

CARNEGIE-MELLON UNIVERSITY
H. JOHN HEINZ III COLLEGE
STRATEGY DEVELOPMENT
94-811 (Section Z5), MINI-5, SUMMER 2017

"Strategy is not a lengthy action plan. It is the evolution of a central idea through continually changing circumstances."

— Carl Von Clausewitz, *On War*

"If you get the objectives right, a lieutenant can write the strategy."

— U.S. General George Marshall

"If you do not look at things on a large scale it will be difficult for you to master strategy."

— Miyamoto Musashi, *Book of Five Rings*

"No plan survives contact with the enemy."

— *Old military axiom*

"To fight and conquer in all your battles is not supreme excellence. Supreme excellence consists in breaking the enemy's resistance without fighting."

— Sun Tzu, *The Art of War*

"The secret of all victory lies in the organization of the nonobvious."

— Marcus Aurelius

"A strategy delineates a territory in which an organization seeks to be unique."

— Michael Porter, *Harvard professor and strategy guru*

"Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat."

— Sun Tzu, *The Art of War*

"However beautiful the strategy, you should occasionally look at the results."

— Winston Churchill

INSTRUCTOR

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CLASS HOURS

This is an online/video class; course site accessed through Canvas
(<https://cmu.instructure.com/courses/350>)

OFFICE HOURS

By appointment

The “tyranny” of time and distance inherent in video courses makes establishing formal office hours a challenge so I’ll make every effort to accommodate your needs. The best bet is to call or send an e-mail to make an appointment (propose some days and times that work for you).

I also welcome conversations not necessarily related to Strategy Development (e.g., career path, course selection) if you think that my time in the “real world” can provide another dimension to your experience at the Heinz College.

TEACHING ASSISTANT

Uttara Ananthakrishnan (umadurai@andrew.cmu.edu)

You should make good use of Uttara’s knowledge of the material particularly for questions about course content, case preparation, and grading.

ABOUT THIS COURSE

Strategy can be thought of as "delineating a territory in which an organization seeks to be unique" and "the evolution of a central idea through continually changing circumstances." But the very nature of strategy and strategy development—regardless of whether it’s in the private, public, or nonprofit sectors—is changing dramatically. Corporations are increasingly dealing with more viable competitors and emerging market opportunities, often driven by enabling technologies, from all over the world. Demand for government responses to social issues is increasing in an era of acute resource constraints. And social sector organizations are facing a wide array of competitors for smaller, more restricted pools of contributions and other forms of capital. Everybody wants to react faster, take advantage of opportunities sooner, and vanquish competitors more definitively. The notion of rigid 5-year strategic plans is becoming increasingly obsolete in many industries.

This course simulates the real-world strategy development process from a senior management perspective. A historical overview of the field will be provided and a contemporary process for strategy formulation, along with alternative approaches, will be introduced and demonstrated throughout the course. Activities including situational and environmental analysis, internal capabilities assessment, and appropriate linkage to an organization’s vision, mission, objectives, and historical performance will all be rigorously applied. A combination of theory and practice in all relevant aspects of strategy development will be emphasized. In addition, although these processes are most often attributed to private sector operations, this course is designed to

consider the similarities and differences of strategy and strategy development in government entities and nonprofits as well.

Although strategy and strategic thinking is grounded in a long history (primarily derived to achieve military objectives), corporate strategy and the field’s seminal frameworks did not really exist prior to about the mid-20th century. However, the notion of comprehensive strategy development, emanating from academia, consulting firms, and think tanks, has accelerated considerably over the past 50 years and continues to rapidly evolve. As a result, this course will emphasize “currency” with a combination of lectures, contemporary readings, cases, and simulations to illustrate key concepts.

