

MGMT 420: STRATEGY

Fall 2023 – 4 Units

Course Syllabus

Instructor Information

Faculty of Record: Asst. Professor Ashvin Gandhi
Email: ashvin.gandhi@anderson.ucla.edu
Office location: Cornell Hall, D507. Office hours also available via Zoom.
Office hours: Before/after class, by appointment, and scheduled before exams

Teaching Assistant Isaac Tucker
Email: isaac.tucker.phd@anderson.ucla.edu
Office hours: Zoom link and time to posted to course site

Teaching Assistant Yiyang Zeng
Email: yiyang.zeng.phd@anderson.ucla.edu
Office hours: Zoom link and time to posted to course site

Course Meeting Times and Location

See course site for meeting times and locations.

Pre-requisites/ Co-requisites

Limited to UCLA Anderson graduate students.

Course Description

The course centers around the most fundamental question in business: how can our company succeed in the long run, in the face of firms that seek to outcompete us, or replicate us if we are successful? We break down this question into the sub-components: how does our organization create value, and how does our organization capture value?

We build our core foundation in multiple steps. We start by exploring the question of “what is strategy?” and how strategic thinking can set managers on the right track to create and capture value. We then study how the detailed structure of an industry can dramatically affect a firm’s profitability. Of course, even within an industry some firms are more profitable than others, and the most crucial insights of the course regard understanding how some firms have *strategically positioned* themselves to be successful in challenging industries and circumstances. We will extend and apply this notion of strategic positioning to a number of settings, ranging from mergers and acquisitions to implementing sustainable business practices to managing disruptive innovation.

Our case-based approach will provide key context to our insights through examples drawing from myriad industries and firms, ranging from Coca-Cola and Walmart to Netflix and Google. We will generally approach cases from the perspective of a general manager, such as the CEO. As a result we will try to draw and synthesize insights from other key disciplines—such as economics, marketing, accounting, and finance—to help inform our strategic decisions.

Course Objectives

The knowledge objectives for the course are that students:

- Understand how firms create and capture value.
- Be able to assess the threats a company faces within an industry, whether from rivals, entrants, buyers, suppliers, or substitutes.
- Articulate generic strategies and formulate a strategic position that will allow a company to generate long-run profit in spite of industry challenges.
- Identify and develop a plan to ensure that a company's competitive advantage is sustainable.
- Apply game-theoretic thinking to understand how a firm's actions can influence other firms' beliefs and actions.
- Utilize strategic thinking to evaluate corporate strategy decisions, such as sustainability policies and corporate ownership decisions.
- Apply strategic thinking to dynamic and changing markets, such as those with network effects or disruptive innovations.

Course Materials

- Course Reader: <https://ucla.redshelf.com/library>
- Additional required and optional readings are assigned on the course site.

Course Outline

This outline is provided for general planning purposes. Details may change, and you are encouraged to check for updates on the course site.

Module	Date	Key Topics	Class Activities	Pre-Class Reading/Media	Assignments Due
1	Weekend of 10/01	Foundations of Strategic Analysis <ul style="list-style-type: none"> Defining strategy Industry analysis 	<ul style="list-style-type: none"> Preliminaries Topic Discussions: <ul style="list-style-type: none"> “What is Strategy?” Industry structures Case Discussions: <ul style="list-style-type: none"> Ben and Jerry’s Cola Wars 	<ul style="list-style-type: none"> Cases: <ul style="list-style-type: none"> Ben and Jerry’s Cola Wars Supporting Readings: <ul style="list-style-type: none"> “What is Strategy?” by Michael Porter “Understanding Industry Structure” by Michael Porter 	None
2	Weekend of 10/14 (video content made available to hybrid sections after submitting Walmart Memo)	Competitive Advantage <ul style="list-style-type: none"> Defining competitive advantage Achieving competitive advantage: <ul style="list-style-type: none"> Cost strategies Differentiation strategies Sustaining competitive advantage: <ul style="list-style-type: none"> Barriers to entry Barriers to imitation 	<ul style="list-style-type: none"> Topic Discussions: <ul style="list-style-type: none"> “What is Strategy?” Industry structures Case Discussions: <ul style="list-style-type: none"> Wal-Mart The Economist Additional Discussion: Economies of Scale/Learning 	<ul style="list-style-type: none"> Cases: <ul style="list-style-type: none"> Wal-Mart The Economist Supporting Readings: <ul style="list-style-type: none"> “Competitive Advantage” by Ghemawat and Rivkin Optional readings online 	<ul style="list-style-type: none"> Group Memo on Walmart Due 10/8 by 11:59PM
3	Weekend of 10/28	Review for “Check-in” Exam Game Theory <ul style="list-style-type: none"> Dominant strategies Beliefs Commitment 	<ul style="list-style-type: none"> Case Discussions: <ul style="list-style-type: none"> Matching Dell Ryanair Simulation 	<ul style="list-style-type: none"> Cases: <ul style="list-style-type: none"> Matching Dell Ryanair Supporting Readings: <ul style="list-style-type: none"> Videos (optional): economies of scale & learning, game theory Exam Prep: <ul style="list-style-type: none"> Practice exam 	<ul style="list-style-type: none"> Mid-Quarter “Check-In” Exam Due 11/5 by 11:59PM

