readings:

- Shih, W. 2013. “Exploration vs. Exploitation” HBS Module Note 9-614-004. [HBS]
- Gladwell, M. (2011). “[Creation Myth: Xerox PARC, Apple, and the truth about innovation](#),” *The New Yorker*.
- Ries on Sutton, *Friction* “[The Spreadsheet Troll](#)” (podcast)

Case:

- 3M: Profile of an Innovating Company (HBS 9-395-016) [HBS]

In class (no prep):

- Marshmallow Game

Class Preparation (additional thought questions):

1. How *efficient* is 3M’s structure? A key consideration for an innovative company is the difference between waste and slack. To the extent that 3M is inefficient, how much would you say is due to waste versus slack?
2. Creation Myth describes Gary Starkweather’s frustrations with developing his creative ideas at Xerox. Why was Xerox so resistant to Starkweather’s ideas? Were they right to resist?
3. How was Xerox designed to foster innovation and creativity? In what ways was their entrepreneurial design similar to and different from 3M?

Part III: Strategies to Create Social Value

Class 8: The Social Responsibility of Business: Managing Risk and Taking Responsibility

What is the social responsibility of business? This question is increasingly important in our era as people are questioning old paradigms and creating new ones. In this session, we will examine how risk and corporate responsibility plays out in strategy, competitive advantage, and organization design, applied to BP and the Gulf of Mexico Oil Spill case. We will consider how risk might have been mitigated as well as strategy, structural, and systemic barriers to effectively do so. We will also engage with the emerging debate regarding shareholder value, stakeholder value, and corporate social responsibility – and more generally, how thought leaders are reimagining capitalism.

Assignment: Guest speaker questions due three days before class (on Canvas).

Theory Readings:

- Edmonson, A. (2019). Ch 3: “Avoidable Failure.” [The Fearless Organization](#), pp. 53 – 76
- [“Rethinking the Social Responsibility of Business,” Reason.com](#). Read Mackey’s argument, Friedman’s response, and Mackey’s response to Friedman. Skip T.J. Rogers.
 - o Supplemental reading - the original article: Friedman, M. (1970). [“The Social Responsibility of Business is to Increase Its Profits,” The New York Times](#).
- Christensen, K., Thought Leader Interview: [“Rebecca Henderson: A renowned Harvard professor introduces a new framework for a system that she believes has lost its ethical foundation.”](#)
- Rosenthal, C. [Slavery, Capitalism, and the Power to Commodify](#) KPFA *Against the Grain* podcast (listen until 21:45). [Note: this podcast covers difficult topics. Please contact me or your TA if you are concerned about listening.]

Case:

- BP and the Gulf of Mexico Oil Spill (Ivey School of Business – W11366) [HBS]

In-class (prep with the readings and thought questions/guest speaker questions):

- Guest speaker: Michael Mroz, former Treasurer for BP America, Inc.
- Debate on the Social Responsibility of Business, Shareholder Value, and the Function of Capitalism

Class Preparation:

1. In your opinion, what was the most problematic of the flawed decisions made by BP and its partners in this case? Why did so many employees deem it appropriate to take significant risks? Why didn’t they more strongly oppose decisions they knew were flawed?
2. How did the political and regulatory environment affect decision-making by BP and its partners? Do you agree with Tony Hayward’s quote at the end of the case – was this disaster a BP failure, or was it an industry accident?
3. What is Friedman’s view on shareholder value and capitalism? How is it similar to and different from Mackey’s view of stakeholder value? And from Henderson’s reimagined capitalism?
4. How do these conceptions of economic value relate to our study of strategy in this course – specifically a firm’s strategy goal and competitive advantage? Can a firm develop and execute a viable strategy that bolsters stakeholder value and the common good?
5. Rosenthal argues that the violence and coercion of slavery in the American south aided in the emergence of capitalist practices. Were you surprised that slave holders employed more complex and management practices as compared to northern wage-labor factories in the same era? Was it hard to hear slave holders used sophisticated systems of appreciation similar to mark-to-market style accounting to assess enslaved people, and classified them by the unit of “fractional hands”? Why is it important to know that slave plantations were a form of capitalism that pioneered modern business practices?

Class 9: CSR for Competitive Advantage (I): Entrepreneurs

Can a social mission be incorporated into strategy for competitive – or cooperative – advantage? We will explore how companies can reimagine their industry to create value from socially responsible practices and products. We consider how the elements of strategy identification– especially the strategy goal and competitive advantage – can link a social mission with a viable strategy. In this session, we focus on the entrepreneurial approach, with Dandelion Chocolate and the craft chocolate market. We will understand how entrepreneurs can use category strategy to redefine a market niche, using educational tactics to build demand – and consumers’ willingness to pay – for products that use their socially responsible approach.