Course materials are drawn from a variety of “specialized” publications like the *Harvard Business Review* and *McKinsey Quarterly*, some “mainstream” sources such as the *New York Times*, as well as selections from more “academic” resources. Although no textbook is assigned for the course, I’ll attempt to draw from among the best books that I’ve come across related to the field such as *Competitive Strategy* by Michael Porter (considered by many to be the most influential book on corporate strategy ever) and *Built to Last* by Collins and Porras, as well as “classics” like *The Art of War* by Sun Tzu and the *Book of Five Rings* by Miyamoto Musashi, particularly to provide a perspective on the history of strategy development and execution.

COURSE OBJECTIVES

Learning Objective	How Assessed
Provide a broad overview of strategic thinking, strategy development, and tactical execution in a variety of contexts. Introduce foundational concepts and frameworks that are used “in the real world” to craft winning strategies.	Class participation (via Discussion Board); papers; blog submissions
Identify and clearly define a problem/issue	Class participation (via Discussion Board); papers
Analyze and question data and information in a rigorous manner	Class participation (via Discussion Board); papers
Generate and organize qualitative and quantitative evidence to support arguments and recommendations	Class participation (via Discussion Board); papers
Listen to, respect and heed the advice and ideas of others	Class participation (via Discussion Board)

Here’s our challenge for the mini semester: It is possible to get a comprehensive, multi-course concentration in strategy at many graduate schools, particularly business schools, around the world. There simply won’t be enough time to dive deeply into a single topic area. Therefore, *this* course will act as an overview of the key concepts, contemporary issues, and current direction of strategy directed at future *executives and senior public sector officials*. My hope is that after this course, at a minimum, you will be “armed” to have an informed perspective about the strategy development process that you can practically apply.

COURSE CONTENT

The course is organized into 6 (+1 as time allows) modules:

- ***What Is Strategy?*** provides an introduction to the history of strategy, key concepts, definitions, and frameworks to be utilized throughout the course.
- ***The Strategic Planning Process and Evaluating Current Performance***
Part I provides an overview of the strengths and weaknesses of “traditional” strategic planning processes and alternative perspectives reflecting new demands on organizations.
Part II discusses the evaluation of an organization’s vision, mission, objectives, and performance at a particular point in time as an integral part of the strategy development and implementation process.
- ***Analyzing the External Strategic Environment and Evaluating Industry Dynamics***
Part I considers the economic, socio-cultural, technological, political, and demographic trends that impact strategy development and the identification of opportunities and threats.
Part II provides ways to understand the structure, evolution, competitive dynamics and positioning of a particular “strategic evaluation space”.
- ***Looking In the Mirror—Internal Organizational Analysis*** reviews how to better understand opportunities that organizations have to improve future performance based on factors such as its structure, resources, processes, staffing, and culture.
- ***Developing Strategic Options*** focuses on the variety of strategic directions that organizations can take, how to deal with unique contexts and dimensions, the “innovator’s dilemma”, and considerations for coordination on a global scale.
- ***Taking Strategy From Development to Implementation*** examines how organizations track, shape, and manage the portfolio of their strategic decisions.
- **[Optional; as time allows] *The Future of Strategy*** highlights a cross-section of approaches, trends, and insights that are currently shaping how strategy is defined, developed, and implemented.

PRE-REQUISITES

None.

CLASS STRUCTURE AND EXPECTATIONS

The lectures for this course were recorded in Mini-4, Spring 2017. For each week, they are separated into two parts: (1) a brief introductory lecture(s) and (2) 1-2 case discussions and application of associated reading material with an overall wrap-up. The readings are meant to provide theory and frameworks that are at the core of strategy development and to assist in case analysis (which are proxies for real-world applications). Instructions for each class and questions to assist with case analyses are included in the *Instructions and Study Questions* section of this syllabus.

The video lecture for each week will be posted no later than Mondays at noon EST, starting on May 22nd, with the link provided on the Canvas site. Students will review the lecture and then participate in the Discussion Board, moderated by the professor and TA, addressing select case questions (a subset of those included at the end of this syllabus). Student contributions can be posted to the Discussion Board until Thursday at 5:00 p.m. EST of that week. The professor and TA will evaluate them based on content and quality, and the week's class participation grade for each student will be subsequently posted to Canvas (Grades). After the Discussion Board has closed, the class video of the case discussion and wrap-up of the week's content and key takeaways will be posted.

