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Wednesdays - 3:00 p.m. – 5:30 p.m.

Fridays – 3:00 p.m. – 4:30 p.m.

By Appointment

MGMT 430 – Strategy and Leadership Spring Quarter 2019

Required Materials

- *Blue Ocean Strategy* by W. Chan Kim and Renee Mauborgne (2015)
- *The Secrets of Writing a Successful Business Plan* by Hal Shelton (2017)
- **HBR materials to be accessed through the Loyola Library.**

Course Description

The Strategy and Leadership course is the capstone course of the MBA program, and is intended to be a bridge to working responsibly and effectively in the real world. **Two primary themes run through the course: the concept of strategy and the concepts of leadership and general management.** Thus, this course will explore the manner in which an organization can develop an astute, timely strategic business plan for launching and/or managing an organization, and then implement and execute that plan with proficiency. The class will also explore the functions and responsibilities of leadership and general management, the crucial problems that affect success in the enterprise, and the decisions that determine the focus and success of the organization. We shall see that a well-conceived and executed strategic plan, along with strong leadership and management, nearly always enhances an organization's long-term performance.

This is a "big-picture" course in that it integrates much of the knowledge that you have gained in your studies of accounting, economics, finance, human resources, operations, marketing, management and information technology. The problems and issues involved in strategy, leadership and management cover the entire spectrum of business. Successful leaders and general managers integrate the various functions of an enterprise by overseeing the

formulation, communication, implementation, review and revision of an organizational strategy that is both *desirable* (in terms of stakeholder values) and *feasible* (in terms of external environmental conditions and organizational resources and capabilities). The skills needed to fulfill those responsibilities include analyzing and understanding the organization as a whole; integrating business philosophy and practice; working with, managing and leading other people; and learning from experience. Thus, we will examine ways of analyzing the external environment in which an organization operates, as well as understanding the strengths, weaknesses, and capabilities of that organization as it both formulates and implements its strategy.

Course Objectives

There are three primary objectives. The first is to help you develop a personally useful, explicit way of thinking about the business enterprise as a *total system*, and the manner in which it can gain a sustainable competitive advantage in the marketplace. The second is to give you, as the member of a team, the opportunity to go through a disciplined process of writing a full Business Plan for the concept that each team selects. The third is to allow you to begin to answer the question “What type of leader do I want to be?”.

Learning Outcomes

By the end of this course, students will possess an understanding of and the skills related to strategic planning and management. Specific goals for students are:

1. The students should understand strategic planning terminology, concepts, process and structure such that they can employ these tools in their current and future positions.
2. The students should be able to participate in a strategic business planning process, including the development of a strategy statement, mission/vision statement, and measurable objectives; analyze the external environment in which an organization exists; understand the strengths, weaknesses and internal capabilities of that organization; and articulate a plan of action for implementing the strategy developed. The students should be able to analyze and critically evaluate ideas, concepts and points of view relating to the formulation and implementation of a strategic plan.
3. The students should be able to prepare a full business plan, with financials, that outline the method of proceeding with a business concept.
4. The students should learn and understand fundamental and diverse principles and theories of leadership and management, and develop a clearer understanding of and commitment to personal values as a way of developing a sound basis for making personal and professional decisions.
5. The students should learn to analyze and critically evaluate different ideas, concepts and points of view on the concepts of leadership and management, and how to apply what they learn in this course to clarify thinking on leadership and to solve problems in the future.

6. The students should develop a personal leadership style that will begin to answer the question “What kind of leader do I want to be?”.

Teaching Methods/Class Participation

This course will be highly interactive and will require a good deal of preparation in order to actively participate in the class discussions. Successful leaders and managers have the ability to gather and understand relevant information, to articulate carefully and clearly their analysis, and to convince others of their recommendations based on such analysis. Your ability to express yourself concisely, accurately and under pressure is enhanced through participation. Your comments will enhance your learning experience in class and can also enhance the learning experience of your classmates.

The success of the course depends heavily on the quality of individual contributions. **Therefore, attendance in every class is extremely important. I do understand that students have to travel for their jobs, but please notify me by email in advance if you must miss a class.**

We will be discussing a number of cases and other materials during the course. Effective participation requires the articulation of your careful analysis of the facts of the case, and your ability, using the tools described in the article, to identify strategic courses of action that might be used to enhance to competitive position of the company or its future performance. You should be able to share your analysis of the situation; be willing to test new ideas or novel approaches; and add to the class’s overall understanding of the situation. Quality of class participation in terms of relevant and original analysis is more important than its quantity.

