

MGMTFT 420 – BUSINESS STRATEGYWinter 2024 – 4 Units**Course Syllabus****Instructor Information**

Faculty of Record: Associate Professor Jana Gallus
 Email: Jana.Gallus@anderson.ucla.edu
 Office location: Cornell Hall D5.08 and via Zoom
 Office hours: By appointment

Faculty of Record: Assistant Professor Chris Poliquin
 Email: Chris.Poliquin@anderson.ucla.edu
 Office location: Cornell Hall D5.12 and via Zoom
 Office hours: By appointment

Section	Course Assistant	E-Mail
A	Tingyu Du	tingyu.du.phd@anderson.ucla.edu
B	Yung-Hsu Tsui	yung-hsu.tsui.phd@anderson.ucla.edu
C	Eduardo Montes	eduardo.montes.2024@anderson.ucla.edu
D	Yiyang Zeng	yiyang.zeng.phd@anderson.ucla.edu

Course meeting times and location

Section	Days	Time	Location
A	Tuesday / Thursday	8:00am – 9:30am PT	G305
B	Tuesday / Thursday	9:45am – 11:15am PT	G305
C	Tuesday / Thursday	2:30pm – 4:00pm PT	G305
D	Tuesday / Thursday	12:45pm – 2:15pm PT	G305

Zoom (if needed): If we need to go on Zoom: See Bruin Learn course site for link & passcode
 Exams: Midterm – Week 5 (In class, bring laptop)
 Final – Monday, March 18, 2024 (All sections, take-home, via Bruin Learn)



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 or replicate us if we are successful? We break down this question into three sub-components: How does our organization create value, how does our organization capture value, and how well do we deliver value?

Creating, capturing, and delivering value are core concepts that lie at the heart of modern business strategy. In this course we learn and practice applying these concepts in a wide variety of settings. To master these concepts, the class content includes methods for assessing the attractiveness of a market, competitor analysis, articulating and evaluating a firm's strategy within that market, platform strategy, and developing and managing an organizational design that is aligned with the strategy. The course also covers strategic management of multi-business corporations (corporate strategy), where we address the fundamental question of when it makes sense for different businesses to be under a common ownership umbrella. Basic mastery of these tools has relevance to everyone seeking a career in business.

The approach of Management 420 is unique in the MBA core curriculum in that we adopt the perspective of the general manager with overall responsibility for the performance of the firm or business unit within the firm. Such a manager needs to understand the basis for the current performance of the firm. The manager must also be able to identify changes (inside or outside the firm) that will likely affect future performance adversely or that will provide opportunities for the firm to improve its performance. The manager must then develop a strategy that uses the company's position and capabilities to compete successfully in its new environment.

Of course, general managers need to understand the functional areas of the businesses they manage. To that end, we shall frequently draw on functional expertise developed in your other core courses that focus on specific functions within a firm. However, the general manager's role is not simply to oversee those functional areas, but rather to set a strategic direction for the firm and to coordinate the activities of the firm to help achieve its strategic goals. It is this general perspective that we adopt in this course.

The class sessions are organized into four modules. In the first module, we will explore the nature of strategy and the forces of competition that operate at the industry level. The second module covers the generic strategies of cost advantage and differentiation advantage. It also provides some practice quantifying these advantages. The third module examines strategic management in dynamic environments, exploring network effects, competitive dynamics, and game theory. The fourth module focuses on corporate-level strategy, including diversification, the purpose of the corporation, and links between social responsibility and performance.

There is a degree of overlap between the modules since these topics are interdependent. However, the course has been structured to emphasize these themes in the above order. The Bruin Learn course site provides more detailed information on the specific topics that will be covered, including the readings and study questions to be prepared for each class.

Course Objectives

The overall objectives of the course include:

1. Developing and reinforcing the ability to engage in strategic thinking.
2. Understanding the fundamental strategic concepts of creating, capturing, and delivering value.

