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COURSE OVERVIEW

This course is about strategy and the creation of value. Implicitly or explicitly, every firm must define the scope of its business operations and, within the chosen scope, how the firm will compete against rivals. Decisions about the scope of business constitute the firm's corporate strategy; decisions about how to compete within chosen market segments reflect the firm's business-level strategy.

The course is also about top management and the total organization. As such, it is an integrative course emphasizing a "general management" or total organizational perspective as opposed to a functional viewpoint (accounting, finance, marketing, etc.). A general management perspective is necessary because the formulation and implementation of effective strategies requires a precise understanding of the interrelationships among the different functions of the organization and the relationships of these functions to the business environment.

COURSE OBJECTIVES

The course extends your existing background and awareness of the problems involved managing an organization by providing readings, analytical tools and case discussion of strategic management issues. As a result of this course, you will be able to:

- Identify and understand the strategies of different organizations.
- Interpret the competitive environment facing any given organization, which may present opportunities and threats for the organization.
- Evaluate the likely effectiveness of an organization's strategy for creating value and increasing competitiveness.

In addition, the course is designed to help develop your' capabilities in areas deemed critical to your future success as managers and leaders. These capabilities include written and verbal communication skills, teamwork, analytical thinking, decision-making skills, project planning, and management.

COURSE FORMAT

This is not a traditional lecture-based course. The course will consist primarily of participant-centered case discussions and some short lectures. Each session we will discuss a case in some depth as a class, trying to understand the issues that organizations and their managers face. Your classmates and I expect you to attend and be well prepared for each class, having read the required conceptual material and analyzed the assigned case study ahead of time. We also expect you to play an active role in class discussion. If all class members prepare for and actively participate in each class discussion, we will all learn more from each other and enjoy the course more. Short lectures will supplement the cases by suggesting different frameworks and tools that may be useful in addressing the issues illustrated in the cases.

REQUIRED COURSE MATERIALS

A course packet containing the cases and additional readings for this course. Other readings may be handed out to supplement these materials.

PERFORMANCE EVALUATION

- 15% Team Assignments (2)
- 25% Contribution to Class Discussion (See Appendix B for more details)
- 10% Individual Assignments (3)
- 50% Individual Strategic Analysis Project (See Appendix C for more details)

Groups will consist of the teams you have been assigned to by the MBA program. ***It is expected*** that all group members will contribute to the team assignments, and that all members will receive the same grade. Peer evaluations may be administered at the conclusion of the course if a majority of team members request it, however, and adjustments will be made to grades on the basis of these evaluations if warranted.

ATTENDANCE & ASSIGNMENTS

Attendance at all class sessions is expected. Because learning in this course occurs primarily through interactions with other participants during class, every effort should be made to attend each class. There is no substitute for being present, prepared, and participating in the class discussion. While I recognize that from time to time absences may be unavoidable, and tradeoffs need to be made, absences necessarily limit your class contribution - and hence can influence your grade. Since we only meet 3 times for a total of 8 sessions, multiple absences mean you will have missed a significant portion of the course. Please let me know in advance if you will be missing a class. If you do miss class, it will be your responsibility to get notes, find out what was discussed, etc. from one of your classmates.

Without exception, assignments must be turned in by the beginning of class on the specified due date. Late papers will be penalized.

Other Administrative Details

Faculty members tend to have somewhat different expectations as to class behavior and course norms; I'd like to outline a few of my expectations concerning such matters.

1. I will be happy to discuss the course, your progress, or any other issues of interest to you on an individual basis. Please see me in class or email to set up an appointment.
2. Since I call on individuals whose hands are not raised, you should let me know before the start of the class if some emergency has made it impossible for you to be prepared adequately for that class. This still affects your day's grade (by limiting your ability to contribute), but prevents embarrassment for us both.
3. Please be forewarned of my two **biggest pet peeves**. First, while in my class, please **do not read other material. This includes surfing the web, answering email and IMing.** Engaging in these activities is rude to both me and your colleagues. If for some reason you feel that you must engage in these activities during our class time, excuse yourself from class and do it elsewhere. Second, **turn off your cell phones** before class begins. Letting your cell phone ring during class is rude and shows a lack of consideration for me and your fellow students.