Study Questions

Study Questions have been prepared for some of the weeks’ assignments. It is important for you to be prepared, and **answering the study questions in writing prior to class** is a good way to assure that you have given the materials the requisite amount of thought before you come to class. Therefore, for weeks two and four, each **team** will answer the Study Questions in writing; for weeks seven, eight and nine, each **individual student** will answer the Study Questions. These answers will be due on the day of the class for which the Study Questions have been assigned, and each team/student should send me their answers via email. There is no minimum or maximum length for these answers, but the answers should be **double spaced**. In grading the answers to the study questions, the integration of the concepts discussed in the assigned readings into your answers will be valued.

Group Formation

During the first class session, you will be asked to form groups. Given the comprehensive nature of the course, it is critical that individuals give consideration to the following issues in forming their groups:

- All students have very busy schedules, and therefore it is crucial for the groups as they are forming to make sure that **there is a time when everyone can meet face-to-face**

each week. One of the biggest obstacles to group effectiveness is insufficient time for all the team members to come together and work in a face-to-face manner.

- At least one member of the group must have a sufficient background in accounting and/or finance so that they can **build a complete set of financial statements for a start-up business**; this is not an easy assignment, and therefore each group will need to insure that someone in the group has this capability and will commit to the task.
- It is helpful when groups include **students with varied functional interests**. For example, it has proven helpful in the past for groups to be diverse in terms of personal backgrounds, as well as in concentrations of study, in order to give the group the widest range of experience as they move through the business planning process.

Once formed, each group will come up with a business concept, and will prepare the External Environment Analysis/Strategy Canvas and Business Plan papers and presentations described below. It is important that the members of the group divide the work in an equitable and fair manner, and treat each other in an appropriate way. Therefore, each group is encouraged to take some time early on to discuss and agree upon a set of guidelines regarding when the group is going to meet, how the work is going to be divided, and what type of behaviors are expected from one another.

In order to assure that each group member is making a significant and proportional contribution to the group, **members of the team will evaluate their other team members twice: one following the External Environment/Strategy Canvas presentation, and again at the time of the Business Plan presentation.** It is important to note that in this class, that honesty trumps friendship and loyalty, since the goal of the feedback is the improvement of the individual and the team. If feedback is not honest and improvement is not made, the team and its efforts will suffer.

External Environment Analysis/Strategy Canvas Paper and Presentation

Each team will be responsible for developing a business plan for the business that they wish to launch. This entire project requires deep, clear thinking. This process begins with each team coming up with a business concept that they can then develop into a start-up company. **A one to two-page description of the company you will be starting is due at the beginning of the third class.** This proposal must include the group members' names, email addresses and telephone numbers. I will provide you with written feedback regarding the concept, as well as my thoughts for some of the opportunities and challenges that your business concept provides.

As the foundation for the Business Plan, each group will prepare a written analysis of the external environment in which its organization will operate, as well as developing a Strategy Canvas (a *Blue Ocean Strategy* concept) that shows the strategic value curves of the organization and current and potential competitors in the industry in which the organization competes. **I will provide a handout which we will discuss in class describing the components of the External Environment Analysis/Strategy Canvas paper.**

This paper is due at the beginning of the sixth class on April 3. It must not exceed 20 pages (double-spaced with at least 12 point type and 1" margins). Each team must prepare and attach to the paper three separate Strategy Canvases (which do not count against the 20 pages):

one showing your value curve versus the industry in Year 1 of your company’s existence; one showing your value curve versus the industry in Year 3 of your company’s existence, and one comparing your company’s value curve in Year 1 and in Year 3. Papers do not have to be footnoted, but references should be listed as an exhibit. A final page stating that each of the group members made a significant contribution to the paper must be signed by all of the group members and attached to the paper.

During the sixth class, each group will make a 20-minute presentation of its External Environment Analysis/Strategy Canvas paper; the time limit will be strictly enforced. You may use PowerPoint, Prezi or any other method of presenting the paper; audio-visual equipment will be available. **All members of the group must participate in the presentation.** There will be a Q&A session after each presentation.

Business Plan and Presentation

The final project requires developing a complete Business Plan for the project. **I will provide a handout which we will discuss in class describing the components of a Business Plan.**

The maximum length of the Business Plan is 50 pages (double spaced with at least 12 point type and 1” margins), excluding any appendices or exhibits and the financials. Each team must submit a final page signed by each of the group members stating that each of the group members made a significant contribution to the Plan.

