1. **Introduction:**

At first blush, “beating the market” may sound better suited to investing or financial management than business strategy. Overcoming the profit depleting effects of market forces is the essence of good strategy—what separates winners from losers, headline makers from also-rans. A focus on the presence, absence, or the possibility of market beating value creation should therefore help transform any discussion on strategy from something vague and conceptual to something specific and concrete.

2. **Course overview, learning goals, and objectives:**

This capstone strategic management course explains why some firms outperform others. The course takes an integrative, multi-functional approach to the kind of broad organizational issues confronted by top executives. We will examine critical strategic issues that require a general management approach, using all the core business functions covered in the SOM curriculum, rather than a strictly functional one. An integrative perspective is essential because the formulation and implementation of effective strategies requires a precise understanding of the interrelationships among the different functions and the relationships of these functions to the business environment. Thus, this course represents the synthesis course for the SOM.

3. **The learning goals are the following:**

- Will be effective communicators
- Will have an interdisciplinary perspective
- Will be knowledgeable about team dynamics and the characteristics of effective teams
- Will be critical thinkers.

4. **The objectives are:**

- To familiarize the current literature of strategic management
- To understand the complexities and challenges of multi-functional organizational problems
- To focus attention on strategic issues confronting contemporary businesses
- To facilitate the development of strategic thinking
- To further refine research, analytical, critical-thinking, team building, and communication skills.

5. **Prerequisites:**

Students must have completed general education requirements and all core courses (i.e., ACCT 301, BULE 302, OM 301, FNAN 301, MGMT 301, MIS 301, and MKTG 301; and senior standing).

6. **Course Materials:**

**Required:**


**Recommended:**

(1) **Grading Weights and Scale:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Weight</th>
<th>Grade</th>
<th>Score Range</th>
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<tbody>
<tr>
<td>Exam/Quiz 1</td>
<td>20</td>
<td>A</td>
<td>93-100</td>
</tr>
<tr>
<td>Exam/Quiz 2</td>
<td>25</td>
<td>A-</td>
<td>90-92</td>
</tr>
<tr>
<td>Class participation &amp; Peer Group</td>
<td>15</td>
<td>B+</td>
<td>87-89</td>
</tr>
<tr>
<td>Industry &amp; Firm Reports</td>
<td>25</td>
<td>B</td>
<td>83-86</td>
</tr>
<tr>
<td>In-Class Case Competition</td>
<td>15</td>
<td>B-</td>
<td>80-82</td>
</tr>
<tr>
<td><strong>Total Points</strong></td>
<td>100</td>
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(2) **Exams/Quizzes:**

There will be two exams/quizzes which are pre-scheduled. The first will be held at about the half-way point, while the latter will be held towards the end of the semester. The course exams will consist of case analysis, short essays and questions. Students will be required to apply concepts and frameworks from assigned readings and cases and in-class discussions.

(3) **Class Participation & Peer Group Evaluations:**

Since this course is a discussion/case-based course, your participation is critical to the learning experience. Much of the learning that will take place in this class comes from the chance to express ideas, listen to what others have to say, and discuss these ideas in order to develop your critical-thinking knowledge. Please take advantage of this opportunity to gauge and hone your communication skills. To do this you must prepare all assigned materials and participate in the in-class discussions, exercises and assignments. Do not underestimate the value of what you and your classmates have to say. Your individual Class Participation will represent 10% of your overall grade.

Because your participation is vital to the success of the class as a whole, daily participation grades will be recorded (feel free to meet with me as often as you like to discuss your current participation grades). Grades for class participation will depend on both the quality and the frequency of participation. Quality is much more important than frequency but a person with frequent high quality participation will merit a better grade than one with occasional high quality participation. Grades will be assigned each class based on:

- Student shows evidence of careful analysis by using facts and evidence from the assigned materials to make arguments, as appropriate; student’s participation fits in with the flow of class discussion and demonstrates that he/she has been listening to and reacting to others’ points of view; student is able to influence the class to consider important avenues that the class neglected; student is able to engage constructively in debating points with other students; and student presents recommendations justified by his/her analysis and/or by the discussion in the class.

Less value is placed on participation that repeats case facts without analysis or that disrupts the flow of the class discussion without good reason. Students will be called upon randomly to answer questions pertaining to the readings. If for some reason you are not fully prepared on a particular day, let me know before class so that I do not embarrass you inadvertently. I realize that work and traffic can present challenges to on-time attendance, but everyone is aware of this and should plan ahead to overcome these difficulties. Please note that you will not be successful by simply attending class and consistently being unprepared.

