

**Faculty of Commerce and Administration**

VICTORIA UNIVERSITY OF WELLINGTON

*Te Whare Wānanga o te Ūpoko o te Ika a Māui*

**International MBA Programme**



**VICTORIA  
MANAGEMENT SCHOOL**

*Te Kura Whakahaere*

**2008**

## **IMBA 535**

### **Advanced Strategic Management**

#### **COURSE OUTLINE**

- Start Date:** 26 January 2008
- Format:** 24 contact hours – in 2- or 3-hour sessions over two weekends.
- Lecture Times:** 26 January: 2:00 pm - 6:00 pm & 7:00 pm - 9:00 pm  
27 January: 11:00 am - 2:00 pm & 3:00 pm - 6:00 pm  
1 March: 2:00 pm - 6:00 pm & 7:00 pm - 9:00 pm  
2 March: 11:00 am - 2:00 pm & 3:00 - 6:00 pm
- Location:** Room 803, MMW Engineering Building, CUHK
- Teaching Staff:** Urs Daellenbach, Ph.D.
- Office: RH 929, VUW, PO Box 600, Wellington, NZ  
Email: [urs.daellenbach@vuw.ac.nz](mailto:urs.daellenbach@vuw.ac.nz)
- Telephone: 644-463-5732 Fax: 644-463-5253
- Textbook:\*** no textbook; a package of assigned readings from a variety of sources, including practitioner and academic journals, will form the foundation of this course. A range of local and international case studies will also be covered in some sessions.

## Course Objectives

The International Master of Business Administration Programme serves to produce professional managers capable of fulfilling strategic roles within corporate and government enterprises. Integral to this capability is an understanding of the dynamics of competitive advantage and value creation within organisations, national boundaries and internationally.

This course aims to provide students with a solid theoretical base upon which can help to guide decision making and strategies for successful development and re-development of organisations. The scope of this course is restricted to cover aspects of organisational interactions associated with both competition and cooperation and the development of advantages. The course builds on the foundation formed through several topics from IMBA534, covering them in greater depth and detail. By the end of this course, you should:

1. Have an understanding of the major theories and concepts underlying the creation, maintenance and sustainability of competitive and cooperative advantage.
2. Have a sense of how these theories are applicable within the context of national and international business practices.
3. Have a strategic perspective with respect to competitive dynamics and rivalry in different contexts.

## Assessment

Individual Assignment	20 %	due 16 February 2008 returned 1 March 2008
Group Project Assignment	30%	due 2 March 2008
Final Examination	50 %	16 March 2008

***Individual Assignment (20%)*** – The individual hand-in assignment associated with a case study will be discussed during the initial session, at which time detailed assignment questions will be distributed. Written assignment reports will be due at the lecture by 2:00 pm on Saturday, 16 February.

**Strategy Group Project (30%)** – The Advanced Strategic Management group project will also be discussed during the first visit, along with a detailed handout for completing the project. The project will involve assessing a situation where actions by one organization have affected or had the potential to affect its rivals. The competitive positions, actions and responses will need to be analysed. Written Group Reports will be due on Sunday 2 March at the lecture by 11:00 am.

Important Note – Inclusion of others' work and research completed can be appropriate. However, such material (even if it is a single sentence) must be explicitly recognised with quotation marks in the project report, citing its origin in a footnote.

**Final Examination (50%)** - A final three-hour open-book examination will be held on Saturday, 16 March, (location and details to be advised by APIB) during which students will be expected to apply their knowledge to strategic/competitive situations described by means of case vignettes. In accordance with University policy, students must obtain a minimum of forty percent of the marks available on the final examination in order to pass the course.

## **Course Terms of Reference**

### **Late Assignments**

Given the modular nature of the course delivery and relatively short time for marking and return, it is imperative that assignments are handed in on time. Late assignments will incur a 50% penalty on the assigned mark. Assignments more than two weeks late will not be accepted. In addition, late assignments will not be available by the agreed-to return date.

### **Obtaining Terms**

To obtain terms to sit the final examination in this course, students are required to participate in both weekend modules and submit both written assignment reports.

### **Passing the Course**

In order to pass this course, students are required to obtain at least forty percent of the final examination marks available, and obtain at least fifty percent of the overall course marks available.