Module	Date	Key Topics	Class Activities	Pre-Class Reading/Media	Assignments Due
4	Weekend of 11/11	Corporate Strategy <ul style="list-style-type: none"> • Sustainability • Mergers and Acquisitions • Synergies 	<ul style="list-style-type: none"> • Case Discussions: <ul style="list-style-type: none"> ○ Nike ○ Disney • Topic Discussions: <ul style="list-style-type: none"> ○ Mergers & Acquisitions 	<ul style="list-style-type: none"> • Cases: <ul style="list-style-type: none"> ○ Nike ○ Disney • Supporting Readings: <ul style="list-style-type: none"> ○ Delta Air Lines to Purchase Refinery ○ McKinsey Quarterly: When and when not to vertically integrate ○ When synergy creates real value ○ Disney sees Fox as its next blockbuster 	
5	Weekend of 12/2	Strategic Dynamics <ul style="list-style-type: none"> • Strategic Dynamics • Network Effects 	<ul style="list-style-type: none"> • Topic Discussions: <ul style="list-style-type: none"> ○ Network effects ○ Disruptive innovation • Case Discussions: <ul style="list-style-type: none"> ○ Google ○ Netflix 	<ul style="list-style-type: none"> • Cases: <ul style="list-style-type: none"> ○ Google ○ Netflix • Supporting Readings: <ul style="list-style-type: none"> ○ Network Effects and Positive Feedback: How to Exploit Network Effects ○ How Uber, Airbnb, and Etsy Attracted Their First 1,000 Customers. ○ Subject AirBnB ○ Innovator's Solution, Chapter 2 	<ul style="list-style-type: none"> • Netflix memo (<i>optional</i>) Due before class
Final Exam	Weekend of 12/9	<ul style="list-style-type: none"> • Exam 		<ul style="list-style-type: none"> • Practice exam 	

Evaluation and Grading

Required Assignments and Weighted Percentages

This course will be graded using the following weighted percentages for each graded component of the course. Note that if you improve your performance between the mid-semester check-in and the final exam, then I will place greater weight on your final exam (45% instead of 35%) and less on your mid-semester check-in (20% instead of 30%).

Component	% of Grade
Class Participation & Contribution	20%
Memorandum Assignments (1 required; 1 optional)	15%
Mid-semester "Check-In" Exam	20% (or 30%)
Final Exam	45% (or 35%)
Total	100%

Grades

Top quality work will demonstrate a mastery of the terminology and concepts from the course, a clear understanding of the facts and content of the cases and related arguments developed in lecture, and the ability to apply our learnings to contexts outside of what we have specifically seen in class

Overall course grades will be assigned according to the grade distribution rules for core courses used across the Anderson community:

A	Top 20% of class
A-	Next 25% of class
B+	Next 20–25% of class
B	Next 20–25% of class
B- or lower	Bottom 10% of class

Descriptions of Graded Components of the Class

The following are descriptions of the graded components of the course. Specific instructions, submission information, and any accompanying examples or rubrics are detailed on the course site.

Class Participation & Contribution

This course is case-based, which provides an opportunity to learn through discussions of real-world cases. Students will be evaluated on their participation in class and in online forums. Participation is evaluated on a number of dimensions, including whether the student's contribution was clear, relevant, thoughtful, evidenced, more than a recitation of facts, and engages with others. Most importantly, participation is evaluated on whether it adds value for other students. *One thing that does not factor into participation is whether a student's comment or position is "correct."* Incorrect but thoughtful contributions can often add substantial value. Finally, attendance factors into participation, as attendance and engagement with peers is a crucial part of contributing to the class.

Note that virtually all participation is “positive.” Any participation that isn’t overtly offensive or disruptive may only count positively for students’ scores. Because participation is evaluated throughout the semester, students should not be concerned if their participation in any individual lecture or online assignment is poor.

Memorandum (Group Assignment)

A memorandum for this course consists of a thoughtful, detailed, and quantitatively-driven written response to a prompt about a case. Outstanding memos will not simply repeat case facts or material, but will provide value-added analysis around the facts in the case, explaining clearly, concisely and logically the implications of the most important case facts. Outstanding memos will not try to be comprehensive. They will instead be focused on what matters most, clearly explain why, and draw implications. An example will be posted to the course site.

Each memo should be typed and single-spaced in 11-point Times New Roman font with one-inch margins, and be approximately 1.5 pages in length (with a minimum of one page and a hard limit of two pages). The two-page limit is for text only. You may attach up to one additional page of numerical calculations, tables, graphs or diagrams as you wish in an appendix. The key information or insights from the exhibit page must be clearly explained in the text.