ACADEMIC INTEGRITY

According to the Penn State Principles and University Code of Conduct:

Academic integrity is a basic guiding principle for all academic activity at Penn State University, allowing the pursuit of scholarly activity in an open, honest, and responsible manner. According to the University's Code of Conduct, you must neither engage in nor tolerate academic dishonesty. This includes, but is not limited to cheating, plagiarism, fabrication of information or citations, facilitating acts of academic dishonesty by others, unauthorized possession of examinations, submitting work of another person, or work previously used in another course without informing the instructor, or tampering with the academic work of other students.

Any violation of academic integrity will be investigated, and where warranted, punitive action will be taken. For every incident when a penalty of any kind is assessed, a report must be filed, using the *pdf* form at this URL: <https://intranet.smeal.psu.edu/smeal/integrity/index.html> This form is used for both undergraduate and graduate courses. This report must be signed by both the instructor and the student, and then submitted to the Associate Dean for Undergraduate Programs in 104 Beam Building.

In this course I encourage you to work with others when preparing for class discussions. However, written case analyses must ultimately represent your own work, in your own words (or your group's work, in the group's words). Therefore, do not share written or electronic notes, outlines, or "key points" across groups when preparing written analyses, because papers that are judged to be substantially similar in content must be submitted to the university committee for academic integrity.

ACADEMIC INTEGRITY PLEDGE

Please include the following statement on all written work you hand in:

I/We _____ affirm that I/We have neither given, utilized, received, nor witnessed unauthorized aid on this deliverable and have completed this work honestly and according to the professor's guidelines.

AFFIRMATIVE ACTION AND SEXUAL HARASSMENT

The Pennsylvania State University is committed to a policy where all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance, or qualifications as determined by University policy or by Commonwealth or Federal authorities. Penn State does not discriminate against any person because of age, ancestry, color, disability or handicap, national origin, race, religious creed, gender, sexual orientation, or veteran status. Direct all inquiries to the Affirmative Action Office, 328 Boucke Building.

AMERICANS WITH DISABILITIES ACT

The Smeal College of Business Administration welcomes persons with disabilities to all of its classes, programs, and events. If you need accommodations, or have questions about access to buildings where Smeal College activities are held, please contact us in advance of your participation or visit. If you need assistance during a class, program, or event, please contact the member of our staff or faculty in charge. Access to Management and Organization courses should be arranged by contacting the Management and Organization Office: (814) 865-1789.

AN INVITATION TO STUDENTS WITH LEARNING DISABILITIES

It is Penn State's policy to not discriminate against qualified students with documented disabilities in its educational programs. If you have a disability-related need for modifications in your testing or learning situation, your instructor should be notified during the first week of classes so that your needs can be accommodated. You will be asked to present documentation from the Office of Disability Services (located in 116 Boucke Building; (814) 863-1807) that describes the nature of your disability and the

recommended remedy. You may refer to the Nondiscrimination Policy in the *Student Guide to University Policies and Rules*.

