

The College of Charleston
Business Policy
Mgmt 408
Spring 2007

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Red and Blue Oceans: Strategic Initiatives in the New Millennium

... *the business environment in which most strategy and management approaches of the twentieth century evolved is increasingly disappearing. As red oceans become increasingly bloody, management will have to be more concerned with blue oceans than the current cohort of managers is accustomed to.* – Kim & Mauborgne [2005] in *Blue Ocean Strategy*

Resources

Thompson, A.A., Gamble, J.E. & Strickland, A.J. [2006] *Strategy: Winning in the marketplace: Core concepts, analytical tools, cases* [2/e]. Boston: McGraw-Hill Irwin. [Note: You can purchase a new/used copy of this; or a less expensive Primis version (at Bookstore); or online at: <http://ebooks.primisonline.com>]

Taylor, W.C. & LaBarre, P. [2006] *Mavericks at work*. New York: HarperCollins.

Various readings [WebCT], handouts and publisher's simulation [*GLO-BUS*].

Course Description

Business Policy [Strategic Management] is an important course in virtually all undergraduate [and graduate] business programs. As a capstone course, its intention is to provide students with an opportunity to integrate all their learning from narrower discipline-related courses into a cohesive whole. This is very much about *managing*, that is coordinating the various functions of business [e.g., marketing, finance, operations] and integrating their capabilities. It is action oriented, and represents a major step in making the transition from 'student' to 'professional.' Employers seek graduates who *think* and act like professionals [rather than like students].

The point of strategy is simple: 'to win the customer's preference and create sustainable competitive advantage, while leaving sufficient money on the table for shareholders. It defines a business's direction and positions it to move in that direction' [Bossidy & Charan, 2002, p178]. *Strategy* [what actually occurs] is contrasted with *planning* [what may occur] and requires successful *implementation* as well as timely *adaptation* to an unforeseen reality [coping with an unpredictable environment].

Strategy challenges the manager to think like a generalist, and requires skills of synthesis and integration. It is largely a sensemaking process that demands developing rational-logical analysis based on facts, as well as political skills based on judgment and interpretation [and intuition] of those 'facts' in response to ambiguous situations.

Few understand that a good strategic planning process also requires the utmost attention to the hows of executing the strategy. – Bossidy & Charan [2002]in *Execution*

A typical day at the office for me begins by asking: 'What is impossible that I'm going to do today?' – Daniel Lamarre President/COO Cirque du Soleil

Course Format

The primary pedagogy in Business Policy is discussion based. We will also employ cases, mini-lectures, videos, classroom discussion, experiential exercises, and in-class small group activities. A simulation will also be used. The most critical aspect is to collectively participate [actively] in a learning- and meaning-centered experience. Student- and learning-centered pedagogies require students to share the learning space and work in partnership with the professor. This is a *joint responsibility* and cannot tolerate non-participants in the learning process. Everyone must practice their active learning skills and be engaged in the learning process.

Course Objectives

Through participation in this course, students will:

- 1] develop and practice the appropriate use of policy and strategy terminology; the use of language is enhanced when students articulate their ideas in class [hence, a discussion-oriented pedagogy].
- 2] build skills at case analysis, particularly the ability to make sense of situations and engage in problem *finding* activity; that is, learning how to *define* a problem and *create* a viable, defensible solution [not just 'solve' a problem as presented and invoke an off-the-shelf response].
- 3] construct reasoned strategic recommendations – within an explicit values framework.
- 4] understand the political implications and subsequent process of convincing others of the viability of plausible problem interpretations and solutions.
- 5] sort through extensive data, extract important information, and synthesize it into a comprehensible position.
- 6] work constructively within a group/team context.
- 7] comprehend how decisions impact different parts of the organization [systems theory].
- 8] consciously – and conscientiously – ground *all* decisions and potential actions within a sound ethical foundation.
- 9] consider the environmental [as in green] impact of *all* decisions and potential actions within frameworks respecting human rights, social justice, and ecological sustainability.

What you will *not* learn:

... that there is a prescriptive, right answer for fixing organizational problems.
Management is an art, based in part on science, that is learned by doing.