GMU catalog states the following on attendance policies for graduate and undergraduate classes:

Students are expected to attend the class periods of the courses for which they register. In-class participation is important to the individual student and to the class as a whole. Because class participant may be a factor in grading, instructors may use absence, tardiness, or early departure as de facto evidence of non-participation. Students who miss an exam with an acceptable excuse may be penalized according to the individual instructor's grading policy, as stated in the course syllabus.

(4) **Peer Group Evaluation & Team Selection:**

Select your own teams of six students (5 teams). Since diversity and close coordination is a key part of management in dealing with complex, multi-functional organizational challenges, please consider complementary functional expertise and individual schedules and location to ease coordination. To facilitate class participation, it is suggested that teams sit together. 5% of your overall grade is based on team and peer evaluation. I would like to receive on or before January 29,
2015, the evaluation sheets and criteria that you would be using. As a suggestion, I believe that team evaluations (5%) should consist of at least the following components: leadership qualities; client effectiveness; team contribution; participation in meetings; and discussions, preparation of content and presentations, and timeliness of deliverables.

(5) **Industry and Firm Reports:** The industry selected for this section of SOM498 for the spring semester is the commercial Airline Sector. The commercial airline sector consists of either and/or both the air transport of passenger and cargo businesses. As teams, you will are required to first develop an airline industry report and then a firm report on a specific airline – Air Asia. To help formulate your industry and firm strategy reports, we will discuss two cases -- “Two Ways to Fly: Lan Airlines and Southwest” and “Emirates Airline: Connecting the Unconnected”. The third case—“Air Asia: Flying Low Cost with High Hopes”—will be the basis of the team’s firm reports. Each report will consist of 12-15 Power Point slides along the use of notes at the bottom of each slide. The airline industry report is due on April 23, 2015 (at 12:00 noon latest via EM) and will represent 10% of your total grade. The airline firm report is due on April 30, 2015 (at 12:00 noon latest via EM) and will represent 15% of your total grade.

(6) **In-Class and School-wide Case Competition:** The case selected for the In-Class Case Competition and the School-wide case competition is METHANEX: Developing Strategy in a Commodity Industry, a Canadian based global methanol company. The in-class case competition will be held during class time on April 2 and 9, 2015. The top two teams from our section will be selected to go on to the school-wide competition that will be held on Friday April 17, 2015, from 1:00-6:30 pm. The winning team will receive a cash prize of $1,500 and the runner-up will get $500.

The purpose of the case competition is to judge the ability among students to distill a case situation (including data) into actionable creative recommendations that are supported logically with the use of reasonable assumptions as well as appropriate application of strategic methods covered during the semester’s course. A standard evaluation form will be available at the case competition website and will be used to judge both the in-class and school-wide case competitions. The team’s presentation should be no longer than 15 minutes with an additional 5 minutes of Q&A. The team will act as a consulting team making a presentation to METHANEX’s senior management.

(7) **Assignment policy:**

All assignments and exams must be handed in on schedule and in-class (no e-mails). Late assignments and missed exams will drop a letter grade for every day they are late. You are to work only with your team members on the team assignments, not with other members of the class or anyone outside this section. Team members will receive the same grade, but if the team feels a particular student(s) did not adequately contribute, please do not include his/her name on the assignment. At the same time, please be fair and provide ample communication and time. That student will be given an individual assignment to be assigned by the Professor.

All work should be the original product of those turning in the assignment and uphold the University’s Honor Code. If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Services (ODS) at 703-993-2474. All academic accommodations must be arranged through the ODS.
This is an indicative class schedule for the semester. It provides participants on the class format and expectation of the course outline. The professor will confirm on a weekly basis the specifics of the class schedule, proposed guest lecturers, reading assignments, etc. or any changes to the proposed schedule.

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topics and Readings</th>
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| Week 1 | Thursday 1/22 | **Welcome!**  
Lecture: Course Introduction  
Participant Introductions and Objectives  
Course Overview: “Current issues in the Global Marketplace” |
|       | Session 1 | 7:10-8:30 pm |
|       | Session 2: | 8:45-10:00 pm |
| Week 2 | Thursday 1/29 | **Read:** “World Economic Outlook, October 2014”, *International Monetary Fund*  
**Read:** “Rethinking the Role of the Strategist”, *McKinsey Quarterly, November 2014*. Article will be posted on Blackboard.  
**Lecture:** "The Global Economy: Growth, Structure, Actors and Players". |
|       | Session 1: | 7:10-8:30 pm |
|       | Session 2: | 8:45-10:00 pm |
|       |           | **Read:** “Strategic Management” (Text Book), *Chapter 3* (only)  
**Read:** “Creating Competitive Advantage” by Pankaj Ghemawat and Jan Rivkin. *Article in Coursepack*  
**Lecture:** “Global Competitiveness: Is the Landscape Changing”. |

