**Catalog Description**
This is a capstone course that explores the manner in which companies develop and implement a strategic *business plan* and also examines characteristics of effective *general managers* and leaders in business organizations.

**Course Overview**
MGMT 430 (Strategy and Leadership) is the capstone course of the Quinlan 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.

**Required Materials**
The required course packet includes reading materials and Harvard Business School (HBS) cases. Reading materials (journal articles, handout notes, and lecture slides) are available from the Sakai course website or the University Library E-Journals at no charge. Students need to purchase the HBS cases online at the HBS website. Please see further instruction on Sakai.

**Suggested Additional Readings**
**Course Objectives and Learning Outcomes**

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 systems. 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.

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 by drafting a complete business plan.

The secondary objective is to allow you to begin to answer the question "What type of leader do I want to be in business organizations?" by practicing and evaluating the type of leadership skills you will need to move into increasingly more responsible positions inside organizations.

**Learning Techniques**

To accomplish these objectives, we will use a variety of learning techniques: readings, lectures, written reports, presentations, and, most importantly, class discussion of case studies. 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.

**1. Case Analysis**

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.
A list of case study questions has been assigned to each case for your preparation and participation. The quality of your answers and 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.

Objectives of case analysis include:
- increase your understanding of what managers should and should not do in guiding business to success in real world business situations,
- build your skills in conducting strategic analysis and gain in-depth experience in a variety of industries, competitive situations, and company circumstances,
- get valuable practice in diagnosing strategic issues, evaluating strategic alternatives, and formulating workable plans of action, and
- enhance your sense of business judgment.

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

(1) 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.

(2) 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 new business; this is not an easy assignment, and therefore each group will need to ensure that someone in the group has this capability and will commit to the task.

(3) It is helpful when groups include students with varied functional interests. Involving with people with distinct functional backgrounds will help avoid potential blind spots in your case analysis. 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 prepare (1) the Business Concept and Environment Analysis presentation and (2) the final Business Plan paper and presentation as 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.
Developing effective group skills is a critical part of the learning process. In order to assure that each group member is making a significant and proportional contribution to the group project, students will evaluate their own team members and other teams after the final Business Plan presentation and report submission. 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.

Course Grading Scale
Your final course grade will be established based on the following scale. No curve should be anticipated.

A 900 – 1000 points  
B 800 – 899  
C 700 – 799  
D 600 – 699  
F Below 600

+ or – indicates that your score is borderline (+ or – 10 points).

Course Grading Criteria
Your final course grade will be determined by adding together the points you earn from each of the individual and group course requirements.

(1) Class Participation 150 points  
(2) Case Study Questions 100 points  
(3) In-class Exam 250 points  
(4) Business Plan Practicum* 500 points* (adjusted for peer input)  
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1000 points

1. Class Participation: 150 Points
Active participation in the class is an essential part of the learning experience, and the most important group interaction occurs during our case discussions. In this course, we all learn from each other. Thus, we are each responsible for making contributions to the class’s effort to analyze a case and gain a critical perspective on the issues confronting the company in question.

(1) Class Attendance
Your attendance in every class is extremely important. Please schedule interviews, plant visits, and callbacks for days on which we don’t have class. Please be on time, especially for the case discussion sessions. Attendance is taken at the beginning of class; if you miss the roll call, you have missed the class. You are expected to stay for the entire class. I do keep track of attendance and participation and figure it into the final grade.

Each person will be allowed one absence, “no questions asked”; beyond that absence, 20 points will be deducted from the participation grade if you are absent or not prepared for the class.
(2) Class Participation
You are required not only to attend classes, but also to carefully prepare for each class and contribute actively to class discussion. Class participation is graded for class discussion during the course. Meaningful participation means making a contribution to our discussion, not merely talking, and it does not mean repeating case facts or simply agreeing with what others have already said.

Please do not confuse attendance with participation. Note that attending without making meaningful contributions scores no participation points. Daily grades will be recorded on the following scale: 10, said something interesting; 20, said something that really turned the discussion. It is important that the instructor get to know who you are and keep track of your class participation; you will be asked to fill out a name card to help that process.

2. Case Study Questions: 100 (2 Cases x 50) Points
A list of case study questions has been prepared for certain weeks’ case assignments. It is very 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 third week of class, each of you will need to turn in written answers to the study questions for the following two cases:
Southwest Airlines (Case #2) and Sony’s PlayStation3 (Case #4).

You assignments are due before class begins on the day of the case discussion. One purpose of the assignment is to enhance class discussion (so, if necessary, bring an extra copy for yourself). There is no credit provided for late submissions. I expect each student to prepare up to 2-page written answers (full-sentenced, 12-font typed, and double-spaced) and unlimited appendix for figures and tables if necessary.