Student Expectations

Reading assignments: Student learning and class discussion depends upon each class member's preparation prior to class. Thus, it is not only imperative that you read assigned material, but that you also *think* about it! Why is the material important? How does it relate to your own experiences? Do you agree with the basic premise? [If not, why?] What questions come to mind? How do the ideas put forth in the reading relate to other concepts and ideas?

I'm probably spending 30% of my time on people, teaching and coaching.
– Jeff Immelt, CEO General Electric

The real problem is that 30% of the people getting a college degree in China and India are getting an engineering degree. That number in the United States is 4%. – Jeff Immelt, CEO General Electric

Class participation: Your participation in discussions is crucial. It is up to you to create opportunities to *derive value* from the class while making informed contributions to class learning. There are different ways of doing this: responding to questions, supplementing or challenging others' comments, raising the level of discourse through probing, and asking the 'right' question that illuminates the concept/issues under investigation. If you go home thinking that class was less than you hoped, then *you* should consider how *you* could make it a more satisfying value-added experience. This is a collaborative effort – feel free to discuss this with the professor so that we can meet *your* learning needs.

Attendance: Attendance is simply assumed. Each member is accountable to the class. Since we create a 'constructivist' classroom, i.e., one that unfolds rather than one that is planned/choreographed by the professor, the spontaneity and direction of our dialog cannot be predicted nor replicated by simply 'reading the book.' If you are unable to be in class, please be responsible by informing the professor before class.

Honor Code: As a condition of enrollment, students are bound by the College of Charleston Honor Code, which prohibits specific actions such as cheating and plagiarism. The College's Code of Conduct requires that students meet rigorous standards of ethical behavior, as well as conduct themselves with civility and respect in their interactions with other students, faculty, College staff, campus visitors, and other members of the local community. Violations will *not be* tolerated and will be reported to the Office of Student Affairs. Students can find a complete version of the Honor Code in the *Student Handbook* at http://www.cofc.edu/studentaffairs/general_info/studenthandbook.html.

Instructor Expectations

You can expect the instructor to focus on providing class members with an opportunity to develop their learning skills by facilitating, moderating [when required] and participating in discussion. His expertise is best employed in the understanding and proper utilization of the conceptual ideas being introduced and elaborated. What and how much you learn is largely up to you; but you can enhance your learning by requesting support from the instructor either in class or outside of class [e-mail works well]. He will do everything possible to assist your development. He will attend every class, be prepared for and participate in discussion, and provide as much structure as the class requires. Finally, he values having fun in doing his work, looks at things from different perspectives, [particularly the 'alternative' one!], often engages in devil's advocacy, *and takes a distinctly critical stance with respect to the tenets of management orthodoxy, i.e., command-and-control hierarchy, the grand narrative, de-legitimization of resistance.*

Course Requirements* [See endnote p8]

1p-Papers = 20% Exam 1 = 20% Final Case Analysis = 30% Glo-Bus = 30%

*Making money and achieving professional status are significant ...
but so are the psychic rewards of the work itself and its potential impact
and visibility out in the world. – Fast Company re Google employees*

... his vision was 'to create the most customer-centric company, the place where you can find and buy anything you want online.' – Fast Company re Jeff Bezos, CEO Amazon.com

Assignments: Assignments are due when they are due. Since we will discuss them in class, there is no way to 'make-up' an assignment that is not turned in on time. Even if you must miss a class, make sure your work is submitted on time.

Grading/Evaluation

This course is designed to be 'developmental.' Assignments are viewed more as 'learning opportunities' *for students* than 'grading opportunities' *for the professor*. That means the key outcome to be assessed is student learning and 'growth.' By signing on for the journey, students should focus on enhancing their capabilities between the outset and culmination of the course. Thus, how students think about things should emerge, evolve, and take form as the course progresses. Informed confusion is acceptable!

