MGMT 430 – STRATEGY AND LEADERSHIP
Spring Quarter 2014 - Wednesdays

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.

Required Materials
1. Class materials referenced in the Syllabus are posted on Sakai, or will be available through the Loyola Library website or through the Harvard Business Review website (directions will be provided by the professor).

2. Other class materials will be posted on Sakai during the course.
Course Description

Strategic 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 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 MBA studies of accounting, economics, finance, human resources, operations, 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

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?”

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 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. Quality of class participation in terms of relevant and original analysis is more important than its quantity.

**Study Questions**

A list of study questions has been prepared for six of the 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 with the second class, each of you will need to turn in written answers to the study questions. **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 of four or 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:

- 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. In the alternative, I will have two projects from organizations which would like a business plan prepared for them; I will describe those projects in more detail at the first class. 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 must discuss and agree upon a set of guidelines (there will be a Handout describing the process) 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. **These Group Norms are due along with the business plan concept at the beginning of the third class.**

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 following 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.

**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 or the real-life project they accept. 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 three-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 your group will draft, your team 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 15 double-spaced typed pages (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 15 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. **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 12-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 40 pages (double spaced with at least 12 point type), 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 the last class session, each group will make a 15-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

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<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Class Participation</td>
<td>15%</td>
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<tr>
<td>Study Questions</td>
<td>15%</td>
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<tr>
<td>Strategy Canvas Paper</td>
<td>15%</td>
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<tr>
<td>Business Plan Paper</td>
<td>40%</td>
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<tr>
<td>Business Plan Presentation</td>
<td>5%</td>
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Grading Scale

- **A**: 100-93%
- **B-**: 82-80
- **C+**: 79-77
- **C**: 76-73
- **F**: 59 and below

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](http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf).
Schedule of Activities

Week 1 – February 26

Topics:  Introduction to the Class  
The Concept of Strategy

Reading:  David J. Collis and Michael G. Rukstad, “Can You Say What Your Strategy Is?”, HBR (2008) (available on the Library site or can be purchased at http://hbr.org/search/can%20you%20say%20what%20your%20strategy%20is/0)

Case:  “Mystic Monk Coffee” Case (Sakai)

In-Class Study Questions (you do not have to prepare written answers):

1.  What is the vision of the Carmelite Monks of Wyoming?  What is Fr. Daniel Mary’s vision for the monastery?  What is his vision for Mystic Monk Coffee (MMC)?  Has Fr. Daniel Mary adequately established a future direction for the Carmelite Monks of Wyoming?  What do you think of the name of the company?

2.  Does it appear that Fr. Daniel Mary has set definite objectives and performance targets for achieving his vision for MMC?

3.  What is Fr. Daniel Mary’s strategy for achieving his vision for MMC?  What competitive advantage might MMC’s strategy produce?

4.  What is MMC’s business model?  Is MMC’s strategy a money-maker?  What is your assessment of MMC’s customer value proposition?  Its profit formula?

5.  Does the strategy qualify as a winning strategy?  Why or why not?


March 5 – No Class – Spring Break

Week 2 – March 12

Topic:  External Environment Analysis and Strategy Canvas

W. Chan Kim and Renee Mauborgne, “Charting Your Company’s Future”, HBR (2002) (both articles are available on the Library website or can be purchased at http://hbr.org/search/the%20five%20competitive%20forces%20that%20shape%20strategy%20/0 and http://hbr.org/search/charting%20your%20company%27s%20future/0)

Group Norms (Sakai)

Components of a Business Plan (Sakai)

Case:  “Netflix/Redbox” (Sakai)

Speaker:  Gabrielle Annala, Reference and Instruction Librarian, Lewis Library
Study Questions (Turn in during class on March 12):

1. How strong are the competitive forces in the entertainment/movie rental industry? Prepare a “Five Forces” analysis of competition in that industry based on the factors set forth in the Porter article.

2. What forces are driving changes in the movie rental industry? If you were starting your own business, is this an industry that you would want to be in? Why or why not?