## **Victoria IMBA Grading Standards**

### Excellent Category

A- (75 – 79%) to A (80 – 85%) to A+ (above 85%): The learning is demonstrated to a very high level of proficiency, i.e. it is at a standard that makes it exceptional at Master's level.

### Very Good Category

B+ (70 – 74%): The learning is demonstrated at a high standard. Students have reached a level that clearly exceeds “competency”.

### Good Category

B (65 – 69%): The learning is clearly demonstrated without being exceptional in any way. Students can be thought of as fully competent.

### Satisfactory Category

B- (60 – 64%): The learning is demonstrated without being exceptional in any way. Students can be thought of as competent.

### Marginal Category

C (50 – 54%) to C+ (55 – 59%): The learning is demonstrated to a minimally acceptable level. There may be flaws but these are not serious enough to “fail” the student.

### Unsatisfactory / Failure Category

E (0 – 39%) to D (40 – 49%): The learning is absent or performed to a very low level, or the performance is seriously flawed.

## **Individual Work**

While the Victoria IMBA programme has a tradition of study group collaboration, there are important elements in the assessment process that are strictly individual. Collaboration on individual assignments is not allowed. Please do not work together to formulate a response and do not loan out your completed assignments.

## **Plagiarism**

The Victoria IMBA programme views plagiarism as a serious offence. Students who plagiarise put themselves at risk of expulsion from the programme. Plagiarism is defined as representing someone else's work as your own. It includes: cutting and pasting material from websites, typing in sentences and paragraphs from books and journals, copying from other assignments and materials, and taking quotes that others have used without recognising the originator. It also includes writing verbatim from a textbook in an open-book examination situation without recognising the source of your material. If you use other peoples' materials, then you must give them credit and recognise the source. This includes making the material explicit by putting it in quotations and placing a footnote at the bottom of the page or back of your document to indicate complete details of the author and source.



## GENERAL UNIVERSITY POLICIES AND STATUTES

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures contained in the statutes in the VUW website.

### **The University Statute on Student Conduct and Policy on Staff Conduct**

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the APIB Administration Office or on the website at: [www.vuw.ac.nz/policy/StudentConduct](http://www.vuw.ac.nz/policy/StudentConduct) The policy on Staff Conduct can be found on the VUW website at: [www.vuw.ac.nz/policy/StaffConduct](http://www.vuw.ac.nz/policy/StaffConduct)

### **Academic Grievances**

If you have any academic problems with your paper you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the IMBA Director. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Statute which is published on the VUW website: [www.vuw.ac.nz/policy/AcademicGrievances](http://www.vuw.ac.nz/policy/AcademicGrievances)

### **Plagiarism**

Victoria University defines plagiarism as the copying of ideas, organisation, wording or anything else from another source without appropriate reference or acknowledgement so that it appears to be one's own work. This includes published and unpublished work, the Internet and the work of other students and staff. Plagiarism is an example of misconduct in the Statute of Student Conduct. Students who have plagiarised are subject to a range of penalties under the Statute. See the website: [www.vuw.ac.nz/policy/StudentConduct](http://www.vuw.ac.nz/policy/StudentConduct)

### **Reasonable Accommodation Policy**

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. [disability@vuw.ac.nz](mailto:disability@vuw.ac.nz)

The name of the Disability Liaison Person can be obtained from the IMBA Programme Director.

### **Appeals / Concerns / Statute on Conduct**

If you have any concerns with your courses, you should first talk to the lecturer concerned and, if you are not satisfied with the result of that meeting, contact the Director of the IMBA. The University has developed independent procedures for dealing with academic grievances and complaints. These procedures are set out in the Statute on Academic Grievances in the University Calendar.