3. Mastering the tools of business strategy: strategy articulation, industry analysis, organizational design for strategic alignment, and corporate strategy (i.e., diversification strategy and managing the multi-business enterprise).
4. Integrating knowledge gained in previous and concurrent courses with a focus on understanding what aspects are most useful to general managers.
5. Developing habits of structured, analytical, and critical thinking, and the ability to report key conclusions effectively, both in oral and written form.

Course Materials

Required:

- Course Reader: Please go to our Bruin Learn course site and click on “UCLA Course Reader Solutions” in the left-hand navigation menu. This link will lead you to the digital version.
 - Cases and articles listed in the “Course Outline” below are required reading.
 - Materials not included in the reader will be accessible through Bruin Learn.

Optional:

- Links and references to optional readings and resources will be posted on Bruin Learn.

Course Outline

Theme	Module /Week	Dates	Weekly Title & Key Topics	In-Class Activities	Pre-Class Reading/Media	Assignments Due
Foundations of Strategic Analysis	1	01/09/2024 01/11/2024	<ul style="list-style-type: none"> Strategy Definition 	<ul style="list-style-type: none"> Case Study Discussion: Coors Strategy in the News: BYD 	<ul style="list-style-type: none"> READ “What is Strategy?” READ “Can You Say What Your Strategy Is?” READ <i>Adolph Coors in the Brewing Industry</i> REVIEW Case Study Questions on Bruin Learn 	
	2	01/16/2024 01/18/2024	<ul style="list-style-type: none"> Industry Analysis 	<ul style="list-style-type: none"> Case Study Discussion: Cola Wars Strategy in the News: Taylor Swift 	<ul style="list-style-type: none"> READ “Understanding Industry Structure” READ Core Curriculum: “Introduction to Strategy” READ <i>Cola Wars Continue: Coke and Pepsi in 2010</i> REVIEW Case Study Questions 	
Competitive Advantage	3	01/23/2024 01/25/2024	<ul style="list-style-type: none"> Cost Advantage 	<ul style="list-style-type: none"> Case Study Discussion: Wal-Mart Strategy in the News: Net Zero 	<ul style="list-style-type: none"> READ “Creating Competitive Advantage” READ <i>Wal-Mart Stores’ Discount Operations</i> REVIEW Case Study Questions 	<ul style="list-style-type: none"> SUBMIT Group Memo: Wal-Mart (Required) Due Monday by 11:59PM Pacific
	4	01/30/2024 02/01/2024	<ul style="list-style-type: none"> Differentiation Advantage 	<ul style="list-style-type: none"> Case Study Discussion: Apple 	<ul style="list-style-type: none"> READ <i>Apple Inc. in 2020</i> REVIEW Case Study Questions 	
Competitive Dynamics	5	02/06/2024 02/08/2024	<ul style="list-style-type: none"> Midterm Week Game Theory Market Entry 	<ul style="list-style-type: none"> Midterm (in-class, bring laptop) Case Study Discussion: Ryanair 	<ul style="list-style-type: none"> READ <i>Dogfight Over Europe: Ryanair</i> REVIEW Case Study Questions 	<ul style="list-style-type: none"> SUBMIT Group Memo: Ryanair (Option 1 of 4) Due Wednesday by 11:59PM Pacific