Note: There is *no* 'extra credit.' *Turn in your best work the first time.*

The Assignments

Introduction

My academic career has been enriched by working with adult learners in the classroom. I undertake each class by treating students as partners in the learning process. Whereas traditional teaching-centered approaches privilege information transmission, i.e., knowledge telling, the alternative [based in large measure on the work of John Dewey] privileges understanding, i.e., knowledge transformation [see Dehler, 1996 on WebCT]. This approach emanates from a student- and learning-centered pedagogy, which seeks to facilitate students' understanding of course material rather than regurgitation, i.e., the traditionalist 'bunch o' facts' approach. Knowledge is subjective and *constructed*, not objective and deposited as we make deposits in a bank.

Assessment is conducted 'in service to the student.' That means that my intention is to design assignments as instruments for student learning first, instructor 'evaluation' second. And you should approach them as such: an opportunity to demonstrate your learning within a [loosely] structured framework. There is wide latitude and tolerance for doing so. But, that said, that does not mean 'anything' is therefore acceptable.

Short [1p] Thought Papers

Experience example What are the dimensions/aspects of 'experience' [for instance, one might be 'emotional connection'; what are others?] Think then of an example from your own experience of a business product or service that captures the essence of the experience economy. Explain what it was and why/how it connects to the dimensions of 'experience,' i.e., the intentions of creating an 'experience' for the consumer.

Business or values? What are your thoughts on the topic of value-based businesses? Is this idealistic? Should 'all' organizations be this way? What is the place/role of business in terms of global problems?

Smithfield We have explored Smithfield from several perspectives. Now, employing *strategic thinking*, what do you think Smithfield should do? How does this relate to values and ethics? Justify your response.

Leadership style Provide your thoughts and reactions to Mr Nardelli's leadership style at Home Depot. Incorporate any knowledge you have acquired in other courses. How does his style 'fit' his strategy? Does that strategy 'require' his style? Would you want to work for him [or someone like that]? [See Taylor & LaBarre, especially Part 2 in terms of how they interpret leadership in today's organizations.]

*We wanted the philosophy of the stores to spread throughout the culture.
We wanted to change the world.* – John Mackey, CEO Whole Foods

... there are rain forests still standing in Peru that probably would not be if it were not for Aveda. – Glenn Picket, executive director for Environmental Leadership in Business

Exam 1

Exam 1 is content-based and covers the fundamentals of strategy/policy covered in class and the text up to this point. The exam is an in-class activity that will cover the concepts in those chapters and ask you to use them ‘in context.’ That is, the questions will ask you to utilize the basic ideas in a practical way within the context of a particular organization. You will be expected to incorporate knowledge/ideas gleaned *from all assigned course material*, i.e., not just the text. You will be informed of which organization ahead of time so that you can read the case and/or articles in which the exam is contextualized.

Assignment: Individual case analysis

This will be a fairly lengthy case analysis toward the end of the course that requires you to pull together much of the material from the course. You will be assigned a case and given a week to develop your analysis. [5-7pp single-spaced] [Note: your performance on this project will carry deciding weight in event of a mixed final grade, i.e., if you are borderline A vs B, evaluation of this project will determine up or down result.]

Group project: GLO-BUS simulation

There are numerous aspects that comprise this simulation, including two quizzes [individual], a peer evaluation, and 8 group decisions, and a culminating group presentation. Your overall company score will be weighted heavily [approx 40%] in calculating this portion of your course grade. You should take this simulation seriously as a learning mechanism and do your best. You are also required to make a presentation to the class that summarizes your strategic experience.

A brief biography:

Dr. Gordon Dehler is a professor in the Department of Management & Entrepreneurship within the School of Business & Economics at The College of Charleston. He received his doctorate in organization theory from the University of Cincinnati, master’s degrees from Cincinnati and Ohio State University, and his bachelor’s degree from the University of Northern Colorado. He has been teaching at university level for more than 25 years. He came to C of C from the Department of Organizational Sciences at George Washington University, where he taught for several years in the Organization Management graduate program. Prior to that he was on the business faculty at the University of Dayton, teaching students in undergraduate management and MBA programs.