All required readings (see *Tentative Course Schedule*) are available in the course packet with some supplementary readings distributed as applicable. You are permitted and encouraged to discuss cases and reading material before class in a study group with other members of the class, either physically or virtually. Expect "virtual cold calling" in the Discussion Board, if required, to get things started and provide more rigor and interaction in our review of class topics. Typically, cases require 2-3 hours and readings/articles at least 1 hour of preparation.

Relevant lecture materials and notes will be made available on Canvas prior to the class for that week. In general, Canvas will act as the course repository for submitted and corrected assignments, grade postings, class communications, and other "assets" from our time together.

COURSE REQUIREMENTS

Since there will be a relatively large number of students in the class, we'll adopt a mix of assignments to provide some flexibility as well as an opportunity to stand out individually:

- **Individual Written Assignments** (50%—25 POINTS FOR EACH OF 2 SUBMISSIONS)
- **Individual Weekly Blog Submissions** (20%—5 POINTS FOR EACH OF 4 SUBMISSIONS)
- **Class / Course Participation** (30%)

The grading policy for this course is based on the premise that expectations regarding student performance at the graduate level are higher. The mean grade in the class will likely be around 3.5 (between A- and B+) although I am more than willing to depart from those guidelines based on extraordinary performance (in either direction) from the class. Grades in the "A-to-A+" range will be reserved for students who perform exceptionally well in all aspects of the course.

Students occasionally request an extension at the end of the semester if they cannot complete their assignments due to unforeseen work commitments, family problems, illness, and so on. An "incomplete" grade will be given only under exceptional circumstances (poor time management is not considered an "exceptional circumstance"!), at my discretion, and should be discussed with me before the end of the mini-semester so that appropriate paperwork can be completed.

Finally, you should note that the assigned readings for the course provide only a broad framework for the topics we will discuss. Therefore, in your assignments, you are encouraged to use other research materials, resources, data, and readings.

INDIVIDUAL WRITTEN ASSIGNMENTS

Individual written assignments are due by the date and time provided in the syllabus. Please submit a Word document (not pdf) via Blackboard with your name in the title. This paper is an

individual effort; you may not work on this paper with other students. Note that there is a maximum length of 2000 words for each assignment.

CRITERIA FOR GRADING (25 points maximum)—each bullet below can reduce the grade for submissions by .5-2.5 points (except for late papers, which receive 0 points):

- Argument refutes case facts and/or is not supported by information in the case/article
- Write-up does not stay focused on its core points and/or lacks any particular point of focus
- Response is too short and does not include enough detail, or is excessively long (unnecessarily exceeds the word limit)
- An assertion is made but not defended, elaborated on, or clearly articulated; if you make an assertion/decision, you must defend it
- Too much case fact restatement and not enough analysis
- Writing is unclear, incomplete, and/or poorly written (e.g., excessive poor grammar or spelling, run on sentences)

Pointer: It is important that you support your analysis with case facts. It is equally important that you draw conclusions based on those case facts – i.e., don't just restate case facts; also consider what those facts mean and how they impact your decisions/arguments.

For the write-ups, you're not required to footnote if you quote an article in the course pack or the case. However, if you quote/reference another document, you must cite that via footnotes.

“Cola Wars Continue: Coke and Pepsi in 2010” – Individual Written Assignment #1 (Due on Thursday, June 3rd by 5:00 p.m. EST)

For this assignment, please read at least the “Cola Wars” case, and the “Competitor Analysis” and “Five Competitive Forces” articles, and answer the following question:

Why, historically, has the soft drink industry been so profitable? How has the competition between Coke and Pepsi affected the industry's profits? How do overall industry dynamics drive profitability and growth?