Theme	Module /Week	Dates	Weekly Title & Key Topics	In-Class Activities	Pre-Class Reading/Media	Assignments Due
Competitive Dynamics	6	02/13/2024 02/15/2024	<ul style="list-style-type: none"> Entrepreneurship Data Analysis 	<p><i>Tuesday</i></p> <ul style="list-style-type: none"> Case Study Discussion: Rent the Runway (Bruin Learn) <p><i>Thursday</i></p> <ul style="list-style-type: none"> Data Analysis with R (bring laptop) 	<ul style="list-style-type: none"> READ “Why the Lean Startup Changes Everything” READ <i>Rent the Runway</i> REVIEW Case Study Questions 	<ul style="list-style-type: none"> SUBMIT Group Memo: Rent the Runway (Option 2 of 4) Due Monday by 11:59PM Pacific
	7	02/20/2024 02/22/2024	<ul style="list-style-type: none"> Platforms Network Effects 	<ul style="list-style-type: none"> Case Study Discussion: Airbnb, Etsy, Uber 	<ul style="list-style-type: none"> READ TBD (See Bruin Learn) READ <i>Airbnb, Etsy, Uber: Acquiring the First Thousand Customers</i> REVIEW Case Study Questions 	
	8	02/27/2024 02/29/2024	<ul style="list-style-type: none"> Disruptive Innovation 	<ul style="list-style-type: none"> Case Study Discussion: Netflix 	<ul style="list-style-type: none"> READ How Can We Beat Our Most Powerful Competitors? <i>The Innovator’s Solution</i>. READ Subject Airbnb READ “Innovation” READ <i>Netflix in 2011</i> REVIEW Case Study Questions 	<ul style="list-style-type: none"> SUBMIT Group Memo: Netflix (Option 3 of 4) Due Monday by 11:59PM Pacific
Corporate Strategy	9	03/05/2024 03/07/2024	<ul style="list-style-type: none"> Vertical Integration Diversification 	<p><i>Tuesday</i></p> <ul style="list-style-type: none"> Case Study Discussion: Delta (Bruin Learn) <p><i>Thursday</i></p> <ul style="list-style-type: none"> Case Study Discussion: Disney (<i>Reawakening the Magic</i>) 	<ul style="list-style-type: none"> READ When and When Not to Vertically Integrate READ Delta to Buy Refinery in Effort to Lower Jet-Fuel Costs READ <i>Reawakening the Magic: Bob Iger and the Walt Disney Company</i> REVIEW Case Study Questions 	
	10	03/12/2024 03/14/2024	<ul style="list-style-type: none"> Social Responsibility Course Review 	<ul style="list-style-type: none"> Case Study Discussion: Patagonia 	<ul style="list-style-type: none"> READ “The New CEO Activists” READ <i>Patagonia</i> REVIEW Case Study Questions 	<ul style="list-style-type: none"> SUBMIT Group Memo: Patagonia (Option 4 of 4) Due Monday by 11:59PM Pacific

Evaluation and Grading

Required Assignments and Weighted Percentages

Your final grade in the course will be based on a combination of both individual and group work. Feedback and grades are typically posted within one week of assignment due dates. The evaluation is based on:

Assignments	% of Grade
Class Participation ¹	20%
Pass/Fail Group Memo (Walmart)	5%
In-Class Data Analysis with R	10%
Graded Group Memo	10%
Midterm Exam	20%
Final Exam	35%
Total	100%

Grades

Your overall course grade will be determined by how your performance on graded assignments ranks in comparison with other students in the class according to the grade distribution model at Anderson. Note that courses in which an overall grade of C is received must be offset by higher grades in the same term for students to remain in good academic standing at UCLA. A grade of C- or below in a core class means that the class must be retaken.

The following grades are used to report the quality of graduate student work at UCLA:

Grade	Denotation
A+, A, A-	Superior achievement
B+, B, B-	Satisfactorily demonstrated potentiality for professional achievement in field of study
C+, C	Passed the course but did not do work indicative of potentiality for professional achievement in field of study
C-, F	Courses receiving grades of C- or F cannot be counted towards a graduate degree

The grading curve for the course is as follows:

Grade	Distribution
A+, A	No more than 20% of the class
A+, A, A-	No more than 45% of the class
B- or below	At least 10% of the class

Grade Complaints and Regrading

The Professors and course assistants put substantial time and effort into grading assignments. Regrades are kept to a minimum (if any occur at all). Students should remember that all grades are “on the curve.”

The Professor will distribute an answer document for each assignment and exam. Students should first carefully review their memo or exam answers and compare them to the answers distributed by the

¹ We will drop your two lowest participation grades.