3. Describe Redbox’s strategy. Is it a good strategy? On what criteria did you evaluate its strategy? What type of competitive advantage is Redbox trying to achieve?

4. What are the strategic issues facing Redbox as the case ends? What recommendations would you make to Redbox’s management in light of the issues you have identified?

5. Prepare a strategy canvas for Netflix’s industry. What is the “tag line” for Redbox’s strategy? (Team project – instructions will be provided in class – nothing need be done before class).

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Week 3 – March 19

Assignment: Company Proposal and Group Norms due at the beginning of class

Topics: External Environment and Netflix/Redbox Case (con’d)

Social Capital and Team Building


Enneagram Assessment (available at www.bepeople'smart.com)

Background Information on the Enneagram is at www.9types.com

Speaker: Annette Spiezio, President, Spiezio and Affiliates

Study Questions (to be emailed to the Professor or turned in during class on March 26):

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? How will you manage your work/group relationships given what you have learned from the Enneagram exercise?

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Week 4 – March 26

Topic: Strategic Capabilities

Reading: “Additional Facts for Snapple Case” (Sakai)

Study Questions (Turn in during class on March 26):

1. Describe Snapple’s vision and strategy before Quaker Oats purchased the business. What were Snapple’s core capabilities prior to the purchase by Quaker?

2. Describe Quaker Oats’ vision and strategy for Snapple at the time it purchased the business in 1994. What were Snapple’s core capabilities under Quaker’s management?

3. Describe Triarc’s vision and strategy for Snapple at the time it purchased the business in 1997. What were Snapple’s core capabilities under Triarc’s management?

4. Prepare a strategy canvas for Snapple’s industry. (Team project – instructions will be provided in class – nothing to do before class).

Week 5 – April 2

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

Week 6 – April 9

Topics: The Concepts of Leadership and Management
Assignment: Mid-Term Peer Evaluation due (posted on Sakai – to be emailed to the professor)
Linda Hill, “Becoming the Boss”, HBR (2007) (the articles are on the Library site or can be purchased at http://hbr.org/search/what%20leaders%20really%20do/0 and http://hbr.org/search/becoming%20the%20boss/0)
“How Will You Measure Your Life”, HBR (Sakai)
Verinder Syal’s PowerPoint Presentation (Sakai)
Speaker: Verinder Syal, Syal Consulting

Study Questions (Turn in during class on April 9):

1. What is your reaction to the “Myths of Management” that Dr. Hill describes in her article? Do you agree or disagree with them? Why?

2. If you do currently manage people, what can you do to insure that you will be effective in that role? If you aspire to manage people, what can you do to insure that you will be effective in that role once you take it on?

Week 7 – April 16

Topic: Leadership/Management (con’d)
Week 8 – April 23

Topics: Leadership/General Management (con’d); Starting Up, Financing and Growing a New Business

Readings: Sydney Finkelstein, *Why Smart Executives Fail*, chapters 1, 2, 6 and 9 (Handout and on Sakai)
James Heskitt and Patricia Girardi, “Calveta Dining Services”, HBR (2011) (available on the Library site or can be purchased at [http://hbr.org/search/calveta%20dining%20services](http://hbr.org/search/calveta%20dining%20services)

Study Questions (to be emailed to the Professor by midnight on Monday, April 21).

1. Identify a leader 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 9 – April 30

Topic: Leadership/General Management (con’d)


Speaker: TBD

In-Class Study Questions (To be discussed in class – not a written assignment):

1. Based on your reading of the Nohria and Drucker articles, what are the key challenges for you as you move into a managerial position, or assume a more responsible managerial position?

2. Based on your reading of the Drucker article, what are the key challenges you face as you attempt to manage yourself and your career now that you are ready to graduate with an MBA?
Assignment: Presentation of Business Plans – Each team must provide me with two copies of the Business Plan and one copy of the PPT presentation. In the alternative, the team may email me the Business Plan and the Presentation.

Your final Peer Evaluation is due on or before May 9 – the form is posted on Sakai and the completed form is to be emailed to the professor.