Assignment: Guest speaker questions due three days before class (canvas).

Theory readings:

- Henderson, R. (2020). Chapter 2, "Reimagining capitalism in practice," *Reimagining capitalism in a world on fire*. [HBS]
- Prieto and Phipps (2021). "[How 20th Century Black Business Leaders Envisioned a More Just Capitalism](#)," *Harvard Business Review*.

Case: Dandelion Chocolate

In-class (questions for guest speaker required):

- Guest speaker: Greg d'Alesandre, Chief Sourcerer, Dandelion Chocolate (TBD)

Class Preparation:

1. The Dandelion Chocolate case describes the evolution of the chocolate market. Apply Porter's five forces model to the market for "mass chocolate" and for "craft chocolate."
2. What is Dandelion's strategy? What is its strategy argument? Consider how its competitive advantages would fare under the competitive logic in the mass chocolate market as compared to the craft chocolate market.
3. How does Dandelion Chocolate employ "cooperative advantage" in its strategy?
4. To what extent has Dandelion Chocolate (and other craft chocolate makers) been able to create competitive advantages that also promote social welfare? How much does their strategy in line with the vision of capitalism described by Prieto and Phipps (2021) and Henderson (2020)?
5. Are Dandelion's competitive advantages sustainable? Why or why not?

Class 10: CSR for Competitive Advantage (II): Strategic Change

In this session we will examine how an established company can incorporate social values into their strategy. We will consider how Nike used strategy discovery and to integrate CSR and sustainability initiatives with existing competencies. This case exhibits the leverage large companies can have on greater social change. A key takeaway is that established companies can create new sources of competitive advantage if they employ a strategy discovery process that includes material changes in organization design coupled with commitment from leadership. We will also consider the extent to which Nike is able to realize both economic and social goals and tensions that remain.

Case: Governance and Sustainability at Nike (A) (HBS 9-313-146) [HBS]

Class Preparation:

1. What was the impetus for Nike's sustainability initiative?
2. Nike institutes a number of changes in organization design intended to improve sustainability. Map out these changes in light of the "Leader as Architect" reading: what changes were made in critical tasks, formal organization, people, and culture?
3. How have Nike's strategy/competitive advantages changed, and how have they stayed the same? What about their strategy argument?
4. Nike merges sustainability with innovation, not only in how it labels the initiative, but also in how people think about how to implement sustainability. How does merging these concepts facilitate Nike's ability to build new sources of competitive advantage? Do you think this was a good idea for Nike? Provide evidence as to why or why not.

5. The case highlights a shift from a focus on monitoring to including environmental and social concerns at the beginning of the supply chain. Why might this be important? Consider how this aligns with Ries's recommendations include people from across the organization in new projects.
6. Should Nike revisit its commitment to "Road to Zero"? What stakeholder obligations do they need to consider? How should they balance trade-offs? What would you recommend if you were in Jones' position? In Sprunk's position?
7. Evaluate Nike's CR initiative overall. What was effective, and where did they fall short? What do you admire, and what would you do differently? Use frameworks from the course to support your argument: e.g. understanding sources of competitive advantage, mapping strategy to organization design, identifying the strategy argument, understanding culture and informal motivation, considering environmental pressures and market dynamics, and engaging in strategy discovery.

Guest Speakers

We will host three guest speakers, executives who will provide their perspectives on strategy and organization design.

Albert Ko, Chief Executive Officer, Early Warning

Al Ko is Chief Executive Officer of Early Warning Services, LLC, a fintech company owned by seven of the country's leading banks. Prior to joining Early Warning, Ko served as Chief Transformation Officer for Intuit. Appointed to this role in 2017, Ko drove Intuit's operating rhythm and oversaw the cross-company transformational change initiatives that allowed Intuit to re-imagine and re-invent itself in order to best serve its customers. Over his 13+ year career at Intuit, Ko held numerous leadership positions, including General Manager of Mint and Head of Product for Intuit's Small Business Group, where he was responsible for the global expansion of QuickBooks, Payments, and Payroll. Before joining Intuit, Ko was a management consultant at both the Boston Consulting Group and McKinsey & Company where he advised technology and industrial clients on strategy, organizational effectiveness, and supply chain management. Al holds a B.A. in History and International Studies from Yale University and a J.D. from Harvard Law School.

Michael Mroz, former Treasurer at BP America, Inc.

Michael Mroz is a former Treasurer at BP America Inc. He successfully led the firm's cash management response in the United States to the severe liquidity challenges which emerged from the 2010 Deepwater Horizon oil spill. Michael was also a key player in satisfying the U.S. Department of Justice's mandate for the creation of a \$20 billion trust fund established to ensure that the various damage claims resulting from the incident would be paid. Michael holds a Masters of Business Administration (MBA) degree (Finance) from the University of Chicago Booth School of Business.