During our last class session on May 1, each group will make a 20-minute presentation of its Business Plan under the same criteria as used with the External Environment analysis. Other groups will ask questions about and make comments on the Business Plan itself and on the viability of the Plan presented.

Computation of Grade

The grade components and the relative weights are:

Class Participation	10%
Written answers to the assigned team Study Questions (5% each)	10%
External Environment/Strategy Canvas Paper	16%
External Environment/Strategy Canvas Presentation	8%
Written answers to the assigned individual Study Questions (7% each)	21%
Final Business Plan	25%
Final Business Plan Presentation	<u>10%</u>
TOTAL	100%

Course Grading Scale

A	100-93%	C	76-73
A-	92-90	C-	72-70
B+	89-87	D+	69-67
B	86-83	D	66-60
B-	82-80	F	59 and below
C+	79-77		

Quinlan School of Business Policy on Academic Integrity

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood. Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of “F” for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved. For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website:

<http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf>.

Schedule of Activities

These are the planned activities for each week, although the professor maintains the right to amend this schedule as time permits and as circumstances dictate. Any changes to the schedule will be announced in class at least one week prior to the relevant date or activity/assignment.

The HBR materials are available through the Loyola University Library; the other materials and PowerPoint slide decks are available on Sakai.

Class 1 – February 20

Topics:	Introduction to the Course – Review of Syllabus Student Expectations for the Course Ignatian Pedagogy What Is Strategy? Introduction to Business Plans
Readings:	David J. Collis and Michael G. Rukstad, “Can You Say What Your Strategy Is?”, HBR, April 2008
PowerPoints:	Ignatian Pedagogy Slides Strategy Introduction Slides Generic Strategies Slides Collis and Rukstad Slides

Class 2 – February 27

Topic:	Formulating Strategy (con'd) External Environment Analysis
Readings:	Michael Porter, “The Five Competitive Forces That Shape Strategy”, HBR – January 2008 Shelton Text – Introduction, Ch. 1, 4-6, 8-9
Case:	“Netflix – The Disruptor Faces Disruption”, HBR, 2017 (on Sakai)
PowerPoints:	External Environment Slides Netflix Strategy Canvas Slides

Study Questions (To be answered by each team):

1. What impact does the macroenvironment have on the **movie rental industry** (which is defined as any source of entertainment via CD or streaming)?
2. Who is Netflix’s target audience? What group or groups of consumers should Netflix be targeting in its marketing and promotional efforts?
3. Who are Netflix’s primary competitors? How does each of these competitors go to market?
4. How strong are the competitive forces in the movie rental industry as revealed by a Porter’s Five Factors analysis?
5. What key success factors will determine a company’s success in the movie rental industry? Are these factors likely to change over the next 3 – 5 years?
6. What are the chief elements of Netflix’s strategy? How would you articulate its value proposition? What type of competitive advantage is Netflix trying to achieve?
7. What strategic issues or problems does Netflix management need to address? What recommendations would you make to Netflix management in terms of its strategy moving forward?

March 6 – No Class – Spring Break

Class 3 – March 13

A one to two-page written description of each team’s business concept is due.

Topic:	Strategic Capabilities
Readings:	Snapple Additional Facts
Case:	John Deighton, “How Snapple Got Its Juice Back”, HBR, January 2002
PowerPoints:	Snapple Slides

Study Questions (To be answered by each team):

1. Describe Snapple's vision and strategy as it existed before Quaker Oats purchased the business. Were the functional areas inside Snapple all aligned with the overall strategy of the company? What were the core capabilities of Snapple's business?
2. Describe Quaker Oats' vision and strategy for Snapple at the time it purchased the business in 1994. Were the functional areas inside Snapple as Quaker Oats operated the business all aligned with the overall strategy of the company? What were the core capabilities of Snapple's business as Quaker Oats operated it?
3. Describe Triarc's vision and strategy for Snapple at the time it purchased the business in 1997. Were the functional areas inside Snapple as Triarc operated the business all aligned with the overall strategy of the company? What were the core capabilities of Snapple's business as Triarc operated it?
4. What specific actions might Quaker Oats have taken strategically to have made the Snapple acquisition successful?