|       |           | **Read:** “Strategic Management” (Text Book), *Chapters 4 & 5* (only)  
**Read:** “Growth and Competitiveness in the United States: The Role of its Multinational Companies (MNCs), *McKinsey Global Institute*, June 2010, Executive Summary Only. Article will be posted on the blackboard.  
**Lecture:** “The Case for Improving U.S. Competitiveness” |
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<tr>
<th>Week</th>
<th>Date</th>
<th>Topics and Readings</th>
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| Week 3 | Thursday 2/5 | **Session 1: 7:10-8:30 pm**  
*Read:* “Strategic Management” (Text Book), **Chapter 1 only**  
*Read:* “What is Strategy?” Michael E. Porter, [Article in Coursepack](#)  
*Read:* “HBR’s 10 must read on Strategy”. [Available in Coursepack](#)  
|       | Thursday 2/5 | **Session 2 8:45-10:00 pm**  
*Read and Prepare Case Individually:* Two Ways to Fly: Lan Airlines and Southwest”. [Case In Coursepack](#). **Two students will be selected randomly to make presentation.**  
*Class Case Discussion:* HBS—“Two Ways to Fly: Lan Airlines and Southwest Airlines”.  
*Lecture and Case Wrap-Up:* How Business Models puts Strategy into Action |
| Week 4 | Thursday 2/12 | **Session 1: 7:10-8:30 pm**  
*Lecture:* “Corporate Strategy: Effectiveness or Mythical” |
|       | Thursday 2/12 | **Session 2: 8:45–10:00 pm**  
*Read and Prepare Case Individually:* “Nissan’s Turnaround Strategy”. [Case will be posted on Blackboard one week prior to class session.](#)  
*Class Case Discussion:* “Nissan’s Turnaround Strategy”. **Two students will be selected randomly to make presentation.**  
*Lecture and Case Wrap-Up:* Key Elements in Change Management |
| Week 5 | Thursday 2/19 | **Session 1: 7:10 – 8:30 pm**  
*Read:* “Strategic Management” (Text Book), **Chapter 10 (only)**  
*Read:* “How Companies can leverage global trends to drive growth”, [an Interview with Prof. Mauro Guillen, April 18, 2014](https://www.youtube.com/watch?v=9zOxG_4q9cU). Article will be posted on blackboard.  
*Lecture:* “Introduction to Globalization” |
|       | Thursday 2/19 | **Session 2: 8:45-10:00 pm**  
*Class Case Discussion:* “Haier case”. **Two students will be selected randomly to make presentation.**  
*Lecture and Case Wrap-Up:* Concluding Remarks |
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<th>Week</th>
<th>Date</th>
<th>Topics and Readings</th>
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| Week 6 | Thursday 2/26 | **Read:** “Insider Advice on How to do Business in the Middle East and North Africa”, Knowledge@Wharton, April 25, 2014. **Article will be posted on blackboard.**  
**Read:** Global Flows in a Digital Age”, McKinsey Global Institute, Executive Summary only. **This article will be posted on Blackboard.**  
**Lecture:** “The Four Pillars of Globalization”.
|        | Session 1 7:10 – 8:30 pm | Review: Reading materials and proposed mid-term exam format |
| Week 7 | Thursday 3/5 | **Mid Term Exam/Quiz**
|        | Session 1: 7:10-8:30 pm | ▪ Review Mid-Term Exam and Course Material to Date  
♣ Assess Course Objectives and Next Half of Semester  
♣ **SPRING BREAK MARCH 9-16, 2015** |
|        | Session 2: 8:45-10:00 pm | **Read:** “Urban World: The Shifting Global Business Landscape”, McKinsey Global Institute, October 2013  
**Lecture:** “The Changing Global Demographics and the Rise of the New Consumer Middle Class”.
| Week 8 | Thursday 3/19 | **Read and Prepare Case in Teams:** “Cola Wars Continue: Coke and Pepsi in 2010”. **Please make sure you have the right case.**  
**Class Case Discussion:** “Cola Wars Continue: Coke and Pepsi in 2010”. **Two students will be selected randomly to make presentation.**  
**Lecture and Case Wrap-Up:** Concluding Remarks |
|        | Session 1: 7:10-8:30 pm | **Read:** “BRICs vs. Mortar: Winning at M&A in Emerging Markets” published by Boston Consulting Group. Article posted on blackboard.  
**Lecture:** “The Growing Importance of Emerging Markets” |
| Week 9 | Thursday 3/26 | **Read:**  
**Lecture:** “The Growing Importance of Emerging Markets” |
<p>| Week 10 | Thursday 4/2 | <strong>In Class Case Competition – METHANEX</strong> |</p>
<table>
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<tr>
<th>Week</th>
<th>Date</th>
<th>Topics and Readings</th>
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<tr>
<td></td>
<td>Thursday 4/2</td>
<td>In Class Case Competition -- METHANEX</td>