You may want to use Porter's Five Forces framework as a way of justifying your response.

“Ben and Jerry's Homemade Ice Cream” – Individual Written Assignment #2 (Due on Thursday, June 29th by 5:00 p.m. EST)

For this assignment, please read the “Ben and Jerry's” case and “Bringing Science to the Art of Strategy”, and provide a response that addresses the following question:

What should Ben and Jerry's strategy be going forward and how should that strategy be implemented?

Options for consideration include quality, their requirement to use “Vermont natural dairy” ingredients, the company's “Hippie” culture, their cost structure, diversification (both in products and geography), etc. Consider how concepts outlined in the “Bringing Science to the Art of Strategy” article could be used to formulate the strategy.

INDIVIDUAL WEEKLY BLOG SUBMISSIONS

Starting in Week #2 and ending in Week #5, students must post a weekly submission to the course blog site (not to Canvas; the Assignment has been set up so that grades can be posted and viewed by students) at: <http://strategyatheinz.blogspot.com/>. Postings (500 words or less

should be more than sufficient) are due by Monday at noon EST of each week and must be related to at least one of the assigned articles or cases (the general “theme” for the week). Submissions should highlight a key takeaway and ways that you could apply it (or where it has been relevant to you in the past). In addition, feel free to highlight a website, research, individual, or organization where relevant as a contribution to overall course content.

Criteria For Grading (5 points maximum)—each bullet below can reduce the grade for submissions by .1-.5 points (except for submissions, which receive 0 points):

- Statements not supported by information in the case/article
- Write-up does not stay focused on its core points and/or lacks any particular point of focus
- Response is too short and does not include enough detail, or is excessively long (unnecessarily exceeds the word limit)
- An assertion is made but not defended, elaborated on, or clearly articulated
- Too much article/case restatement and not enough original thinking
- Writing is unclear, incomplete, and/or poorly written (e.g., excessive poor grammar or spelling, run on sentences)

CLASS / COURSE PARTICIPATION

Just because our class interactions are “virtual” does not make them any less important. Informed discussions, live or online, are critical to the learning process and substantial contributions to the Discussion Board will make this class much more **interesting** and **fun** for all of us. **Each student is expected to volunteer substantive comments freely. Quality (versus quantity) is important.** Your score will be determined by my assessment of your contributions. The “system” that I’ll use is, at the beginning of the course, everyone starts with a score of “100”. Based on your contributions to the Discussion Board, I’ll update your class participation score upwards or downwards by an appropriate amount based on the interaction (modeled directly after the criteria for in-class discussions):

- No contribution to the Discussion Board for that week = -10; after no contributions in two weeks, your grade drops by a letter grade for each additional week missed
- Posted to the Discussion Board but made no substantive contribution = +5
- Posted to the Discussion Board and made solid contributions = +7
- Posted to the Discussion Board and made significant contributions = +10

Participation does not have to be limited to Discussion Board contributions only. If, for example, you bring a relevant current newspaper or magazine article to my attention, I’ll count this as part of the participation grade as well. Some **criteria for effective class participation** are:

1. Is there a **willingness to participate** and is the participant also a **good listener**?
2. Are the points made **relevant** to the discussion and linked to the comments of others? Are comments **well thought out** or just “thrown out”?
3. Do the comments show **evidence of rigorous analysis**?
4. Is there a willingness to **test new ideas**, or are all comments “safe”? For example repetition of case facts without analysis and inference is “safe”, but a somewhat off-the-mark comment that leads to creative discussion will be considered valuable.

5. Do the comments **clarify, highlight, and synthesize** important aspects of earlier comments and lead to a clearer statement of the concepts being covered or to new knowledge/insights?
6. Do the comments identify **overlooked points** and points that turn out to be influential in further discussion?

A BRIEF WORD ON CHEATING AND PLAGIARISM ...

Don't!—no grade is worth sacrificing your personal integrity, particularly at the grad level!