In grading the answers to the study questions, the integration of the concepts discussed in the assigned readings into your answers will be value. Again, outside research of the case is not required. One of the most important criteria concerns the strength and logic of your argument. That is,
- Does your analysis of the industry and company environments make sense?
- Do you marshal objective facts from the case to support your analysis?
- Do your judgment and recommendations follow from your analysis?
- Are you able to rule out certain options as being illogical and counter-productive?

Fundamentally, you want to lead your reader through a chain of reasoning that drives them toward the same conclusions presented in your analysis, recommendations, and specific actions. Your case study report will succeed if it accomplishes this task.

3. In-class Exam: 250 Points
There will be one in-class exam which will cover the entire reading and lecture materials (except HBS cases), and require you to demonstrate your mastery of the concepts, analytical tools, and theoretical frameworks covered in this course.
The final exam is closed-book and closed-notes. The format of the exam will be a combination of multiple choices and short answers. Review and sample questions will be provided for your reference as the exam date approaches.

4. Business Plan Practicum: 500 (100 + 200 + 200) Points
Each team will be responsible for developing a new business plan for the chosen company that they wish to study. This entire project requires creative and integrative thinking. This process begins with each team coming up with a new business concept that they can then develop into the company.

A one-page description of the company you will be examining 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 early feedback regarding the business concept, as well as my thoughts for some of the opportunities and challenges that your business concept provides.

(1) Business Concept and Analysis Presentation: 100 Points
As the foundation for the Business Plan each group is responsible for presenting the strategic profiles of your company, the industry, and current and potential competitors. Since the presentation is expected to provide a detailed analysis of the business concept and its industry environment for strategic positioning, active outside research is encouraged. Gather all the relevant information and attach references listed as an exhibit. You are encouraged to use the various frameworks, theories, and techniques discussed in the course or otherwise known to you. Emphasize your judgments and present relevant information and analysis outcomes, in support of your judgments.

The Business Concept and Analysis slide is due at the beginning of the fifth class. It must not exceed 12 PowerPoint slides. Each team must prepare four separate components:
- Strategy Statement including the “tagline” (see Collis & Rukstad, 2008),
- Five Forces Analysis (see Porter, 2008),
- Strategy Canvas (see Kim & Mauborgne, 2002), and
- Activity Map (see Porter, 1996).

During the fifth class, each group will make a 15-minute presentation of its Business Concept and Analysis slides; the time limit will be strictly enforced. At least three members of the group must participate in the presentation. All members of the team will come to the front of the classroom for the presentation and be available as members of the class ask questions about and make comments on the Business Concept and Analysis presented.

Other groups will ask questions about and make comments on the Business Concept, strategic analysis, and the viability of strategic positioning plan. You will be graded based on the quality of questions asked.

The presenting team must gather feedback and comments from the class and the instructor on your presentation, and selectively make them to your own ideas in your final Business Plan paper.
(2) Final Business Plan Presentation: 200 Points
The final project requires developing and presenting a complete Business Plan for the project company.

During the last two sessions, each group will make a 30-minute presentation of its final Business Plan. The focus of your final presentation is to build a new business model, develop specific action plans, and describe in detail how you are going to implement your business plan for the company. Gather feedback and comments from the class and the instructor on your presentation, and make them into your own in the final business plan paper.

In addition to your revision of initial Business Concept and Analysis, the main components of your business model, functional-level strategies, and action plans should be explained: Operation and distribution plan, marketing plan, sales strategies, management and human resource plan, initial funding plan, a list of start-up costs, projected five-year financial statements, legal and regulatory considerations, technology and intellectual property issues, critical risk factors and contingency plans, including an exit strategy.

(3) Final Business Plan Report: 200 Points
I will provide instructions, samples, and handouts which we will discuss in class describing the components of a Business Plan.

The final Business Plan report is due by the final exam date for all groups. The maximum length of the Business Plan report is 25 pages (double spaced with 12-font typed), excluding any appendixes or exhibits.

Along with the 25-page Business Plan report, you should attach a 1-page executive summary.

The purpose of the page limit is to encourage you to prioritize the material you wish to include in the final document. Push yourself to be selective, in order to generate a rigorous and relevant plan. Papers do not have to be footnoted, but references should be listed as an exhibit. 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 Business Plan.

Please note: Please read this syllabus thoroughly. It contains important information that will help you get the most out of your experience in this course. While I will do my best to help you, ultimately, you are responsible for knowing what is written here and for your performance in my course. The course website at Blackboard will play a crucial role in this course. You must check it regularly to get announcements and course materials. This class may occasionally deviate from the course outline below. The instructor reserves the right to make changes as needed to the course syllabus.
## MGMT 430 Weekly Course Outline

### Week 1
**27-Aug**
- Introduction to the Strategy and Leadership Course
- Basic Concepts of Strategic Management
- Lafley (2009) *What Only the CEO Can Do*

### Week 2
**03-Sep**
- Strategic Management and Business Planning: Grant (2013) Ch. 1 & 2
- Kim & Mauborgne (2002) *Charting Your Company’s Future*
- (Optional) Casadesus-Masanell & Ricart (2011) *How to Design a Winning Business Model*


  1. What is Whole Foods’ mission and strategic vision?
  2. How has Whole Foods taken its vision and developed its strategy?
  3. What business model has Whole Foods built to implement its strategy?
  4. How sustainable is Whole Foods’ strategy in the long run?
  5. What advice do you have for John Mackey for the future?