## Session Schedule - IMBA 535 - 2006

Session	Date	Topic	Basic Reading
1	26 January 2:00 – 4:00pm	- Course Introduction - Defining Competitive Advantage	— Coyne
2	26 January 4:00 – 6:00pm	- Value Creation and Assessment	Ghemawat, Ch. 3
3	26 January 7:00 - 9:00pm	- Competitive Strategies - Strategic Groups	Grant, Ch. 4
4	27 January 11:00am – 2:00pm	- Resource-based View of the Firm	Barney & Hesterly, Ch. 3
5	27 January 3:00 – 5:00pm	- Competitive Dynamics	Hitt, Ireland & Hoskisson, Ch. 5
6	27 January 5:00 – 6:00pm	- Changing Industry Conditions	Slywotsky & Wise
7	1 March 2:00 – 4:00pm	- Advantage and Planning / HR	Kaplan & Norton
8	1 March 4:00 – 6:00pm	- Advantage and Innovation	Harrison, Ch. 6
9	1 March 7:00 – 9:00pm	- New vs. Traditional Industries	Arthur
10	2 March 11:00am – 1:00pm	- National Bases of Advantage	Hill, Jones, Galvin & Haidar, Ch. 8
11	2 March 1:00 - 3:00pm	- Advantage through Cooperation	Walker, Ch. 7
12	2 March 4:00 – 6:00pm	- What Role does Luck/Chance play?	Ma

# IMBA 535 – Session 1 – Teaching Objectives

## Introduction

- get settled into the course.
- understand course objectives and expectations. (review course outline).
- discuss the individual assignment and the group project.

## Defining Competitive Advantage

- read Coyne, Kevin. 1986. Sustainable Competitive Advantage – What it is, What it isn't, *Business Horizons*, January/February, pp. 54-61. ISSN: 00076813

## Preparatory Reading for Session 2 & 3: please have read

1. Ghemawat, Pankaj & Jan Rivkin. 1999. Chapter 3, *Creating Competitive Advantage*, pp. 49-74 in *Strategy and the Business Landscape*, Addison-Wesley, Reading, MA. ISBN: 0-201-35729-1
2. Grant, Robert. 2008. Chapter 4, *Further Topics in Industry and Competitive Analysis*, pp. 96-122 in *Contemporary Strategy Analysis*, 6<sup>th</sup> Edition, Blackwell Publishing, Oxford, UK. ISBN: 978-1-4051-6309-5

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- competitive advantages and disadvantages
- what makes them temporary or sustainable
- how (dis)advantages relate to other measures of performance
- how advantage(s) may be measured/identified
- factors that create competitive advantage

**Next Session:** Value Creation and Assessment

**Think About:** Is value creation important? For whom?

## IMBA 535 – Session 2 – Teaching Objectives

### Value Creation and Assessment

- read Ghemawat, Pankaj & Jan Rivkin. 1999. Chapter 3, *Creating Competitive Advantage*, pp. 49-74 in *Strategy and the Business Landscape*, Addison-Wesley, Reading, MA. ISBN: 0-201-35729-1

### Preparatory Reading for Session 3: please have read

1. Grant, Robert. 2008. Chapter 4, *Further Topics in Industry and Competitive Analysis*, pp. 96-122 in *Contemporary Strategy Analysis*, 6<sup>th</sup> Edition, Blackwell Publishing, Oxford, UK. ISBN: 978-1-4051-6309-5

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- different perspectives on value
- the relationship between value added and cost
- alternative models for creating value
- how to assess and understand value creating strategy
- the threats to added value

**Next Session:** Competitive Strategies / Strategic Groups

**Think About:** How do you determine who your competitors are?

## IMBA 535 – Session 3 – Teaching Objectives

### **Competitive Strategies / Strategic Groups**

- read Grant, Robert. 2008. Chapter 4, *Further Topics in Industry and Competitive Analysis*, pp. 96-122 in *Contemporary Strategy Analysis*, 6<sup>th</sup> Edition, Blackwell Publishing, Oxford, UK. ISBN: 978-1-4051-6309-5

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- levels of strategic analysis within industries
- who a firm's competitors are
- the way in which pure generic strategies create value
- the advantages and vulnerabilities of pure generic strategies
- different bases for generating strategic groups
- how strategic groups affect competition within an industry

**Next Session:**            **Resource-based View of the Firm**

**Think About:**           **Which resources and how do resources create sustainable competitive advantage?**

# IMBA 535 – Session 4 – Teaching Objectives

## Resource-based View of the Firm

- read Barney, Jay and William Hesterly. Evaluating a firm's internal capabilities, Chapter 3, pp. 74-109 from *Strategic Management and Competitive Advantage: Concepts and Cases*, Pearson/Prentice-Hall, Upper Saddle River, NJ, USA, 2006. ISBN: 0-13-154274-5