Greg D'Alesandre, Chief Sourcerer, Dandelion Chocolate

Greg has been working with chocolate for over twenty years, and making chocolate for the last decade. He started making liquid nitrogen truffles in college with "borrowed" equipment from the physics lab. He's been with Dandelion Chocolate for 8 years as part owner and Chocolate Sourcerer, traveling the world to find great cacao to use to make great chocolate. He is co-author of "Making Chocolate: From

Bean to Bar to S'More." He feels strongly about direct sourcing cacao and building lasting relationships with the network of cacao producers and chocolate makers around the world. While his background is in electrical engineering and product management, he's been using these skills to help run the business.

Course Requirements

- Two Memos (40%)
- Course contributions (30%)
- Final team project (30%)

Memos:

Two memos are due (in class 3 and 7). These are 3-5 page essays responding to the questions set out above. The format must be double spaced, 12-point Times New Roman Font, with one-inch margins. Memos are due before your section, submitted on canvas.

Course Contributions:

This course depends heavily on participation. Discussions expose the ambiguities that are part and parcel of any case analysis. Through participation you will develop the skills of persuasion, analysis and listening that are key to success.

The course contribution grade includes the following:

- In class contributions to discussion. Learning occurs both through preparing readings and cases and through in-class interaction. Therefore, it is critical that you attend class and **come prepared to discuss the assigned material**. I will cold call. **If you come to class unprepared, inform me ahead of time and I will not call on you.** (It is much better to let me know ahead of time than to be caught unprepared).
- Post-class contributions on Canvas. We will continue the discussion on Canvas. Each week I will post a prompt for responses. You can also post prompts either directly related to case discussion, or branching out to relate issues from class to other pertinent topics.
- Questions for guest speakers. You are required to submit 1-2 questions for each guest speaker.

You should make all three types of contributions during the quarter. Typically, in-class participation cannot be made up. However, given our current circumstances with the pandemic, I recognize some of you may need to miss a session. Please do not show up if you are sick! You are welcome to attend another section to make up participation. If that is not possible and you must miss one class (for illness, interviews, etc.), you can compensate by more active contributions on Canvas discussions. If you need to miss more than one class, contact me and I will give you an assignment to make up participation.

To prepare for class discussion, you will need to carefully read the case and all of the readings. **First read the assigned theory reading(s) for the week, and keep the key concepts in mind as you read the case.** Take time to dissect the main issues presented in the case. You may need to read the case twice.

Be an active participant throughout the quarter. **The frequency (i.e., the quantity) of your contributions in class is not the main criterion for effective class participation.** The quality of your participation is most important. Criteria for effective class participation include:

- Does the participant demonstrate a thorough understanding of the assigned readings?
- Do the comments show evidence of analysis of the case?
- Is the participant a good listener? Does s/he respectfully respond to other comments, and not simply repeat what has already been said?
- Are the points that are made relevant to the discussion? Is there willingness to test new ideas or are all comments "safe"?

It is also important to remember:

- Well-posed questions are an important part of the discussions.
- In most of the cases we discuss, there are many viable actions and plans that could be undertaken. Enlightened debate adds significantly to the understanding of the issues.

You may discuss the materials with others. Study groups are encouraged. You also may draw on relevant outside information that brings depth, nuance, and perspective to your analysis. However, using outside information to substitute for your original analysis, whether from the internet, classmates who have previously covered the case, or other similar sources, is a violation of the code of academic conduct and strictly prohibited.

Team Project:

Your final is a team project that provides a strategic analysis of a firm that is undergoing a major change, or that is in trouble and needs to embark on a major change. The objective of this project is to *demonstrate you can apply course theory to gain insight into a real firm's problems.*

You will be assigned to a project team between 4-5 members based on your interests, skills, and work experience as indicated in your Canvas survey.

You may analyze any type of organization, e.g. a non-profit, an established firm, or a start-up, as long as: 1) you can get sufficient data on it, 2) you can justify that the organization is in trouble or in the midst of a major change, 3) the organization operates in a competitive market context (or something comparable), i.e. no utilities, and 4) you have not used the firm in an assignment for another class.

Projects can use primary data (e.g. interviews) or secondary data (e.g. news reports), or a mix of the two. Be sure to choose a topic where you have **access to enough information about the design of the organization to integrate the full range of concepts from the course into your analysis.**

Your strategic analysis should diagnosis of the firm's problem(s) and/or the reason for its strategic change, including an analysis of the firm's environment, it's strategy (historically and currently), and how/whether its organization design supports competitive advantages necessary to compete in its environment. 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 design and its strategy, your recommendations should include either a change in strategy or a re-organization. A thoughtful analysis is essential; projects should go

beyond statements of facts and events.