SUMMARY CLASS SCHEDULE

| Week | Date | Topic | Reading Material |
|------|---------|--|--|
| 1 | May 16 | What is Strategy? Individual Assignment 1 | Case: Rocky Mountain Adventures, Inc. Readings: <i>Hambrick and Fredrickson</i> , "Are you sure you have a strategy?" <i>Porter</i> , "What is strategy?" |
| | May 18 | Industry and Competitor Analysis | Case: Cola Wars Continue: Coke and Pepsi in the Twenty-First Century Readings: <i>Marcus</i> , Chapters 2 & 4, selections <i>Brandenburger and Nalebuff</i> , "The right game: Use game theory to shape strategy" |
| 2 | June 1 | Sustaining Competitive Advantage: Core Competence | Case: Nucor at a crossroads Readings: <i>Marcus</i> , Chapter 3 <i>Collis and Montgomery</i> , "Competing on resources: Strategy in the 1990s" <i>Coyne, Hall, and Clifford</i> , "Is your core competence a mirage?" |
| | June 2 | Generic Business Strategies Team Assignment 1 | Case: Benetton Readings: <i>Marcus</i> , Chapter 4, selections |
| 3 | June 15 | Innovation and Creating New Market Space Individual Assignment 2 | Cases: Apple 2006 Readings: Kim & Mauborgne "Creating New Market Space" <i>Eisenhardt</i> , "Has strategy changed?" |
| | June 16 | Making Commitments Under Uncertainty Individual Assignment 3 | Case: Investing in the Russian Oil Industry Readings: <i>Courtney, Kirkland and Viguerie</i> , "Strategy Under Uncertainty" <i>Sadler-Smith & Shefy</i> , "The Intuitive Executive" |
| 4 | June 29 | Strategic Alliances Team Assignment 3 | Case: Millennium Pharmaceuticals Readings: Dyer & Singh, "How to Make Strategic Alliances Work" Bleeke & Ernst, "Is Your Alliance Really a Sale?" |
| | June 30 | Growth Through Acquisitions | Cases: Cisco Systems Readings: <i>Economist</i> , "Making Mergers Work" <i>Lubatkin & Lane</i> , "Psst... The Merger Mavens Still Have it Wrong" |

Detailed Course Calendar and Assignments

WEEK 1

Session 1 - What is Strategy

Case: Rocky Mountain Adventures

Readings: Porter, "What is strategy?"
Hambrick & Fredrickson, "Are you sure you have a strategy?"

This case discusses the strategic issues and choices facing a small outdoor adventure outfitter in Colorado. We will use this case to frame the issues faced in the strategy formulation process.

Preparation Questions

- What are the key characteristics of the outdoor recreation industry? Given these characteristics, would you expect it to be a profitable industry or not?
- Given this industry environment, what sort of strategies would you expect to be most successful? Least successful? Why?
- Use Hambrick and Fredrickson's "Five Major Elements of Strategy" to identify Rocky Mountain Adventures' current strategy. Has this strategy been effective to date? Is it likely to remain effective going forward?

Individual Assignment 1

Use Hambrick and Fredrickson's "Five Major Elements of Strategy" model (AKA the Strategy Diamond) to specify a new strategy for Rocky Mountain Adventures to follow. The figure is available on Angel as part of this session's powerpoint presentation. Use this figure to complete a strategy diamond for Rocky Mountain adventures. In a one page accompanying summary (single-spaced, 12 point times roman font, one inch margins) explain why you chose this strategy, and why you dismissed other possible strategies. Hand in copies of both your power point figure and your recommendations and rationale.

Session 2 Industry and Competitor Analysis

Case: The Cola Wars Continue: Coke vs. Pepsi in the 21st Century

Readings: Marcus, Chapter 2 pages 22-28, Chapter 4 pages 68-77

Brandenburger & Nalebuff, "The right game: Use game theory to shape strategy"

This case recounts the history of the soft drink industry and focuses on the two main actors whose competitive interactions have defined and shaped the industry, Coke and Pepsi. We will use this case to apply different tools useful in analyzing the industry environment, and also discuss in detail the competitive actions and responses of Coke and Pepsi.

Preparation Questions

- Why is it that concentrate producers have been so profitable?
- Compare the economics of the soft drink business to those of the bottling business. Why is the profitability so different?
- How have general environmental conditions shaped this industry over time?
- How would you characterize the concentrate industry using Porter's Five Forces? The Value Net?
- How has the competition between Coke and Pepsi impacted the industry's profits?
- Can Coke and Pepsi sustain their profits in the wake of flattening demand and the increasing popularity of non-carbonated drinks?

WEEK 2

Session 3 Sustaining Competitive Advantage: Core Competence

Case: Nucor

Readings: Marcus, Chapter 3 pages 52-55

Collis and Montgomery, "Competing on resources: Strategy in the 1990s"

Coyne, Hall, and Clifford, "Is your core competence a mirage?"