## Preparatory Reading for Session 5 & 6: please have read

1. Hitt, Michael, Duane Ireland and Robert Hoskisson. 1999. Chapter 5, *Competitive Dynamics*, pp. 160-201 in *Strategic Management: Competitiveness and globalization*, 3<sup>rd</sup> Edition, South-Western College Publishing/ITP, Cincinnati, OH. ISBN: 0-538-88189-5
2. Slywotzky, A. and R. Wise. The Dangers of Product-driven Success: What's the next growth act? *Journal of Business Strategy*, March/April 2003, pp. 16-25. ISSN: 0275-6668

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- the relationship between value-creating strategies and key resources and capabilities
- the differences between resources and capabilities
- which resources and capabilities are likely to support advantages
- how particular resources and capabilities support advantages
- the extent to which value is captured by an organization

**Next Session:**            **Competitive Dynamics**

**Think About:**        **Is it better to be the initiator or the responder to a competitive move?**

# IMBA 535 – Session 5 – Teaching Objectives

## Competitive Dynamics

- read Hitt, Michael, Duane Ireland and Robert Hoskisson. 1999. Chapter 5, *Competitive Dynamics*, pp. 160-201 in *Strategic Management: Competitiveness and globalization*, 3<sup>rd</sup> Edition, South-Western College Publishing/ITP, Cincinnati, OH. ISBN: 0-538-88189-5

## Preparatory Reading for Session 6: please have read

1. Slywotzky, A. and R. Wise. The Dangers of Product-driven Success: What's the next growth act? *Journal of Business Strategy*, March/April 2003, pp. 16-25. ISSN: 0275-6668

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- the factors affecting the likelihood of a competitor initiating a competitive action or response
- the advantages and disadvantages of attacks and responses
- the impact of other firm characteristics on competitive interactions
- how a firm's competitive position affects the response it may choose

**Next Session:**            **Changing Industry Conditions**

**Think About:**            **How do you predict and respond to changing industry conditions?**

# IMBA 535 – Session 6 – Teaching Objectives

## Changing Industry Conditions

- read Slywotzky, A. and R. Wise. The Dangers of Product-driven Success: What's the next growth act? *Journal of Business Strategy*, March/April 2003, pp. 16-25. ISSN: 0275-6668

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- the stages of an industry's evolution
- the types of competitive actions most suitable for different stages of an industry evolution
- how to proactively manage strategies to address changing industry conditions
- how an organisations' actions can alter the rate of change in an industry

**Next Session:** Saturday March 1

**Advantage and Planning / Human Resources**

**Think About:** Can strategic planning be a source of advantage?

# IMBA 535 – Session 7 – Teaching Objectives

## Advantage and Planning / Human Resources

- read Kaplan, R. & D. Norton. Transforming the Balanced Scorecard from Performance Measurement to Strategic Management: Part 1, *Accounting Horizons*, 15(1), March 2001, pp. 87-104. ISSN: 08887993

## Preparatory Reading for Session 8 & 9: please have read

1. Harrison, Jeffrey. 'Strategies for Entrepreneurship and Innovation', Chapter 6 in *Strategic Management of Resources and Relationships: Concepts*, New York, USA, J. Wiley & Sons, Inc., 2003, pp. 182-213. ISBN 0471-23246-7
2. W.B. Arthur. Increasing Returns and the New World of Business, from B. De Wit & R. Meyer, *Strategy: Process, Content, Context – An International perspective*, International Thomson Press, 1999. ISBN: 1-86152-139-1

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- the importance of internal organizational functions, systems, resources as sources of competitive advantage
- how the value created by these resources and capabilities may vary across organizations, industries, and countries
- the difficulty in capturing value from some of these resources and capabilities
- some ways in which such value capture can occur

**Next Session:**           **Advantage and Innovation**

**Think About:**           **How can your organization foster innovation?**

# IMBA 535 – Session 8 – Teaching Objectives

## Advantage and Innovation

- read Harrison, Jeffrey. 'Strategies for Entrepreneurship and Innovation', Chapter 6 in *Strategic Management of Resources and Relationships: Concepts*, New York, USA, J. Wiley & Sons, Inc., 2003, pp. 182-213. ISBN 0471-23246-7