### Week 3
**10-Sep**
- Company Proposal due at the beginning of class
- External Environment and Industry Analysis: Grant (2013) Ch. 3 & 4
- Porter (2008) *The Five Competitive Forces that Shape Strategy*
- (Optional) Jacobides & MacDuffie (2013) *How to Drive Value Your Way*

  **Case 2: Southwest Airlines (HBS 9-803-133): Individual Case Report #1**

  1. *Evaluate the attractiveness of the airline industry with respect to its five forces.*
  2. *What are the most important contributors of Southwest Airline’s success?*
  3. *How should management respond to its declined performance in 2002?*
  4. *Do you recommend that it resume its historic growth rate? (Quantitative)*
  5. *Should it pursue a greater portion of long-haul flights? Why or why not?*

### Week 4
**17-Sep**
- Internal Environment and Company Analysis: Grant (2013) Ch. 5
- Collis and Montgomery (1995) *Competing on Resources*
- Harreld, O’Reilly & Tushman (2007) *Dynamic Capabilities at IBM*

  **Case 3: Starbucks (HBS 9-504-016)**

  1. What factors accounted for the success of Starbucks in the early 1990s?
  2. What was so compelling about the Starbucks’ initial value proposition?
  3. How does the Starbucks of 2002 differ from the Starbucks of 1992?
  4. How valuable is a highly satisfied customer to Starbucks for profitability? (Quantitative)
  5. Should Starbucks invest in labor in the stores? Why or why not?
**Week 5**
**Presentation slide due at the beginning of class**
24-Sep
Group Presentation and Feedback: Business Concept and Environment Analysis
(1) Strategy Statement, (2) Five Forces, (3) Strategy Canvas, and (4) Activity Map

**Week 6**
Generic Business Strategies and Business Model Renovation: Grant (2013) Ch. 7 & 8
01-Oct
Bingham, Eisenhardt & Furr (2011) *Which Strategy When?*
Johnson, Christensen & Kagermann (2008) *Reinventing Your Business Model*
(Optional) Amit & Zott (2012) *Creating Value through Business Model Innovation*
(Optional) Girotra & Netessine (2014) *Four Paths to Business Model Innovation*

**Case 4: Sony PlayStation 3 (HBS 9-508-076): Individual Case Report #2**
1. How attractive is and will be (Static and Dynamic) the videogame console industry?
2. Should Sony be concerned about the success of the Nintendo Wii? Why or why not?
3. How would you position the new console of PS3 over PS2 and competition?
4. Evaluate the profitability of the PS3 with the sale of game titles. (Quantitative)
5. What actions should Sony take to improve the performance of its PS3?

**Week 7**
Leadership and Strategy Implementation: Grant (2013) Ch. 6
08-Oct
Montgomery (2008) *Putting Leadership Back into Strategy*
Martin (2007) *How Successful Leaders Think*
(Optional) Kim & Mauborgne (2014) *Blue Ocean Leadership*

**Case 5: Amazon.com (HBS 9-803-098)**
Kirby & Stewart (2007) *The Institutional Yes AND*
Schoemaker, Krupp & Howland (2013) *Strategic Leadership: The Essential Skills*
1. Discuss the strengths and weaknesses of Jeff Bezos’ leadership style.
2. Describe the evolution of Amazon.com and its business model.
3. What factors have driven its transformation to a commerce platform?
4. Should Amazon.com participate in the apparel segment? How?
5. What is your assessment of the long-term viability of its business model?

**Week 8**
**Business Plan (slide and handout) due at the beginning of class**
15-Oct
Presentation of Business Plan by Groups 1, 2, and 3

**Week 9**
**Business Plan (slide and handout) due at the beginning of class**
22-Oct
Presentation of Business Plan by Groups 4, 5, and 6

**Week 10**
**Final Exam**
29-Oct
**Final Business Plan Report due**
**Quinlan School of Business Policies:**

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<th>Attendance</th>
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<td>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. Because MGMT 430 uses in-class group exercises as well as individual participation, a student <strong>cannot</strong> earn an A for the course without contributing to the class as both an engaged individual student and an involved team member. <strong>If you must miss a class or leave early, please notify me in advance.</strong> You are responsible for any class assignments or requirements missed.</td>
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<th>Make-Up Examinations</th>
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<td>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 believes examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. <strong>Make-up examinations are discouraged.</strong> 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.</td>
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<td>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: <a href="http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf">http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf</a></td>
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<th>Special Request</th>
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<td>This course depends on a high level of student engagement and participation. Thus, to minimize distractions to you, your fellow students, and me, please keep your cell phones off during class. Thank you!</td>
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