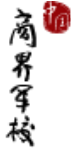# Strategic Management
3rd Module, 2019-2020

Course Information

Instructor: ZHANG Kun

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Classes: Mondays and Thursdays
Sessions: 1:30pm-3:20pm
Venue: Online

Course Website:
Please access the course via the *DingTalk* App.

1. Course Description

1.1 Context

Course overview: Why do some firms outperform others? The fundamental question of strategy is how firms can attain and sustain competitive advantage. In this course, we will analyse the sources of firms' superior performance and develop skills and knowledge necessary to be an effective strategy analyst. We will tackle the complexity of analysing competition and making strategic decisions in an era of relentless innovation, changing industry landscape, and increasing uncertainty. You will enhance your strategic thinking skills by learning the concepts and tools of strategic analysis and by applying them to actual competitive situations in case studies and group projects.

This course consists of five parts: Introduction (Part I), Analysis (Part II), Formulation (Part III & IV), and Implementation Strategy (Part V). Every firm must decide on the scope of its business and, within the chosen scope, how the firm will compete against

rivals. In simple terms, decisions about the scope of business constitute the firm's corporate strategy; decisions about how to compete within chosen segments reflect the firm's business strategy. We also devote a great deal of attention to strategic innovation, as gaining and sustaining a competitive advantage nowadays increasingly requires firms and managers to keep innovating. Toward the end of the module, we will then have a framework to integrate the whole set of tools introduced in this course.

Prerequisites: This course is a core course for students in the FinTech program, and students outside the program are welcome to take this course as an elective. There are no prerequisites, but ideally students should have taken an introductory management course in previous modules.

1.2 Textbooks and Reading Materials

Reference Text:

Rothaermel, Frank T. 2016. *Strategic Management*. Third edition. McGraw Hill.

Additional Readings:

The additional readings are mainly coming from articles in *Harvard Business Review*, Sloan Management Review, McKinsey Quarterly, and Strategic Management Journal, among other professional and academic journals. They are chosen to cover fundamental knowledge of related strategy topics, and they are helpful for your understanding of how theories and practice can be combined in daily business operations. I hope you will avail yourself of all the course readings so that you, as a leader, a manager, and an entrepreneur, may be able to capture more advanced management skills in the future when you face complex real world problems.

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	**YES**
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	**YES**
2. Our graduates will be skilled in teamwork and	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	**YES**

leadership.	2.2. Students will be able to apply leadership theories and related skills.	**YES**
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyse business problems and identify the ethical aspects, provide a solution and defend it.	**YES**
	3.2. Our students will practice ethics in the duration of the program.	**YES**
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	**YES**
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	**YES**
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	**YES**
	5.3. Our students will demonstrate competency in critical thinking.	**YES**

2.2 Course specific objectives

The primary objective in this course is to introduce you to some of the most important and well-known analytical frameworks and concepts for strategic analysis. By the end of the course, you shall be able to:

1) Identify what is, and is not, strategy and articulate the components of a good strategy.
2) Analyze the dynamics of industry structure and industry change, to evaluate the profit potential of industries at one time and over time.
3) Understand the generic strategies a firm can employ to obtain competitive advantage.
4) Conduct a value chain analysis.
5) Perform resources and capabilities analysis to understand whether certain resources or capabilities can serve as the foundation of sustainable competitive advantage.
6) Understand how to manage innovation (e.g., business model innovation, disruptive innovation, value innovation) to create and capture value.
7) Analyse when diversification can create value for the firm.
8) Understand the different means firms can change their corporate scope (e.g., alliances, M&As, internal new ventures), and when to employ each.
9) Understand the great promise and challenges that globalization presents.
10) Understand strategy development and execution in response to competition.

11) Synthesize qualitative and quantitative data to make strategic decisions.
12) Enhance your ability to make decisions that span functional boundaries and are subject to high levels of ambiguity, complexity, and uncertainty.

2.3 Assessment/Grading Details

Grading:

Participation	20%
Case Reports (Group)	15%
Article Reviews (Individual)	15%
Group presentation	20%
Final Exam	30%

Participation (20%) reflects both your attendance as well as your contribution to the learning environment. The grades take into account of three parts: (1) the frequency of your responses in class, (2) their quality (e.g., relevance to course materials; insights that differ from others' points of view; elaboration or clarification of others' opinions), and (3) the professionalism of your conduct (i.e., attendance, punctuality, preparedness, and respect to your colleagues and their contributions). Please note: As this is an online class, both <u>a webcam and a microphone</u> are **required** as part of the attendance because you should treat the online class just as if you were in a physical classroom. Failure to turn on your webcam or microphone would result in a **5-point deduction** from your participation grade.