Professor. If, after this review, a student feels that their assignment was improperly graded, the student should contact the course assistant and ask for a regrade. Students who request a regrade acknowledge that their grade on the assignment/exam may go up, stay the same, or go down after the regrade. The result of the regrade is final. Assignment and midterm regrades must be requested within one week, and final exam regrades must be requested within two days after grades are distributed.

Assignment Descriptions

The following are descriptions of your required assignments for this course. Specific instructions, submission information, and any accompanying rubrics are detailed on the Bruin Learn course site.

Participation

Oral participation during class is crucial. The value of this class lies as much in learning to apply the course concepts to real-world scenarios as it does in learning the concepts themselves. The course is case-based and its success depends heavily on the quality of in-class discussion. The case-based discussion is designed expressly for you to practice problem-solving in a fast-paced but low-risk environment. Preparation for class involves reading the materials and working through the case study questions (posted on Bruin Learn) in advance. Though the case discussion might not explicitly answer every study question, preparing these questions is essential for students to get the most learning out of the class. In assigning grades to class discussion, the Professor and course assistants will focus primarily on the quality of your input; however, it naturally takes some quantity of participation for us to make that evaluation.

Good case discussions take the group farther than any one individual or study group was able to go on their own. In general, the criteria are:

- Are the points made relevant to the discussion?
- Do they go beyond a mere recitation of case facts, and are implications clearly drawn?
- Is there evidence of analysis rather than just the expression of opinion?
- Are the comments linked to those of others?
- Did the contribution further the section's understanding of the issues?

A simple way to gauge the quality of your contributions is to ask yourself whether your classmates are better off after you have spoken.

Case-Based Learning

Management 420 is unique in that its pedagogy is completely “bottom up.” We build insight into strategy by focusing on a set of actual case studies of businesses that have made sound or unsound strategic decisions. At times, this case-based approach may feel anecdotal. However, a major goal of the course is to use actual business cases to help build a generalized understanding of business strategy under different conditions. More importantly, we will use these cases to build a strategic toolset that managers can use when making important strategic decisions. **Case preparation is critical for success.**

Class discussions are an extremely important part of the learning experience. Students are expected to come to class having read the assigned case carefully and being prepared to answer questions and engage in a constructive discussion. **Before each class, always thoroughly prepare the assigned case and study questions (posted on Bruin Learn). Only turn to the other readings if you have already fully prepared the case.** Some of the study questions require students to undertake quantitative analysis, such as by doing simple calculations in Excel or by using R.

Study questions are intended to aid your preparation for the case discussion. The questions do not necessarily have right or wrong answers. Frequently, the goal of assignment questions is to have you analyze

a position or present a point of view so that you can come to class prepared and ready to contribute to our joint discussion.

Group Memoranda

You must complete two group memoranda, which are designed to give you practice in conducting quantitative analysis of a company's strategic position, a critical skill for any general manager. The first memo—on Wal-Mart—is required. The second memo may be written on either Ryanair; Rent-the-Runway; Netflix; or Patagonia. The assignment questions for each memo will be shared at least one week in advance via Bruin Learn.

Outstanding memos do not simply repeat case facts or material. They 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 do not try to be comprehensive. They are instead focused on what matters most, they clearly explain why, and draw implications.

Each memo should be typed, 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 and insights from the exhibit page must be clearly explained in the text.

Students may work with their learning teams or individually. When working in a group, everyone should be prepared to present and defend their answer in class.

Memos should be uploaded to Bruin Learn **by 11:59pm the day before the corresponding class** (see Bruin Learn for exact due dates). If your section is affected by a holiday, ignore the fact that we will meet on another day and submit the memo as if we were meeting on our regular day. This is to give everyone the same time to work on memos.

Data Analysis with R

We will complete an in-class data analysis exercise using R in conjunction with our discussion of the *Rent the Runway* and *Airbnb, Etsy, Uber* cases. Learning teams must hand-in their R code by 11:59pm the day following class. The expectation, however, is that you will complete the entire exercise during class.