## Preparatory Reading for Session 9: please have read

1. W.B. Arthur. Increasing Returns and the New World of Business, from B. De Wit & R. Meyer, *Strategy: Process, Content, Context – An International perspective*, International Thomson Press, 1999. ISBN: 1-86152-139-1

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- how entrepreneurship and innovation can generate competitive advantages
- the benefits and pitfalls associated with an innovation strategy
- the resources supporting an innovation strategy and advantage
- how to compete against firms utilizing an innovation strategy

**Next Session:**            **Advantage in New vs. Traditional Industries**

**Think About:**        **How do the bases of advantage differ in service and internet organizations vs. traditional manufacturing industries?**

# IMBA 535 – Session 9 – Teaching Objectives

## Advantage in New vs. Traditional Industries

- read W. Brian Arthur. Increasing Returns and the New World of Business, from B. De Wit & R. Meyer, *Strategy: Process, Content, Context – An International perspective*, International Thomson Press, 1999. ISBN: 1-86152-139-1

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- differences in the ways value is created in ‘new’ industries vs. traditional manufacturing firms
- the resources and capabilities supporting advantage in such industries
- the typical dynamics of competition in these industries
- the strategies needed to position the firm for longer-term competitive success

**Next Session:**            **National Bases of Advantage**

**Think About:**        **Why have some industries/organizations flourished in particular countries?**

# IMBA 535 – Session 10 – Teaching Objectives

## National Bases of Advantage

- read Hill, Charles, Gareth Jones, Peter Galvin & Ali Haidar. Chapter 8: Strategy in the global environment, from *Strategic Management: An Integrated Approach*, 2<sup>nd</sup> Australasian Edition, Houghton-Mifflin|Wiley, Milton, Qld, Australia, 2007. ISBN: 978-0-470-80929-7

## Preparatory Reading for Session 11 & 12: please have read

1. G. Walker. Chapter 7: Partnering, from G. Walker *Modern Competitive Strategy*, McGraw-Hill|Irwin, New York, USA, 2004. ISBN: 0-07-234563-2
2. Ma, H. Competitive advantage: what's luck go to do with it?, *Management Decision*, 40 (6), 2002, pp. 525-536. ISSN: 00251747

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- how a nation's business environment affects its competitiveness
- how companies can profit from global expansion
- competitive advantage at an international level
- entry strategies for competing in other regions/nations
- how internationalisation strategies/paths may differ across nations

**Next Session:**            **Advantage through Cooperation**

**Think About:**           **Is it better to co-operate or compete?**

# IMBA 535 – Session 11 – Teaching Objectives

## Advantage through Cooperation

- read G. Walker. Chapter 7: Partnering, from G. Walker *Modern Competitive Strategy*, McGraw-Hill|Irwin, New York, USA, 2004. ISBN: 0-07-234563-2

## Preparatory Reading for Session 12: please have read

1. Ma, H. Competitive advantage: what's luck go to do with it?, *Management Decision*, 40 (6), 2002, pp. 525-536. ISSN: 00251747

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- the role that cooperation can have in creating advantages
- the benefits that can be achieved when an organization cooperates
- how to manage cooperative relationships (with a particular focus on the difference in perspective between Chinese and international partners)
- the dynamics of cooperation and how cooperation is maintained

**Next Session:**            **What Role does Luck/Chance play?**

**Think About:**            **How much of business success and failure is due to luck?**

# IMBA 535 – Session 12 – Teaching Objectives

## What Role does Luck/Chance play?

- read Ma, H. Competitive advantage: what's luck go to do with it?, *Management Decision*, 40 (6), 2002, pp. 525-536. ISSN: 00251747

**Critical Learning Points:** by the end of this session, students should have developed an understanding of the following:

- how much effect does luck play in the success (and failure) of strategies?
- organizations create their own 'luck'
- the extent to which managers are primarily reactors to or creators of industry forces

## Final Examination:

16 March 2008

3 hours – Open Book

Business Case Study and Associated Questions + Essay Question

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