Course Description

This is a capstone course that explores the manner in which companies develop and implement a strategic plan and also examines characteristics of effective general managers and leaders. (This course should be taken within a student’s last two quarters of the MBA program.)

Outcomes: Students will develop an explicit personal way of thinking about the business enterprise as a total system and the manner in which it can gain a sustainable competitive advantage by drafting a complete business plan for a start-up entity. Students will also sharpen their team, analytical, writing, and presentation skills and begin to evaluate the type of leadership skills they will need to move into increasingly more responsible positions inside organizations.

Course Overview

Strategy and Leadership is the capstone course of the Loyola Graduate School of Business, 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. The course will explore the manner in which companies develop an astute, timely strategic game plan for running the company, 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 direction and future of the organization. We shall see that a well-conceived and executed strategy, along with strong leadership and management, nearly always enhances a company’s long-term performance.
This is a "big-picture" course in that it integrates much of the knowledge that you have gained in the core curriculum. Most of the other courses you take in the GSB concern specific functional areas, such as accounting, economics, finance, human resources, marketing, and information services. The problems and issues involved in strategy, leadership and general management cover the entire spectrum of business. Successful leaders and general managers integrate the various functions of an enterprise by overseeing the formulation, 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.

Course Objectives and Learning Outcomes

The primary objective 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 secondary objective is to allow you to begin to answer the question “What type of leader do I want to be?”

Required Materials


Course Requirements and Grading Criteria

Study Questions

A list of study questions has been prepared for certain weeks’ assignments. It is important for you to be prepared, and answering the study questions 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, beginning in the second week of class, each of you will need to turn in written answers to the study questions. Typed answers would be preferable, but they can be handwritten if your penmanship is decent. In the answers to the study questions, the integration of the concepts discussed in the assigned readings into your answers will be valued.

As an alternative, you can go to the Forums Discussion Board on the Sakai site for this course and post one of your answers, and then respond to at least one answer that another student has posted. It is your choice as to which method you would like to use.
Group Formation

During the first class session, you will be asked to form groups of five to six members each. 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, as well as 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 prior to the Business Plan presentation. It is important 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.

Business Concept and External Environment Analysis/Strategy Canvas Paper and Presentation

Each team will be responsible for developing a business plan for the start-up 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-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.
As the foundation for the Business Plan your group is responsible for analyzing the external environment in which your business will operate, as well as developing a Strategy Canvas that shows the strategic profiles of your company, the industry, and current and potential competitors. **The External Environment Analysis/Strategy Canvas paper is due at the beginning of the fifth class. It must not exceed 10 double-spaced typed pages (at least 12 point type).** Each team must prepare and attach to the paper three separate Strategy Canvases: 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. **The paper must also contain the “tagline” for your business.** 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. **I will be providing more details of this paper in class.**

**During the fifth class, each group will make a 10-minute presentation of its External Environment Analysis/Strategy Canvas paper; the time limit will be strictly enforced.** You may use PowerPoint or any other method of presenting the paper; audio-visual equipment will be available. **At least three members of the group must participate in the presentation.** All members of the team will come to the front of the room for the presentation and be available as members of the class ask questions about and make comments on the Strategy Canvas presented.

**Business Plan and Presentation**

The final project requires developing a complete Business Plan for your company. **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 35 pages (double spaced with at least 12 point type), **excluding any appendices or exhibits.** Each team must submit a final page signed by each of the group members stating that all of the group members made a significant contribution to the Plan.

**During the last class session, each group will make a 10-minute presentation of its Business Plan under the same criteria as used with the Strategy Canvas.** Other groups will ask questions about and make comments on the Business Plan itself and on the viability of the Plan presented.

**Grading**
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 some students do need 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, many of them in the context of a Harvard Business Review article that is assigned in conjunction with the case. 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. The quality of class participation in terms of relevance and original analysis is more important than its quantity.

Cases are intended to present dilemmas as a manager encountered them. You are asked to deal with the cases as you find them; do not seek any additional or post-case data on the firm or industry.Employing hindsight or borrowing someone else’s thinking short-circuits the learning process and diminishes your learning experience.

Quinlan School of Business Policies:

Attendance
Class attendance and participation are fundamental components of learning, so punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students. Faculty may set participation policies unique to their courses and use class participation as a component of the final grade. The student is responsible for any assignments or requirements missed during an absence.

**Make-Up Examinations**

Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. **Make-up examinations are discouraged.** Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician’s note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. The only regular exception is for a student athlete, who may use the testing services of the Athletics Department to complete a make-up examination. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus.

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**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.