Midterm

The in-class midterm is scheduled for week 5 and will cover material up to that point. Further details will be announced as the exam approaches. **You must take the exam as scheduled in week 5—there can be no exceptions.**

Final Exam

The final exam will be March 18. The exam is comprehensive, but it will focus on the second half of the course. The final exam is take-home and “open book.” Further details will be announced as the exam approaches. **You must take the exam as scheduled for your section—there can be no exceptions.**

Remote instruction (if needed)

If circumstances force us to go remote, the link to our Zoom classroom will be posted on the Bruin Learn course site. Oral participation during class will remain crucial. We may post an additional pre-class discussion question to the respective week's course site to aid students' preparation and ability to participate.

Anderson and Course Policies

Course Assistant Office Hours

The course assistants are available outside of class should students require additional help with the material. The course assistants are a truly excellent resource, and we highly recommend meeting with them. Experience from prior years has indicated that the typical student only seeks help before the exams. Rather than set weekly office hours that are very crowded during exam times and poorly attended at other times, the course assistants will hold extended office hours in the days leading up to exams. In addition, they will hold office hours after the exam to answer any questions. We will communicate the dates, times, and locations of exam-related office hours as the exams approach. At other times, office hours will be held by appointment and can be scheduled by emailing the course assistant.

Faculty Office Hours

The instructors are available to meet outside of class by appointment. These appointments are for cases where students have questions/concerns that could not be answered by the course assistants or that students would like to discuss in private.

Attendance and Missed Classes

Attendance and participation in class are key to course success. But obviously, if you are not feeling well, you should *not* come to campus! Our policy aims to recognize ongoing concerns about health as well as the usual scheduling challenges due to recruiting. **If you cannot attend class for important health or unavoidable recruiting reasons, you should email your course assistant ahead of time.** You will receive a unique link to the session recording within 48h of class. If a student misses more than 2 sessions, the course assistant will alert the core faculty and the MBA Office so that they can jointly discuss the case and see how the student can best be supported.

No “Section-Hopping”

Students should attend their assigned section. Allowing section “hopping” is costly to the non-home section because it crowds out participation of students enrolled in that section. Therefore, section hopping will only be allowed for students missing class for reasons related to important health issues, childbirth, military service, or unpreventable recruiting conflicts. Please notify your course assistant ahead of time if one of these circumstances applies to you.

Name Cards and “Assigned” Seats

Students should bring their name cards to every class and remain in the same seats.

Academic Standards

As a member of the UCLA Anderson academic community, the highest standards of academic integrity are expected of you. When students are found to have violated academic standards, disciplinary action will result. Possible consequences include grade reduction, an F grade, a transcript notation, delay of graduation, or expulsion from the Anderson School. Please feel free to speak to the course assistants if you have any questions about standards around plagiarism, collaboration with other students, classroom behavior, or the use of outside materials. For more guidance on these standards, please refer to the Code of Ethics, the UCLA Honor Code, or contact the MBA Student Services Office at UCLA Anderson (310-825-7686).

Importantly, we trust and rely on you to not distribute any of the class materials. You are expected to work by yourself on individual assignments and exams, without any exchange with others or consultation of outside resources.

Use of Artificial Intelligence

A transformative business education needs to embrace the opportunities presented by artificial intelligence, including dynamic tools like ChatGPT and generative AI. This course will embrace the use of AI to enhance your learning, not replace it! To facilitate the achievement of this goal, you may use AI wherever you think it will be helpful, except where explicitly prohibited. The one condition is that you must acknowledge the tool's name, include a note on how it was used, and attach an appendix where you copy-paste the whole transcript of the exchange.

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. 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 a student seeking disability services, please register with the CAE as soon as possible. If you are already registered and require assistance for the quarter, please release your accommodation letters by the end of week one. For more information, please visit the CAE website (www.cae.ucla.edu), visit the CAE at A255 Murphy Hall, contact CAE by phone at (310)825-1501, or by telecommunication device for the deaf at (310) 206-6083.

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>)