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<td>Session 2</td>
<td>7:10 – 8:35 pm</td>
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<td>Week 11</td>
<td>Thursday 4/9</td>
<td>In Class Case Competition -- METHANEX</td>
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<td>Session 1</td>
<td>7:10-8:30 pm</td>
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<td>Thursday 4/9</td>
<td>In Class Case Competition -- METHANEX</td>
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<td>Session 2</td>
<td>8:45-10:00 pm</td>
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<td>Week 12</td>
<td>Thursday 4/16</td>
<td>Read: <em>Text Book</em>: &quot;Blue Ocean Strategy”, Part 1 ONLY</td>
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<td>Session 1:</td>
<td>Class Discussion: Part 1 of “Blue Ocean Strategy”. How Relevant to Strategy?</td>
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<td>7:10-8:30 pm</td>
<td>Lecture: “Emergence of New Financial Actors and Centers: Boon or Bust.”</td>
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<td>Session 2:</td>
<td>Read and Prepare Case in Teams: “Bank of America and the New Financial Landscape”.</td>
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<td>8:45-10:00 pm</td>
<td>Case #14 in Strategic Management Textbook.</td>
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<td>Class Case Discussion: Open class discussion (class participation)</td>
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<td>Lecture and Case Wrap-Up: Concluding Remarks</td>
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<td>Friday 4/17</td>
<td>Special School Wide Case Competition – Top 2 Teams to present</td>
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<td>Week 13</td>
<td>Thursday 4/23</td>
<td>SUBMISSION: Airline Industry Report. All teams</td>
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<td>Session 1:</td>
<td>Second Exam/Quiz</td>
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<td>7:10-8:30 pm</td>
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<td>Session 2:</td>
<td>Read: <em>Text Book</em>: “Blue Ocean Strategy”, Part 2 ONLY</td>
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<td>8:45-10:00 pm</td>
<td>Read: “Vietnam and Myanmar: South East Asia’s New Growth Frontiers”, The Boston</td>
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<td>Consulting Group, December 2013. Article will be posted on blackboard.</td>
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<td>Class Discussion: Part 2 of “Blue Ocean Strategy”. How Relevant to Strategy?</td>
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<td>Lecture: “Foreign Investment and Strategic Alliances.”</td>
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| Week 14 | Thursday 4/23  
| Session 1  
| 7:10-8:30 pm | **Read**: “Strategic Management” (Text Book), **Chapter 12 (only)**  
|  | **Read**: “Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility”, by Michael E. Porter and Mark R. Kramer. **Article in Coursepack**.  
|  | **Lecture**: “From Shareholder to Stakeholder: An Emerging Trend”  
| Thursday 4/23  
| Session 2  
| 8:45-10:00 pm | **Read and Prepare Case Individually**: “Revenue Flow and Human Rights: A Paradox for Shell Nigeria”. **Case in Coursepack**  
|  | **Class Case Discussion**:  
|  | **Lecture and Case Wrap-Up**: Concluding Remarks on Corporate Governance and Global Ethics  
| Week 15 | Thursday 4/30  
| Session 1  
| 7:10-8:30 pm | **Class Case Discussion**: “Airline Industry Report and Air Asia: Flying Low Cost with High Hopes”. **Two teams will be selected randomly to make presentation. Each team will be given 20 minutes followed by Q&A 10 minutes.**  
| Thursday 4/30  
| Session 2:  
| 8:45-10:00 pm | **Class Case Discussion**: “Airline Industry Report and Air Asia: Flying Low Cost with High Hopes”. **Three teams will be selected randomly to make presentation. Each team will be given 20 minutes followed by Q&A 10 minutes.**  
| Week 16 | Thursday 5/7  
| Session 1  
| 7:10-8:30 pm | **Read**: Part 3 “Blue Ocean Strategies”. **Text Book**  
|  | **Class Discussion**: The differences in approaches between the two texts.  
|  | **Lecture**: “Some Key Lessons Learned and Future Trends in Global Strategy”  
| Thursday 5/7  
| Session 2  
| 8:45-10:00 pm | **An Overall Course Assessment**  
|  | **Course Wrap Up: Some Key Lessons Learned**