Dr. Dehler’s teaching and research interests focus on transformation processes related to management learning and education, leadership development, organization design and culture, workplace spirituality, and new product development. His research has been published in a variety of leading journals and book chapters, including the *Academy of Management Journal*, *Journal of Managerial Psychology*, *Management Learning*, *Journal of Engineering and Technology Management*, *Research-Technology Management*, and the *Journal of Management Education*. He is currently an associate editor for the international journal *Management Learning*. He works closely with and frequently publishes with Dr. Ann Welsh, professor of management and Chair of the Faculty Senate, at the University of Cincinnati [and his spouse]. They make their home on an island near Charleston with their standard poodles Sucia and Marley.

At a time when audiences for all performing arts are declining, Cirque du Soleil has taken a particularly moribund segment of the market – the circus – and created an entertainment juggernaut... – Fast Company [July 2005]

TENTATIVE SCHEDULE
Business Policy
Spring 2006

Readings Key: **TGS** = Thompson, Gamble & Strickland text **T&L** = Taylor & LaBarre
 Textbook website: www.mhhe.com/thompson2E and [*GLO-BUS*]

Wct = posted on WebCT

FC# = Fast Company, issue #, p. #, article title [www.fastcompany.com → archive]

action items are in ***boldface italics***

NOTE: This is *truly* a tentative schedule, subject to many amendments. Therefore, students are responsible for closely monitoring WebCT for course updates [i.e., daily]. I will do my best to notify you via broadcast e-mail, but group members should alert each other when updates occur.

<u>Week</u>	<u>Date</u>	<u>Topic / Reading / Assignment</u>
1 T	9 Jan	Introduction: Welcome to the Experience Economy
	Th 11 “	Going to the Circus [or is it?] FC#96: p52, Join the Circus [Cirque du Soleil] FC: Excerpt: Blue Ocean Strategy [do search on ‘Cirque’ to find] h/o: Hof [2006] BW: How to hit a moving target
2 T	16 Jan	Strategy as Advocacy TGS: ch1 <i>[1p ‘Experience’ example]</i> Wct: Dehler & Welsh [2003]: The Experience of Work Wct: Florida [2002] The rise of the creative class [excerpt]
	Th 18 “	Which Comes First: Business or Values? Wct: Handy [2002] HBR: What’s a business for? Wct: Lee, Fabish & McGaw [2005] st+bus: The value of corporate values FC# 78: p59, Fast Talk: Hail, Global Citizens
3 T	23 Jan	Rethinking Competition T&L: Introduction; Part 1 <i>[1p Business or Values?]</i>
	Th 25 “	Starbucks Business is <i>Not</i> Coffee Case: Starbucks
4 T	30 Jan	Whole Foods Market: Organic Food [and Culture] Case: Whole Foods Market TGS: Ch3: Competencies [pp103-107primis] TGS: Ch8: Culture [pp308-329primis/pp292-313text] FC#84: p70, The Anarchist’s Cookbook [Whole Foods]
	Th 1 Feb	Glo-Bus Primer Glo-Bus Simulation Launch T&L: Part 2 G-B: Quiz 1 nlt Monday 5 Feb 5p

The hallmark of a truly successful organization is the willingness to abandon what made it successful and start fresh. – Michael Hammer in Friedman [2005] The World is Flat

Five years ago, I was a nutty radical. Now I'm in the mainstream.
– Eric Raymond in Taylor & LaBarre [2006] *Mavericks at Work*