- **Class 5:** Project proposal due (one page)
- **Final paper due** at 4:00 pm Monday June 6th, uploaded to Canvas

Project proposals

Proposals should contain the company that you will analyze and how the frameworks from the course apply to your case. Identify the sources of data that will be used in your research.

Final project paper

The paper may not exceed 12 double-spaced pages of text with one-inch margins, in 12-point Times New Roman font. Only the text of the paper counts toward the page limit; table of contents, references, tables, and figures do not count toward the limit.

There is no required structure for the paper, but most good papers contain the following:

1. Problem definition: Give some firm background and history: what has the firm's strategy been, particularly its historical competitive advantages? What is its underlying economic logic? Has it changed recently or has the world changed?
2. The industry and environment: what is the 5-forces analysis of the firm's industry? How has it changed?
3. Discuss the firm: What was the source of the organization's competitive advantage, and why is it no longer sustainable? For start-ups, what is the intended source of competitive advantage? Have managers tried to change the environment, or are they reacting to changes? Why didn't the firm keep up? Use theories you have learned in the course to analyze the situation and diagnose the underlying cause of problems. You should discuss with your group a number of theories in relation to the firm you're analyzing, to select the best way to analyze your situation. In the paper, you should only present the one(s) that fits the situation. Do not simply reiterate the theories presented in class. Successful papers present a critical, thoughtful, and focused analysis that *applies* one or two theories with enough depth to reveal insight.
4. Recommendations: What should the firm do now?

I will provide a team evaluation form, which will affect your final project grade if your standardized within-group score is discernibly lower or higher than zero. If you do not evaluate your team members, I will assume you rate each equally.

Course Policies

Accessibility

Please let me know if you need accommodations related to a disability or other condition, preferably within the first two weeks of class. All information will remain confidential.

Electronics Policy

Use of laptops, smartphones, and other electronics during lecture and class discussion are not allowed. Using electronics in class, even for note taking, is distracting to the user and classmates, and research shows it results in lower grades (see supplementary materials, class 1). Electronics are useful for collaboration and in-class polls, and I will ask you to use them for this purpose only. Otherwise they should be put away. Please consult me if there is a necessary accessibility accommodation, or a one-off situation (for example waiting for an emergency call).

Grading

Requests for a re-grade must be presented in writing within one week of receiving your grade. The entire assignment will be graded again. To accommodate natural statistical fluctuations, grades can go up or down after a re-grade. Course contribution grades cannot be contested.

Integrity and Code of Academic Conduct

I expect that all of you take UC Davis' code of academic conduct as seriously as I do. You must exhibit integrity in all of your activities and adhere to the UC Davis code of academic conduct, described here: <http://sja.ucdavis.edu/files/cac.pdf>.

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. No violations of academic conduct will be tolerated, and I will not hesitate to turn any violators over to Student Judicial Affairs.

Principles of Community

This course depends heavily on discussion, and much of the learning comes from sharing and listening to your classmates experiences as you integrate the readings and lessons. In discussions we are guided by the [UC Davis Principles of Community](#) that affirms the dignity inherent in all of us, and values individuality and diversity of perspectives and backgrounds as an opportunity to listen, engage, learn and grow. We reject all manifestations of discrimination.

Slide print-outs

I will not provide slide print-outs. My lectures are interactive and integrate polling and surprise findings. This makes for a better learning experience and does not comport with print-outs. In addition, research shows you will learn more without print-outs (see supplemental materials for class 1). I will upload slides to canvas after class.

Miscellaneous

If you have a situation that causes problems for you in fulfilling the course requirements, **tell me!** I'm almost always able to help. It is much easier to address problems early on; much more difficult after the course is over and assignments are in.

Additional Recommended Reading

Adner, Ron (2021). *Winning the Right Game: How to Disrupt, Defend, and Deliver in a Changing World*.

Bossidy & Charan (2011). *Execution: The Discipline of Getting Things Done*.

Collins, Jim (2001). *Good to Great: Why Some Companies Make the Leap ... and Others Don't*.

Edmonson, Amy (2019). *The Fearless Organization: Creating Psychological Safety in the Workplace for Learning, Innovation, and Growth*.

Henderson, Rebecca (2020). *Reimagining Capitalism in a World On Fire*.

Nembhard, Jessica Gordon (2014). *Collective Courage: A History of African American Cooperative Economic Thought and Practice*.

Prieto, Leon and Phipps, Simone (2019). *African American Management History: Insights on Gaining a Cooperative Advantage*.

Ries, Eric (2017). *The Startup Way*.

Sorensen and Carroll (2021). *Making Great Strategy: Arguing for Organizational Advantage*.

Zingales, Luigi (2012). *A Capitalism for the People: Recapturing the Lost Genius of American Prosperity*.