Class 4 – March 20

Topics: Enneagram Tool
 SWOT and Core Capability Analysis
 Strategy Canvas and *Blue Ocean Strategy* Review

Readings: Enneagram Materials
 W. Chan Kim and Renee Mauborgne, *Blue Ocean Strategy*, Ch. 1-5

Speaker: Dr. Dawn Harris

PowerPoints: SWOT Slides

Class 5 – March 27

Topics: *Blue Ocean Strategy* Concepts
 Introduction to Leadership and Management

Speaker: Verinder Syal, Northwestern Professor, Entrepreneur and Executive
 W. Chan Kim and Renee Mauborgne, *Blue Ocean Strategy*, Ch. 6-9

PowerPoints: *Blue Ocean Strategy* Slides

Group Time to Discuss the External Environment/Strategy Canvas paper and presentation

Class 6 – April 3

The External Environment/Strategy Canvas paper is due in class.

Presentations: External Environment/Strategy Canvas Analysis
Topic: Financials for Business Plan
Readings: Shelton Text – Ch. 10-13, 16-18
PowerPoints: Business Plan Introductory Issues
Business Plan Operations Overview
Business Plan Sales and Marketing Issues
Business Plan Concluding Issues
Setting Up Start-Up Books
Start-Up Financials

Class 7 – April 10

Topics: Leadership Principles
Values-Based Leadership
Discussion of Robert McDonald Videos
Readings: Watch the YouTube videos of Robert McDonald, Former CEO of Proctor & Gamble (the link to the videos is on Sakai) – you should watch the first five videos that are on this link, but do not need to watch the sixth.
John Kotter, “What Leaders Really Do”, HBR, December 2001
James O’Toole, “Notes Toward a Definition of Values-Based Leadership”
Homer Johnson, “Developing Values-Based Leaders”
Leadership and Management Comparison
PowerPoints: Values-Based Leadership Slides

Study Questions (To be answered by each student - the answers are confidential and will not be seen by anyone other than the Instructor):

1. What is your life’s purpose?
2. Who were or are the five most important people in your life, and how have they impacted you?
3. What are your five most important personal values, and how do they direct and inform the actions and behaviors in your life?
4. What is your definition of effective leadership? Explain. What are some of the most important responsibilities of an effective leader? What do effective leaders do that distinguishes them from leaders that are not effective?

5. Think of individuals who have managed you in the past. What were five strengths that you think most contributed to these people's success? What were five weaknesses that you think most contributed to these people's lack of success?

Class 8 – April 17

- Topics:** Concepts of Leadership
Other Leadership Concepts
Application of Value-Based Leaders Concepts to You
- Readings:** “Level Five Leadership”, Jim Collins, HBR, July-August 2005
“Servant Leadership and the Greenleaf Legacy”, Larry Spears
Articles Relating to Cheryl Bachelder and Popeye's

Study Questions (To be answered by each individual student - the answers are confidential and will not be seen by anyone other than the Instructor):

1. What are your personal strengths as an individual and leader?
2. What are your personal weaknesses as an individual and leader?
3. What are your most important leadership values? If you are practicing these values to their fullest, what would you be doing? That is, how would you “walk the talk” with respect to these values?
4. What kind of values would you expect that the company you work for would exhibit? How will you know what the values of an organization are? How will you go about locating an organization that does in fact reflect your own values?
5. Do you find the concept of “Level Five Leadership” to be compelling in a business setting? How would you apply this concept to your own leadership style?
6. Do you find the concept of “Servant Leadership” to be compelling in a business setting? How would you apply this concept to your own leadership style?

Class 9 – April 24

- Topic:** Application of Values-Based Leadership Concepts to You
Expectations Upon Becoming a Manager
Social and Emotional Intelligence
- Readings:** Videos by Daniel Golman relating to Social and Emotional Intelligence (the links to the videos are on Sakai)
“Becoming the Boss”, Linda Hill, HBR, January 2007
- PowerPoints:** Becoming the Boss Slides

Study Questions: (To be answered by each student - the answers are confidential and will not be seen by anyone other than the Instructor):

1. How can you utilize the Social and Emotional Intelligence tools discussed by Dr. Golman to improve your leadership style?
2. In her article, Dr. Hill describes the unrealistic expectations that individuals often have when they become managers for the first time. Why do those unrealistic expectations exist, and what can one do to better prepare him or herself to be an effective manager?
3. As the result of the experience that you have had during the MBA program, do you think that you and/or your leadership style have changed? If so, in what manner? If not, why do you think that there has been no change?
4. As you prepare to graduate with your MBA degree, which is a major milestone in your life, how do you hope to utilize your degree in order to move forward and grow both professionally and personally?

Class 10 – May 1

The final Business Plan is due in class.

Presentations: Final Business Plans
Topic: Wrap Up of Course
Readings: Peter Drucker, “Managing Oneself”, HBR, March-April 1999
John Neafsey, “Discerning Our Calling”