- 5 T 6 Feb Ethics: Imperative or Convenience? **G-B: Practice Decision 1**
TGS: Ch7 **due 5p Tuesday**
TGS: Ch4: Vertical integration strategy [pp156-159primis/pp139-142text]
Case: Smithfield Foods
- Th 8 “ Linkages: Values-Ethics-Strategy **G-B: Practice Decision 2**
Case cont: Smithfield **due 5p Friday**
[1p What should Smithfield do?]
- 6 T 13 Feb Looking Away: The Competitive Environment **G-B: Decision 1**
TGS: Ch2 **Yr 6 decision due Tues 5p**
Case: Bottled Water Industry
- Th 15 “ Engaging Customers in the Age of Overload
T&L: Part 3
- 7 T 20 Feb A New Look at Whole Foods Market **G-B: Decision 2**
Case: Whole Foods Market [redux] **Yr 7 decision due Tues 5p**
TGS: Ch3: SWOT analysis [pp100-112primis/82-94text]
TGS: Ch4: [pp129-150primis/pp112-132text]
- Th 22 “ The UK Grocery Industry: Tesco, Asda, Sainsbury? **G-B: Quiz 2 nlt Mon**
Wct: Griffith [2002] st+bus: Welcome to your glocal superstore [Tesco] **26 Feb 5p**
- 8 T 27 Feb Catching Up **G-B: Decision 3**
T&L: Part 4 **Yr 8 decision due Tues 5p**
- Th 1 Mar **Exam**
- Spring Break**
- 9 T 13 Mar Value Chain as Competitive Advantage
TGS: Ch4 [redux: esp pp150+primis/pp133+text]
TGS: Ch3: Value chain [pp112-126primis/pp94-108text]
Case: Dell
FC#88: p86, Living in Dell Time
Wct: Friedman [2005]: The Dell theory of conflict prevention [pp414-419]
- Th 15 “ Interorganizational Networks **G-B: Decision 4**
TGS: Ch4: Outsourcing [pp159-161primis/pp142-144text] **Yr 9 decision due Fri 5p**
TGS: Ch4: Strategic Alliances [pp150-153primis/133-136text] **Strategic Plan due**
FC#79: p62, Surprise Package [UPS]
Wct: Friedman [2005]: Flattener #8: Insourcing [pp141-150]
Wct: Friedman [2005]: Flattener #5: Outsourcing [pp103-113]
- 10 T 24 Oct Wal-Mart: Friend or Foe? **G-B: Decision 5**
TGS: ch8 **Yr 10 decision due Tues 5p**
Case: Wal-Mart
FC#77: p68, The Wal-Mart You Don't Know
FC#102: p66, The Man Who Said No to Wal-Mart
Wct: How Costco became the anti-Wal-Mart [NYT]
Wct: Friedman [2005]: Flattener #7: Supply-chaining [pp128-141]
- Th 26 Oct Deconstructing Wal-Mart: A Critical View

The hallmark of a truly successful organization is the willingness to abandon what made it successful and start fresh. – Michael Hammer in Friedman [2005] The World is Flat

11 T 27 Mar	On Being a Leader TGS: Ch9 T&L: Part 2 [redux] Wct: Fisher [2004] st+bus: How Dell got soul	G-B: Decision 6 Yr 11 decision due Tues 5
Th 29 “	Wct: George [2003] st+bus: The company’s mission is the message [final item/Briefs] Home Depot: Leadership, Culture and Renewal Wct: Grow [2006] BW: Renovating Home Depot [1p Leadership style reaction] Wct: Griffith [2005] st+bus: Winning hearts and minds at Home Depot	
12 T 3 Apr	Revving Up A Harley Case: Harley-Davidson FC#54: p32, Curb your enthusiasm FC#9: p104, Harley shifts gears	G-B: Decision 7 Yr 12 decision due Tues 5p
Th 5 “	Hog Heaven	
13 T 10 Apr	Managing Strategic Renewal Wct: Neilson & Pasternack [2002] The Cat that came back	G-B: Decision 8 Yr 13 decision due Tues 5p
Th 12 “	Resilience Means Change	G-B: Peer evaluations due after 1a Wed 11 Apr [do early!]
14 T 17 Apr	Company Presentations	
Th 19 “	Company Presentations	Glo-Bus Awards
TBA	Final Exam	

There is one thing, though, that has not and can never be commoditized – and that is imagination. – Tom Friedman [2005] in The World is Flat

Note 1: Any student requiring academic accommodations because of a disability should speak with the professor so that your needs can be addressed.

Note 2: Evaluation criteria/weights subject to School of Business & Economics dictates regarding end-of-program standardized test.

The greatest obstacle to discovery is not ignorance, but the illusion of knowledge. – Daniel Boorstin, quoted in Petzinger [1999]

What ideologically based companies do is make a contract with the consumer. – Fast Company re Aveda