This case traces the history and development of Nucor Steel, a mini-mill steel company that has become one of the leading steel producers in the United States. We will use this case to apply our analytic tools and determine if and what Nucor's core competence is. We will also explore which, if either, of the new thin slab casting technologies Nucor should pursue.

Preparation Questions

- Why has Nucor performed so well in the past?
- How attractive do the economics of thin-slab casting look?
- Is thin-slab casting likely to provide Nucor a sustainable competitive advantage in flat-rolled products?
- What uncertainties does Nucor face in making its thin-slab casting investment decision?
How do these uncertainties affect your evaluation of this investment opportunity?
- What recommendations would you give to Ken Iverson?

Session 4 Generic Business Strategies

Case: Benetton

Readings: Marcus, Chapter 4 pages 78-89

Benetton is a highly successful Italian clothing manufacturer that was founded, and is still majority controlled by the Benetton family. This case offers the opportunity to explore how value creating activities associated with low cost and differentiation strategies are employed in a highly competitive global industry.

Preparation Questions

- Describe Benetton's business model. Which elements of the industry value chain has it chosen to participate in, and which has it avoided? Why has it made these choices?
- Given these choices, how does Benetton make money? What are its sources of competitive advantage?
- Are these sources of advantage sustainable? What challenges does Benetton face in maintaining its historic profitability?
- Which of the two strategic options described in the case (Building production in China and revamping its agent system in the U.S.), if either, would you recommend that Luciano Benetton support? Explain with strategic rationale and financial support.
- What are the most important elements of an action plan for implementing this recommendation?

Team Assignment 1

Using the data in the case to conduct a "back of the envelope" analysis to provide quantitative support for your recommendations regarding: 1) Whether Benetton should build a production facility in China, and if so, how big?; and 2) Should Benetton replace its agent system in the U.S., and if so, with what? Your deliverable should include a one page summary of your recommendations and their justification (12 point font, single spaced one inch margins), as well as a summary of your analysis for each option (assumptions, inputs method of analysis and results).

WEEK 3

Session 5 Innovation and Creating New Market Space

Cases: Apple 2006

Readings: Kim & Mauborgne "Creating New Market Space"
Eisenhardt, "Has strategy changed?"

This case traces the history of Apple computer and the PC industry. It highlights the issues and experiences of a company that is known for and competes based upon innovation in a highly competitive and rapidly changing industry environment. In particular, we will consider the ways Apple creates value and destroys value, how it has created new market spaces, and how changes in the industry environment have influenced Apple's ability to compete on innovation.

Preparation Questions

- Historically, what have been Apple's sources of competitive advantage? Did Apple have a core competence? Does it have one in 2006? If it had one but lost it, how was it lost? If Apple does not currently have a core competence, does it have the potential to develop one, and if so, what would it be? If Apple does currently have a core competence, what does Apple need to do to sustain it?
- How has the structure of the personal computer industry changed over the past 20 years? How have these changes impacted Apple's ability to create and capture value in the industry?
- Has Jobs finally solved Apple's long-standing problems? Is the ipod different?

Individual Assignment 2

Write a one page summary (single spaced, 12 point times roman font, one inch margins) of your strategic analysis project due in August. Identify the organization or organizational unit you will be analyzing, your relationship with or interest in this organization, your target audience (e.g., your boss, the company's CEO, the board of directors, etc.), what you expect the main issues will be, and what kinds of data and performance metrics you anticipate you will need to use for your analysis and that will be used to evaluate the organization's success in implementing your recommendations.

Session 6 Making Commitments under Uncertainty

Case: White Nights and Polar Lights: Investing in the Russian Oil Industry

Readings: Courtney, Kirkland and Viguerie, "Strategy under uncertainty"
Sadler-Smith & Shefy, "The intuitive executive"

This case describes the situation in Russia's oil industry during the early years of liberalization. It follows the activities of three Western oil firms (Phibro, Mobil and Conoco), and depicts the various strategies each adopted in managing uncertainty while pursuing Russia's vast reserves of oil and gas.

