

Northeastern University

D'Amore-McKim School of Business

STRT4501. Strategy in Action

Spring 2020. T, F 9:50-11:30 (Section 3). Dodge Hall 130

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Alvaro Cuervo-Cazurra

International Business and Strategy, Northeastern University, D'Amore-McKim School of Business

a.cuervocazurra@neu.edu; <http://cuervo-cazurra.com>

Office hours: After class or by appointment at Hayden Hall 316E

OBJECTIVES

The course provides concepts, analytical frameworks, and information useful for understanding the strategic issues that real-world companies face. As you complete this course, you will have the opportunity to understand the fundamental concepts and frameworks that underpin the identification, development, protection, use, and coordination competitive advantage; use these concepts, together with concepts from other courses, to analyze and solve strategic problems faced by top managers; and present your analysis, verbally and in writing, providing supporting arguments and the logic for your recommendations.

Some of the main ideas discussed in this course are the following:

- The manager needs to identify the sources of competitive advantage that enable the firm to serve customers better than its competitors.
- The manager can choose among several methods to develop the firm's advantage, like internal development via innovation and entrepreneurship or accessing other firms' advantages through alliances and acquisitions.
- Competitors undermine the firm's sources of advantage. Hence, the manager needs to find ways to protect the firm's advantage from imitation, substitution, and expropriation.
- The manager can use the firm's sources of advantage in many alternative ways like replicating it, fending off competitors, or expanding the firm's activities within the value chain, across industries, or abroad.
- The manager needs to coordinate the implementation of the strategy, providing direction and orchestrating employees' efforts to ensure that the decisions are properly implemented to ensure success.

MATERIALS

We will read articles that introduce some of the key frameworks for analyzing strategic issues and apply them to current cases. You can obtain the materials from the library's web page (go to library.northeastern.edu, click on research and select "article databases," select "Business Source Complete (EBSCOhost)," type in the article information (author, title, source) and download it), the course's Blackboard page, the web, or in class. We may change some of the materials when interesting frameworks or cases emerge.

GRADING

This is a reading and writing-intensive course. You should expect to spend about 8-12 hours a week, at a minimum, reading and preparing class assignments.

Final grades are curved relative to other students in the course. Following the school's guidelines, the average GPA for the course will be in the range of 3 to 3.33 (B to B+). Based on historical experience, this means that only about a quarter of students in the course will get an A.

The final grade is a composite of the following activities:

Participation (30%). Quality rather than quantity of comments will get you a good participation grade. I may ask you to talk if you do not participate. The grading scheme for participation is: 4 points: insightful, detailed, and well-reasoned comments that show a deep understanding that goes beyond the readings. 3 points: comments that show an understanding of the readings. 2 points: mention concepts and ideas. 1 point: no comments. 0 points: absent, late arrival or early departure, no knowledge of the readings, or disruptive comments.

Exams (35%). We have two in-class closed-books exams that test core concepts, frameworks, and ideas. We may have periodic pop quizzes to test your knowledge of the readings for the day.

Presentation (5%). Individually or with another student, you will create a presentation that showcases an interesting topic related to the class, present it at the beginning of the class, and share the slides and background materials with everyone. The presentation is graded by the audience in terms of content and style.

Report (30%). You will write a report describing and solving a firm's strategic challenge. You will identify a recent (within the last three years) strategic challenge, find relevant information, and analyze it. Do not study issues already published by case providers like Ivey Publishing (<https://www.iveycases.com/>) or Harvard Publishing (<https://hbsp.harvard.edu/cases/>).

You can work alone or in groups of two or three people. Choose the teammates carefully and manage the relationship well. You will get the same grade regardless of the amount of work each person did; I am not able to observe who did what.

The report has two parts. In the first part (eight single-spaced pages of text, font 11) you describe in detail the strategic challenge the manager must solve. Provide background information on the company, industry of operation, and location, and detailed information on the sequence of events and the challenge the manager must address. This part provides you with the opportunity to gain and organize competitive intelligence from secondary sources. In the second part (six single-spaced pages of text, font 11) you apply some frameworks and tools discussed in the course, identify potential solutions, evaluate which solution is best, and provide a detailed, implementable plan of action. This second part provides you with the opportunity to identify and design strategic recommendations. Acknowledge the sources of information (newspaper articles, reports, online material) as endnotes using Harvard or APA style. All supporting material (tables, figures, statistics, photographs...) should appear as exhibits after the text. The report will be graded on the quality and clarity of the information gathered and presented, and on the quality of the analysis and the strength of the arguments.

POLICIES

Here are additional policies; some of them are university-level requirements:

1. Academic Honesty and Integrity. The NU community takes seriously the requirement for academic honesty and integrity. See the policies at <http://www.northeastern.edu/osccr/academic-integrity-policy/>.
2. Students with Disabilities. If you determine that formal, disability-related accommodations are necessary, please register with the Disability Resource Center (<http://www.northeastern.edu/drc/>) and notify me so that we coordinate how best to provide reasonable accommodations.
3. All assignments must be completed to pass the course. Late assignments will get zero points. You are not allowed to use projects from past or current courses. All written assignments must be submitted electronically in word format. Assignments and due dates may be changed.
4. Participation in all aspects of the class is considered a basic requirement of the course. You are expected to come to each class, have prepared the assigned material, and participate in the discussion of that material, as well as any other activities that may take place as part of the course. You are expected to attend the class for its entire duration. Continually missing classes, arriving late or leaving early will result in a lower participation grade. If you miss a class, it is your responsibility to know what we discussed by asking other students. Absences are only excused for jury duty, medical emergencies or religious reasons as defined by university guidelines. If you miss more than three classes, your grade will be lowered.
5. Only use your laptop/tablet for activities related to the course (e.g., note-taking, data analysis...). If you use the computer for unrelated activities (e.g., email, social networking, web surfing, gaming...) your grade will be lowered. Please turn off your phone during class; no texting.
6. No extra credit assignments; no exceptions.