Case reports (15%) are your analysis of the cases in <u>written format</u>. There are four cases in total, all of which are **team-based**. Each case report is <u>up to three pages</u> in length. Your grade will be the same as your teammates. Each case report constitutes 5% of your total grade. I will automatically exclude the write-up with the lowest grade, and thus your case report grade will encompass 15% of your total grades. Note that your grade for the case reports will be <u>the same</u> as that of your teammates.

Article reviews grades (**15%**) are my appraisal of your ability to synthesize the main ideas of the assigned articles in <u>written format</u>. There are four articles in total, all of which are **individually based**. Each student should write his/her own article reviews and copying from others will be considered as a serious academic offense. Each article review should be <u>no more than two pages</u> in length. Each article review constitutes 5% of your total grade. I will automatically exclude the review with the worst grade, and thus your article review grade will encompass 15% of your total grades.

Group presentation (**20%**). This is the part where students should exercise their creativity to identify a research question related to strategy and gain insights by analyzing the key issues using strategy tools they learn from the class. Students are expected to form groups early on, so they can start thinking about the project ideas as soon as possible. Note that collecting real data from a specific company or an industry

is highly encouraged as it is key to making evidence-based inference to the focal question you choose to answer. Details about the group project presentations will be given in class.

Final exam grades (**30%**) are my assessment of your understanding of the course materials. The final exam covers all topics from the class, including lectures, in-class discussions, case studies, as well as relevant readings.

Note: Details of the grading guidelines will also be explained during the first day of class, and will be announced repeatedly before the assignment due dates. Failure to comply with the above requirements will result in overall grade deductions, and late submissions will NOT be accepted in general.

2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

3. Topics, Teaching and Assessment Schedule

2020 Module 3. Strategy (FinTech Core)			
Session	Date	Topic	Cases
1.1	2/17	"DISS"	
1.2	2/20	What is Strategy	
2.1	2/24	Structure, Process, & Strategic Leadership	
2.2	2/27	External Analysis & Internal Analysis I	
3.1	3/2	Case Study 1	Tesla Motors
3.2	3/5	Competitive Advantage	
4.1	3/9	Competitive Strategy: Blue Oceans	
4.2	3/12	Case Study 2	Ducati
5.1	3/16	Competitive Strategy: BM & BMI	
5.2	3/19	Competitive Strategy: Innovation	
6.1	3/23	Case Study 3	Huawei: A Dark Horse
6.2	3/26	Corporate Strategy: Vertical Integration & Diversification	
7.1	3/30	Corporate Strategy: M&As and Alliances	
7.2	4/2	Corporate Strategy: Real Options	
8.1	4/6	Case Study 4	Alibaba
8.2	4/9	Implementation: Crisis, Ethics, & Sustainability	
9.1	4/13	Overflow	
9.2	4/16	Presentations	
Note: Each week, articles will be assigned in class or online at least a week before the discussion day.			

4. Miscellaneous

Please note that the class will be held online via *DingTalk* for the time being. Students are required to be able to use the *DingTalk* App adeptly in order to actively participate in class discussions as well as submit written assignments online. *The use of webcams and microphones are required* for this class in order to maximize the class experience.

Professional conduct is built upon the idea of mutual respect. In addition to that indicated in the *PHBS Student Handbook*, such conduct includes:

Arriving on time. Late arrivals are disruptive to both lectures and class discussion, and show disrespect to colleagues who are on time, even when the class is held online.

Attention In-class. During class time, students should focus on class related activities and avoid all non-academic activities. Communications such as live comments are strictly restricted to class related purposes.

Being prepared for class. Be ready to discuss any assigned readings and cases, and frame ideas and thoughts using the concepts and frameworks in the class.

You can expect the following from me:
* Being available to students;
* Treating students with respect;
* Getting feedback from students;
* Providing timely feedback to students;
* Informing students of grading scale and approach.

In the meantime, please free feel to let me know if you have any ideas for further enhancing the learning environment in the class.

About Your Instructor:

ZHANG Kun is a tenure-track professor of strategy & entrepreneurship at PHBS. His research interests revolve around technology innovation, startup value appropriation, and digitization strategies. Specifically, his most recent research project looks at the patent examination at the State Intellectual Property Office (SIPO) in China and its implications for research policy and innovation scholars. Specifically, his current work concerns IP regulations and the determinants of the duration and outcomes of patent examination using a novel SIPO data set. In terms of empirical research, he is specialized in innovation economics, transaction cost economics, advanced microeconomics, as well as applied econometrics.

Prior to joining PHBS, Zhang Kun obtained his doctorate in strategy and entrepreneurship from University of Colorado Boulder, and he also holds a master degree in management science from the London School of Economics in the U.K., where he focused on optimization and decision sciences for management. Additionally, Kun is a member of Academy of Management and Strategic Management Society. He is also an angel investor in high-tech and bio-pharmaceutical industries.