Preparation Questions

- How important is Russian oil to a Western oil firm? How would you value its worth?
- Evaluate the strategies undertaken by Phibro, Mobil and Conoco. Why did they choose this strategy? Which one do you think made the wisest move? Why?
- How might Western oil companies hedge or protect their investments in the Russian oil sector?

Individual Assignment 3

This is a self-reflective exercise (Two pages, maximum (single-spaced, 12 point times roman font, one inch margins). What was your initial reaction to this article? Why? Do you think you have good intuitive awareness? Why or why not? Discuss the extent to which you do (or do not) use your intuition in decision making on your job. Why is this so? How does your work environment influence your development of these skills? Does your boss (or employer more generally) encourage the types of activities outlined in the Sadler-Smith & Shefy article that allow for the development of your intuitive skills?

WEEK 3

Session 7 Strategic Alliances

Case: Millennium Pharmaceuticals

Readings: Dyer & Singh, "How to Make Strategic Alliances Work"
Bleeke & Ernst, "Is Your Alliance Really a Sale?"

Millennium Pharmaceuticals, a leading biotechnology firm, has pharmaceutical and technology alliances with large firms, including Bayer AG, Monsanto, and Eli Lilly & Company. Central to its strategy and success in forming alliances is a technology platform for experimentation in drug discovery, considered to be one of the finest in the industry. At the same time, Millennium is using the technology platform to fundamentally rethink how it can discover new drugs and eventually become an integrated pharmaceutical company. This dual strategy – developing and selling its technology platform through alliances and leveraging these alliances to build downstream drug development capabilities – is being challenged in August 1999, when the European agribusiness conglomerate Lundberg is proposing a technology alliance to Millennium's senior management.

Preparation Questions

- How has the biotechnology industry changed over the last few years?
- How has Millennium competed since it was founded in 1993? How has it managed its rapid growth?
- Using the Hambrick & Fredrickson framework, how would you characterize Millennium's strategy? How would you describe the way Millennium brings together technology, strategy, organization, and culture?
- What has been Millennium's alliance strategy? How has it differed from other biotechnology firms? How and why is Millennium able to do this?
- As CEO Marc Levin, would you pursue the Lundberg alliance? Why or why not? Come to class prepared to (1) make a case for or against the Lundberg alliance and (2) the terms under which you would find such an alliance acceptable (these are not always the same things).

Team Assignment 2

Your team will be assigned to one of two groups: 1) Proponents of the Lundberg alliance, or 2) Opponents of the Lundberg alliance. Each group will prepare a five-slide PowerPoint presentation that summarizes their case for or against the Lundberg alliance. In class two groups will be selected to be the decision makers about the alliance. The remaining pro and con teams will get together and put together their "best five slide" presentation for the decision makers. The decision makers will then caucus with each other, vote on what to do, and present the rationale behind their decision. Each team should hand in a copy of their pro or con presentation that they prepared before class. Like team assignment 1, you should be able to knock this out in a couple hours Friday night after dinner for class on Saturday.

Session 8 Growth through Acquisitions

Cases: Cisco Systems

Readings: Economist, "Making Mergers Work"
Lubatkin & Lane, "Psst...The Merger Mavens Still Have it Wrong"

While Cisco Systems is not the high-flyer it once was, its acquisition integration approach is still heralded as one of the most sophisticated and successful. We will use this case to explore how acquisitions can be used as an effective part of a firm's strategy.

Preparation Questions

- What is Cisco acquiring when it buys a company in general? What would it be buying with Summa Four in particular?
- Under what conditions does this appear to be an appropriate approach to acquisitions? Under what conditions might it not be desirable? What aspects of Cisco's acquisition integration strategy would appear to apply to all acquisitions?

