

# SYLLABUS 2009

UNIVERSITY OF HONG KONG BUSINESS SCHOOL

Spring 2009

**COURSE** MBA Competitive Strategy  
**INSTRUCTOR** Dr. Venkat Subramanian

## INTRODUCTION

The Competitive Strategy course will focus on formulating and implementing business strategy to achieve superior performance. Successful business policies require a detailed understanding of the overall environment of which the firm is part as well as the ability to create value in order to serve customers in the face of competition. Successful business policies also require analytical and administrative capabilities. The best analysis in the world will not lead to corporate success if it cannot be turned into actionable strategies that can be successfully implemented. Similarly, the best administrator in the world will not be able to help a firm with the wrong strategy achieve peak performance.

The course will focus on the analytical and managerial tasks involved in developing strategies that create value by satisfying customer demand in an ever-changing competitive landscape. It will also attempt to help students improve their strategic thinking and all around business judgment.

## COURSE OBJECTIVES (CO)

- To be able to understand the role strategy plays in determining firm performance (CO1)
- To clarify the concept of business models and the role they play in strategy (CO2)
- To explain the links between strategy, business models and value (CO3)
- To develop the ability to understand and analyze a company's external environment, internal strategy, and their interface (CO4)
- To evaluate the nature of business competition and explain the sources of competitive advantage (CO5)
- To understand how the internal and external environments influences firm performance (CO6)
- To be able to understand strategic innovation and its sources (CO7)
- To be able to distinguish between different types of strategies (CO8)
- To enhance skills in formulating and communicating strategies in complex environments (CO9)
- To allow for critical assessments of the manager focused literature (CO10)

The course will feature case discussions, lectures, exercises, and videos. The bulk of the classroom sessions will be devoted to case studies. Pre-class preparation and attendance

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at all class meetings will be necessary as student participation will be key to the learning process.

### GRADING

The grading for the course will consist of 30% for class participation, 30% for the case reports (6 case reports are required), and 40% on the final examination. Students are requested to form groups of 5-6 students to submit the case reports. The case reports may be emailed directly to me before the beginning of the case discussion. The final exam will cover all of the material from the course, including readings, cases, lectures, classroom discussions, and videos.

### TEXTBOOK

The main text-book for the course will be Robert M. Grant's book on 'Contemporary Strategy Analysis'.

- Robert M. Grant. Contemporary Strategy Analysis. (Blackwell, 2005).

If students wish to consult additional reference books, they can consult Pankaj Ghemawat's concise book on Strategy:

- Pankaj Ghemawat. Strategy and the Business Landscape. (Pearson Prentice Hall, 2006)

In addition, the course consists of chapters and slide notes written by me. Chapters will be distributed over the Internet during the course and/or will be distributed in the class. Other readings and cases will be made available or can be found in the library.

### RESPONSIBILITIES

As a teacher, I have the following responsibilities:

- Come prepared to every class with well thought out pedagogy
- Design my class so you can accomplish the cognitive objectives listed in the syllabus
- Consider that it is not always your fault if you don't understand the material
- Create a mutually respectful classroom environment
- Recognize that sometimes I may grade a question incorrectly and not get defensive when you politely question my grading

As students, you have the following responsibilities:

- Come prepared to every class by reading the assigned cases, reviewing previous notes and doing assignments. Complete all work on time with adequate thought.
- Consider that it is not always my fault if you do not understand the material.
- Treat others and me with respect.
- Ask questions if you do not understand. Asking questions is a sign of maturity, not ignorance.

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- Understand that I am not trying to pick on you when I grade your exams or homework. However, the Strategy course requires clear analyses and logically consistent and appropriate solutions.

### CONSULTATION

I am better reached by email. So, please contact by email for any questions on the course, and if need be, for consultation by appointment. The email address is [vsubrama@business.hku.hk](mailto:vsubrama@business.hku.hk) or by telephone on 2859-2266. I know how frustrating it is when you try to email a faculty and cannot reach us in a timely fashion. Hence, this is my promise to you – I will respond within 24 hours of any email or phone call.

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### DETAILED OUTLINE

<b>Class 1</b>	<b>Introduction to Business Policy: Strategy &amp; Performance</b>
Readings:	What is Strategy? (Porter-HBR Article) What is Strategy and Why Does it Matter? (VS) A Brief History of Strategy (VS) Business Model and Strategy (VS) Grant, R. M. Chapters 1 & 2
Case:	“Identifying Value Creators”, HKU Case “Identifying Hong Kong Firms During the Asian Financial Crisis”, HKU Case “Acer in 2001: The Reorganization” HKU Case
<b>Class 2</b>	<b>Industries and Industry Segments</b>
Readings:	Industry Analysis, Strategy and Value Economics (VS) Grant, R. M. Chapters 3 & 4
Case:	“European Airline Industry (A)” HKU Case
<b>Class 3</b>	<b>Industry Clusters and Firm Strategy</b>
Readings:	Clusters and Strategy (Porter – HBR)
Case:	“Hong Kong’s Container Trucks: The Mid-Stream Fee Dispute” and “Buyer-Supplier Relations”, HKU Case
<b>Class 4</b>	<b>National/Regional/Supranational Influences on Strategy</b>
Readings:	Note on National, Regional and Supranational Influences on Strategy (VS)
Case:	“The Hong Kong Property Industry in 1997”, HKU Case “The Hong Kong Property Industry in 1999” HKU Case (Video: Vincent Lo/Hong Kong Property Market)
<b>Class 5</b>	<b>Business Models and Creating and Sustaining Competitive Advantage</b>
Readings:	Note on Creating and Sustaining Competitive Advantage (VS) Hawawini, Subramanian and Verdin (SMJ) Grant, R. M. Chapters 5, 7, 8 & 9
Case:	“Wal-Mart Inc”, HBS Case
<b>Class 6</b>	<b>Firm Boundaries: Vertical and Horizontal Scope</b>
Readings:	Note on Firm Boundaries (VS) Grant, R. M. Chapters 13, 15 & 16

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Case: Walt Disney, HBS Case

**Class 7**  
Reading: **Competitive Dynamics**  
Note on Competitive Dynamics (VS)  
Gibbons, Chapter 1

Case: Coke versus Pepsi, HBS Case

**Class 8**  
Reading: **Corporate Strategy**  
Note on Corporate Strategies (VS)  
Montgomery, C. 'Corporate Diversification'  
Grant, R. M. Chapters 15 & 16

Case: "EMI (A)", HBS Case

**Class 9**  
Reading: **Creating Strategy**  
Note on Strategy Evolution (VS)  
Grant, R. M. Chapter 1  
Mintzberg, Ahlstrand and Lampel (1998), Chapter 7

Case: Honda (A), HBS Case

**Class 10**  
Reading: **Strategic Innovation (or Strategy in a Credit Crisis)**  
Note on Strategic Innovation (VS)  
Hawawini, Verdin and Subramanian (EBF)  
Grant, R. M. Chapter 17  
Christnesen, C. (HBR)

Case: From Web 1.0 to 2.0 and 3.0: Show Me the Money (HKU)