PROFESSOR

Alvaro Cuervo-Cazurra is a Professor of International Business and Strategy at Northeastern University. He studies the internationalization of firms, with a special interest in emerging market multinationals; capability upgrading, particularly technological capabilities; and governance issues, focusing on corruption in international business. He is co-editor of *Global Strategy Journal*, was the reviewing editor of the *Journal of International Business Studies*, and served in the Executive Committee of the International Management Division of the Academy of Management. He teaches courses on global strategy and sustainability at the undergraduate, masters, executive and Ph.D. levels. He was elected a Fellow of the Academy of International Business, received an honorary doctorate from Copenhagen Business School, and was awarded a Ph.D. from the Massachusetts Institute of Technology.

COURSE OUTLINE

	Date	Topic	Framework	Case
1	T Jan 7	Strategy	Porter. 1996. What is strategy? HBR Mintzberg & Lampel. 1999. Reflecting on the strategy process. SMR	--
IDENTIFY				
2	F Jan 10	Customer needs	Holt, Quelch, & Taylor. 2004. How global brands compete. HBR Anderson, Narus & Van Nossun. 2006. Customer value proposition. HBR	LG versus Samsung in India
3	T Jan 14	Domestic industry	Porter. 2008. The five forces that shape strategy. HBR Kim & Malbougue. 2004. Blue ocean strategy. HBR	The legal cannabis industry in the US
4	F Jan 17	Global industry	Prahalad & Doz. 1987. The multinational mission. p 18-21 Porter. 1990. The competitive advantage of nations. HBR	The global chocolate industry
5	T Jan 21	Resources and capabilities	Porter 1985 Value chain. HBS ISC Hamel & Prahalad. 1990. The core competence of the corporation. HBR Collis & Montgomery. 2008. Competing on resources. HBR	H&M, Uniqlo & Zara in Fast Fashion
6	F Jan 24	Business models	Casadesus & Ricart. 2011. Business model. Long Range Planning Christensen et al. 2016. Business model innovation. SMR	Norwegian Airlines crosses the Atlantic
CREATE				
7	T Jan 28	Build: Innovation	Bower & Christensen. 1995. Disruptive technologies. HBR Chesbrough. 2003. Open innovation. SMR	Waymo and autonomous cars
8	F Jan 31	Build: Entrepreneurship	Dyer & Christensen. 2009. Innovator DNA. HBR Wolcott & Lippitz. 2007. Models of corporate entrepreneurship. SMR	Growing Zumba
9	T Feb 4	Borrow: Alliances	Hamel, Doz, & Prahalad. 1989. Collaborate with competitors and win. HBR Kanter. 1994. Collaborative advantage. HBR	Netflix and streaming
10	F Feb 7	Buy: Acquisitions	Christensen et al. 2011. New M&A playbook. HBR Bouchikhi & Kimberly. 2012. Making mergers work. SMR	Starwood acquisition battle
PROTECT				
11	T Feb 11	From imitation	Teece. 1988. Capturing value from knowledge assets. CMR Anand & Galetovic. 2004. Protect advantage. HBR	Apple's intellectual property challenges
12	F Feb 14	From substitution	Stalk. 1988. Time-based competition. HBR McGrawth. 2013. Transient advantage. HBR	Rocket internet
13	T Feb 18	From expropriation	Baron. 1995. Non-market strategy system. SMR Bach & Allen. 2010. Non-market strategy. SMR	Airbnb and city regulators
14	F Feb 21	Review	--	--
15	T Feb 25	Exam 1	--	--
16	F Feb 28	Report analysis	--	--
--	T Mar 3	Spring break. No class	--	--
--	F Mar 6	Spring break. No class	--	--
USE				
17	T Mar 10	Replicate: Grow	Szulanski & Winter. 2001. Getting it right the second time. HBR Zoot & Allen. 2011. Repeatable business model. HBR	Nintendo's evolution
18	F Mar 13	Deploy in the industry: Compete	Dawar & Frost. 1999. Competing with giants. HBR Yoffie & Cusumano. 1999. Judo Strategy. HBR	The cola wars and AJE
19	T Mar 17	Deploy in the value chain: Integrate	Stuckey & White 1993. When to vertically integrate. SMR Quinn & Hilmer 1994. Strategic outsourcing. SMR.	Luxottica's vertical integration
20	F Mar 20	Deploy across industries: Diversify	Collis & Montgomery. 1998. Creating corporate advantage. HBR Markides. 1997. Diversify or not. HBR	Snapchat and spectacles
21	T Mar 24	Deploy across countries: Internationalize	Cuervo-Cazurra, Newbury & Park. 2016. Emerging market multinationals. Chapter 2 & 3.	Spotify's global expansion
COORDINATE				
22	F Mar 27	Leadership	Drucker. 2004. Effective executive. HBR Goleman. 2000. Leadership that gets results. HBR	Theranos and Elizabeth Holmes
23	T Mar 31	Governance	Subramanian. 2015. Corporate governance 2.0. HBR Smith. 2013. Shareholder v stakeholder. SMR	Valent and pricing drugs
24	F Apr 3	Corporate culture	Groysberg et al. 2018. Guide to corporate culture. HBR McGregor & Doshi. 2015. Culture gets results. HBR	Trader Joe's corporate culture
25	T Apr 7	Review	--	--
26	F Apr 10	Exam 2	--	--
27	T Apr 14	Report analysis	--	--
28	F Apr 17	Report due	--	--

Note: HBR: Harvard Business Review, SMR: Sloan Management Review, CMR: California Management Review