APPENDIX A: ANALYZING CASES AND PREPARING FOR CLASS DISCUSSIONS

Each case typically focuses on a defining moment in a firm's history. The case contains all the information about the firm and industry you will need to perform an analysis of the situation and develop specific recommendations. While it is tempting to try and figure out "what happened," and the Internet makes this continually easier, this is typically a waste of time and a distraction from the development of your own strategic thinking. Cases are necessarily a simplification of the real situation, and at times actual courses of action are taken for reasons not apparent from the case or are impacted by subsequent events. Also, at times people make poor decisions. It is expected that you will work purely from the data in the case and not be blinded by what transpired after the close of the case.

Your learning from the cases will derive both from your preparation and from your participation in the class discussion. It is important that outside information not be introduced prematurely in a class discussion, as it could undermine the learning experience for some students. If you are particularly familiar with a firm or industry and would like to comment on the case from that perspective, please let me know prior to class. I find that a student's experience can provide valuable insight in further understanding a case, but that this information must be introduced at an appropriate point in the discussion to maximize the learning of all individuals in the class.

In preparing for class, it is recommended that you read each case at least three times. The first reading should be a quick skimming of the text of the case. It should give you a feeling for what the case is about and the types of data contained in the case. Your second reading should focus on better understanding the business and the situation, and should involve careful analysis of the case exhibits. As you work through the second reading, you should begin to develop some fairly clear perspectives on your analysis and recommendations for the case. By your third reading you should have a good idea about the fundamentals of the case. Now you will be searching for additional specific confirmatory or contradictory information. You will need to get at the root causes of problems and gather data from the case that will allow you to make specific, actionable recommendations. Before the third reading, be sure to review the recommended assignment questions (Appendix B) that have been prepared to help guide your analysis.

Each week you will be assigned conceptual readings that provide frameworks, tools and ideas that will help you understand, analyze and communicate the case issues. However, these readings certainly will not provide "perfect insight" into the case issues. Thus when reading and analyzing the assigned cases, you should be prepared to draw on ideas and frameworks from any source, and should not confine yourself to just one idea. You are encouraged to draw upon other sources of information with which you are familiar: books, material from other courses, articles, research reports, your employer's processes and models, and your personal experience. In addition, you are encouraged to discuss the cases (other than the final case) with your classmates, especially those in your work groups. Your classmates' experiences and perspectives will undoubtedly be useful to you as you analyze the case and prepare for our class discussion. Keep in mind, however, that your written case analyses must represent your own work in your own words (or your group's work in the group's words). (See Appendices D and E for more details on the requirements for each written case analysis.)

In a typical class case discussion, one or more students will be asked to start the class by answering a specific question or series of questions posed by the instructor. Anyone who has thoroughly prepared the case should be able to handle this lead-off assignment. The discussion will then be opened up to the rest of the class. Each person is expected to be prepared to share his or her views on the case. Since individuals whose hands are not raised may be called upon at any time, you should let the instructor know prior to the start of class if you are not prepared to participate in that session's case discussion.

While analyses and recommendations are important elements of case discussions, so, too, are probing questions. If someone says something that you do not understand, raise your hand and question that person directly. The purpose of a case discussion is not to come up with the "correct" answer (there rarely is such a thing), but to learn from each other the best way to analyze situations. When someone in the class makes a recommendation that you do not agree with, try to understand why they have come to that conclusion, rather than merely attacking the "correctness" of their conclusions. *The objective of using the case method will have been attained if individuals have a well-formulated position regarding what they would do AND understand why other individuals would undertake a different course of action.*

APPENDIX B: PERFORMANCE EVALUATION - CONTRIBUTION TO CLASS DISCUSSION

Managers must often “sell” their ideas to others in order to get their acceptance and support. In this course, the classroom provides a laboratory in which you can test your ability to convince your peers of the appropriateness of your approach to complex management problems. Furthermore, it tests your ability to carefully listen to others’ perspectives and understand why they may reach a different conclusion. Before you can effectively sell your ideas to others, you must understand what is motivating them, what issues they feel are important, and what assumptions they are making that may be different from your own.