Schedule of Activities

Week 1 – August 28

Topics: Introduction to the Class
The Concept of Organizational Strategy
Reading: Michael E. Porter, “What is Strategy?”, HBR (on Sakai)
Case: Whole Foods, Inc. (on Sakai)

In Class Study Questions:

1. What is Whole Foods’ strategic vision?
2. What action steps has Whole Foods taken to implement that vision and execute its strategy in the marketplace?
3. How sustainable is Whole Foods’ strategy in the long run?
4. What advice do you have for John Mackey as Whole Foods contemplates its future?

Week 2 – September 4

Topic: External Environment Analysis and Strategy Canvas
Readings: W. Chan Kim and Renee Mauborgne, “Charting Your Company’s Future”, HBR
Michael Porter, “The Five Competitive Forces That Shape Strategy”, HBR
Case: Netflix, Inc. (on Sakai)

Study Questions (Turn in during class or post on the Forums Discussion Board):

1. Prepare an analysis of competition in the movie rental industry (specifying how you define that industry) using the five factors set forth in the Porter article.
2. If you were starting your own business, is this an industry that you would want to be in? Why or why not?
3. Describe Netflix’s strategy. Is it a good strategy? On what criteria did you evaluate its strategy?
4. What are the alternatives facing Netflix as the case ends? What actions should Netflix take going forward in light of your analysis?

Week 3 – September 11

Assignment: Company Proposal due at the beginning of class
Topic: Strategic Capabilities
BizPlan Builder Text-pp. iii-iv, 1-10, 17-20, 29-32, 38-45, 49-57, 70-79
David Collis and Cynthia Montgomery, “Competing on Resources”, HBR
Study Questions (Turn in during class or post on the Forums Discussion Board):

1. What is Research in Motion’s growth strategy?
2. How does Research in Motion compete against Apple?
3. What resources and capabilities does Research in Motion use to create a competitive advantage?

Week 4 – September 18

Topics: Social Capital and Team Building
Readings: Chris Anderson, “How to Give a Killer Presentation”, HBR
Laurance Prusak and Don Cohen, “How to Invest in Social Capital”, HBR
Enneagram Assessment (available at www.bepeoplesmart.com)
Background Information on the Enneagram is at www.9types.com

Study Questions (to be turned in during class on September 25):

1. Describe your strengths and challenges given your enneagram type and the characteristics of that type.
2. What are the enneagram types of each member of your group? How does the type of each team member affect your working relationship with him or her?
3. How will you manage your work/group relationships given what you have learned from the Enneagram exercise?

Week 5 – September 25

Assignment: External Environment Analysis/Strategy Canvas presentations – Each team must provide me with two copies of the paper and one copy of the PPT.

Week 6 – October 2

Topics: The Concept of Leadership
“Something to Prove” (Home Depot), Fortune, June 24, 2002
“The Decade of Steve”, Fortune, November 23, 2009
Walter Isaacson, “The Real Leadership Lessons of Steve Jobs”, HBR

Study Questions (Turn in during class or post on the Forums Discussion Board):
1. Describe the strengths and weaknesses of Bob Nardelli’s leadership style as he began at Home Depot.
2. How did these skills affect his goal of changing Home Depot’s organizational culture? How successful was he in changing the culture?
3. How did Bob Nardelli’s leadership style change during his tenure as CEO? Describe his strengths and weaknesses as a leader during his tenure as CEO.

**Week 7 – October 9**

**Topics:** The Concept of Leadership (con’d)
Operational Aspects of a Business Plan

**Readings:**
John Kotter, “What Leaders Really Do”, HBR
BizPlan Builder Text, pp. 61-66, 82-92, 96-99

**Week 8 – October 16**

**Topic:** Effective General Managers
Financing and Financial Statements for a Business Plan

**Readings:**
John Kotter, “What Effective General Managers Really Do”, HBR

**In Class Study Question:**

1. Given the scenario portrayed in the Kotter article, do you think that Mike Richardson has had a productive day? Why or why not?

**Week 9 – October 23**

**Topic:** Your Perspective on Leadership

**Reading:**
Linda Hill, “Becoming the Boss”, HBR
Adam Bryant, “The Quest to Build a Better Boss”, NYT, March 13, 2011

**Study Questions (due by October 22 on Forums Discussion Board):**

1. Identify a leader/boss that you have personally known and identify the characteristics and behaviors that made him or her ineffective. If you cannot identify an appropriate individual you have known, pick one of those described in the book.
2. What are the characteristics and behaviors that could have made that person successful under the same set of circumstances?

**Week 10 – October 30**
Assignment: Presentation of Business Plans – Each team must provide me with two copies of the Business Plan and one copy of the PPT presentation.

Please note: This class may occasionally deviate from the course outline above. The instructor reserves the right to make changes as needed to the course syllabus.