For each memo, students may form their own groups with up to 6 members or work individually. Everyone should be prepared to defend his or her answer in class.

All students must complete the Wal-Mart memo. Students may also choose to complete the memo on Netflix, and this score will replace their Wal-Mart memo score if it is higher.

Mid-Quarter “Check-In” Exam

The mid-quarter “check-in” exam covers concepts in the first two modules, as well as the “review” section of the third module. These modules establish the core concepts of strategy, and mastery of that terminology and approach is critical for building the more advanced and topic-specific knowledge we cover in later modules. Even more importantly, research on Harvard Business School alumni has shown that even decades after graduation, familiarity with the language and logic of core concepts in strategy is a substantial predictor of managerial success. Specifically, when controlling for a variety of other factors, HBS alumni who naturally articulate their decision-making practices in the language of strategy tend to be running larger and faster-growing companies than similar peers that do not naturally leverage the language and approaches taught these first few modules.

I have found that a “check-in” exam is an effective way to help students review the material and assess their knowledge and retention. The exam is a mixture of multiple-choice, true-false, and short answer questions that are intended to assess understanding of core concepts and language, as well as the ability to apply them in new settings. Students should take the mid-quarter check-in seriously but should not stress about it. It is primarily about review, retention, and self-assessment, and it may count as little as 20% in your course grade. Note that because a major part of the exam is to test fluency in core strategy concepts and terminology, the exam is **closed book**.

The mid-quarter check-in is scheduled asynchronously at your convenience throughout the week. There will be no makeup mid-quarter check-in exams. Please contact the Center for Accessible Education (CAE) office as soon as possible to register any accessibility needs. The teaching staff coordinates directly with the CAE office to ensure that accessibility needs on exams are met.

Final Exam

The final exam is a comprehensive exam but will emphasize material on the second half of the course. The exam consists of multiple choice, true-false, and short-answer questions. Like the midterm exam, the final exam will test knowledge of terminology and core concepts from the class. Unlike the midterm exam, however, a much larger portion of the final exam will be dedicated to applying course concepts from class to business decisions for firms in contexts not necessarily discussed in class.

Students should take the final exam at the time designated by the university. If you need to reschedule your final exam for an excusable reason, please contact your coordinator for approval and to establish an alternative exam date and time. Please contact the Center for Accessible Education (CAE) office as soon as possible to register any accessibility needs. The teaching staff coordinates directly with the CAE office to ensure that accessibility needs on exams are met.

Course Policies

No Electronics

No electronics may be used during class, with the exception of a tablet used to take notes with a stylus or finger (no typing). Research shows students learn more when electronics are not allowed in the classroom. Students using electronic equipment during class will have their participation grade penalized by the TA. Please remember this policy when preparing for case discussion. Any notes you take need to be printed before class or written by hand. If you want to look at the case or readings for the day's discussion during class, you will need to bring a paper copy to class.

During Zoom instruction, students are expected to have your video on, remain attentive to the class, and add value for your peers.

UCLA Policies

Code of Conduct

All participants in the course are bound by the **UCLA Student Conduct Code:**
(<https://deanofstudents.ucla.edu/individual-student-code>)

Academic Integrity

UCLA is an institution of learning, research, and scholarship predicated on the existence of an environment of honesty and integrity. As members of the academic community, instructors, students, and administrative officials are all responsible for maintaining this environment. It is essential that all members of the academic community practice academic honesty and integrity and accept individual responsibility for their work. Academic misconduct is unacceptable and will not be tolerated in this course. Cheating, forgery, dishonest conduct, plagiarism, and collusion in academic misconduct erode the University's educational, research, and social roles.

Students who knowingly or intentionally conduct or help another student engage in acts that violate UCLA's expectations of academic integrity will be subject to disciplinary action and referred to the Dean of Students' Office.

Please familiarize yourself with **UCLA's Academic Integrity Policy**

(<https://www.deanofstudents.ucla.edu/Academic-Integrity>) and speak to your instructor if you have any questions about what is and is not allowed in this course.

Accessible Education & Inclusive Education

Disability Services

UCLA is committed to providing a barrier free environment for persons with documented disabilities. If you are already registered with the Center for Accessible Education (CAE), please request your Letter of Accommodation in the Student Portal. If you are seeking registration with the CAE, please submit your request for accommodation via the CAE website. Students with disabilities requiring academic accommodations should submit their request for accommodations as soon as possible, as it may take up to two weeks to review the request. For more information, please visit the CAE website (www.cae.ucla.edu), visit the CAE at A255 Murphy Hall, or contact CAE by phone at (310)825-1501.

Equity, Diversity, and Inclusion

Please familiarize yourself with UCLA Anderson's commitment to maintaining an equitable, diverse, and inclusive community:

(<https://www.anderson.ucla.edu/about/equity-diversity-and-inclusion>)