When evaluating your contribution to the class discussion, then, I will consider how effectively you put forth your own arguments, as well as how well you listen to, understand, and build upon (or refute) the arguments of others. In all cases, I will look for high quality (which is frequently not the same as high quantity) arguments, analyses and questions that improve the class’ collective understanding of the case issues. While I encourage you to speak up at any time, keep in mind that comments that are redundant, tangential or seemingly irrelevant to the case discussion at hand will have a negative impact on your class discussion grade. I will use the following criteria when determining class contribution grades:

- Has the student attended and made significant contributions to each class discussion?
- Does the student show evidence of careful case analysis by using facts and evidence from the case?
- Does the student draw valid conclusions from the facts presented in the case? (Conclusions are statements about cause and effect relationships, and assessments of the overall impact of these relationships on the firm’s performance.)
- Does the student contribute interesting examples? Does the student make effective comparisons among different cases situations, as well as between case situations and real life cases?
- Do the ideas suggested by the student push us to consider an aspect of the case that is not necessarily obvious at the outset? Do they go beyond the surface and get into core issues?
- Is the student an active listener? Do his/her comments fit in with the flow of the class discussion? Do his/her comments demonstrate listening to and reflection on points suggested by others? Does the student interact with, challenge, question, and extend comments of other participants, or are all comments directed towards the instructor?
- Does the student engage in constructive debate that challenges the opinions expressed by others without diminishing the value of their contribution?

APPENDIX C: INDIVIDUAL STRATEGIC ANALYSIS PROJECT

This project will fulfill requirements for both BA 571 and BA 517. The purpose of this project is for you to do a strategic analysis and develop a set of recommendations based upon this analysis for an organization of interest to you. This organization may be your current employer, your operating division, a company with whom you would like to seek employment, or a company you would like to start. The principles of strategy covered in this class do not only apply to for-profit businesses; they can also be applied in analyzing non-profit organizations, governmental agencies and other organizational forms. Thus, this assignment should be relevant to all individuals taking this course. The most successful projects will be those that address major strategic issues but have a narrow enough scope to be tractable. So, for example, a project attempting to analyze the strategy of General Electric as a whole and make recommendations will be overly broad and tough to get a good handle on. However, a project that focuses on GE capital, and whether or not it should become involved in the high risk credit market (i.e., loans to individuals with less than spotless credit records in the past) may be more feasible.

The expectations for this assignment are that you will:

1. Identify the specific audience for whom this analysis is intended (your boss, the company's CEO, the board of directors, etc.).
2. Complete a thorough review and analysis of the company's current strategy. This analysis should incorporate the tools and concepts learned in this and other courses, and should include:
 - A. An industry and competitor analysis
 - B. An internal analysis that identifies:
 - The organization or unit's tangible and intangible assets
 - Its value creating activities
 - The ways in which the organization or unit destroys value
 - A discussion of whether or not the organization or unit currently has a core competence, if so what it is, and if not, why not, and whether the organization can develop a competence
 - C. Describe the organization or unit's current strategy. Assess this strategy in light of the preceding and given what you see as the critical issue or issues currently facing the organization.
3. Develop a set of recommendations for what the company should do moving forward. These recommendations should be based on your prior analyses and be supported wherever possible with data. In addition to the specific recommendations you suggest, you should also describe the alternative recommendations you considered but rejected (and why you rejected them). Be sure to include a timeline illustrating how your recommendations should be staged and identify the performance metrics that should be used to benchmark the organization's performance relative to competitors moving forward.
4. The deliverable will be a written report and supporting slide presentation. The first section (**up to five pages, single spaced, with one inch margins and 12 point times roman font**) will be a written narrative that summarizes your analysis and recommendations. The second section (**up to twenty-five slides**) will be an appendix that provides the supporting, figures, data and other information underlying your analyses and recommendations. Be sure to state all assumptions made in your quantitative analyses. Refer to all supporting exhibits and material in the appendix in your narrative summary where appropriate. If you do not refer to appendix material in your write-up, it will not be considered when your project is being graded.
5. Andy Gustafson will be requiring an interim outline of your project, due **June 30**. You will also be making a presentation to him and the class on **July 27-28**. Your final project will be due to me when you come to campus in State College on **August 20**.