You are responsible to know and adhere to all University policies on academic integrity. The Heinz School provides a booklet on Plagiarism and Cheating and CMU lists all policies on the web at <http://www.cmu.edu/policies/student-and-student-life/academic-integrity.html>. Please acquaint yourself with their contents. Any cheating or plagiarism will result in failure in the course and your case will be referred to the Associate Dean, who may decide to take further action.

TENTATIVE COURSE SCHEDULE (OUR ACTUAL MILEAGE MAY VARY)

First, a caveat:

This course intends to accommodate a wide variety of student interests and the enormous evolutionary leaps taking place in the field. In addition, I've made some significant revisions to both course content and structure. As a result, there are bound to be some "bumps" along the "journey of discovery" that we're taking together. Suggestions and *constructive* criticism of what works and what doesn't, and generally how to make this course great is very much appreciated.

In addition, I'm always finding new things that apply to the course and I'll likely try to inject other materials as I come across them during the mini-semester. It is possible that, as we "get into" the material, I'll want to make some modifications to the course schedule due to timing and/or content issues. My commitment is to give you enough advanced notice on modifications to sufficiently prepare.

Week 1: *What Is Strategy?*

Article: *The Case Method* (David Lassman)

Article: *What Is Strategy?* (Porter, Harvard Business Review, November-December 1996)

Week 2: *The Strategic Planning Process and Evaluating Current Performance*

Article: *The Real Value of Strategic Planning* (Kaplan and Beinbocker, MIT Sloan Management Review, Winter 2003)

Article: *Your Strategy Needs a Strategy* (Reeves, Love, and Tillmanns, Harvard Business Review, September 2012)

Article: *Building Your Company's Vision* (Collins and Porras, Harvard Business Review, September-October 1996)

Case: *KaBOOM!* (Austin and Porraz, Harvard Business School, 2002)

Article: *The Balanced Scorecard—Measures That Drive Performance* (Kaplan and Norton, Harvard Business Review, July 2005)

Case: *City of Charlotte (A)* (Kaplan, Harvard Business School, 1998)

Check Out: City of Charlotte 2016 Performance Report;
<http://charlottenc.gov/mfs/budget/Pages/planning.aspx>

BLOG SUBMISSION #1 DUE BY 8 A.M. ON MAY 29TH

Week 3: Analyzing the External Strategic Environment and Evaluating Industry Dynamics

Article: Ten IT-enabled Business Trends For the Decade Ahead (McKinsey Quarterly, May 2013); www.mckinsey.com/insights/high_tech_telecoms_internet/ten_it-enabled_business_trends_for_the_decade_ahead

Report: Global Trends 2030: Alternative Worlds (National Intelligence Council, 2013)—**read summary of full report;** <http://www.dni.gov/index.php/about/organization/national-intelligence-council-global-trends>

Article: The Four Global Forces Breaking All the Trends (McKinsey Quarterly, April 2015); http://www.mckinsey.com/insights/strategy/the_four_global_forces_breaking_all_the_trends

Book Excerpt: *Competitor Analysis: Understand Your Opponents (Marketer's Toolkit: The 10 Strategies You Need to Succeed* (HBS Press), 2006)

Article: *The Five Competitive Forces That Shape Strategy* (Porter, Harvard Business Review, January 2008)

Case: *Cola Wars Continue: Coke and Pepsi in 2010* (Yoffee and Kim, Harvard Business School, 2011)

BLOG SUBMISSION #2 DUE BY 8 A.M. ON JUNE 5TH

Week 4: Internal Organizational Analysis and Developing Strategic Options (Part I)

Article: *The Coherence Premium* (Leinwand and Mainardi, Harvard Business Review, June 2010)

Case: *Southwest Airlines: In a Different World* (Heskett and Sasser, Harvard Business School, 2010)

Article: *Seven Ways to Fail Big* (Carroll and Mui, Harvard Business Review, Sept '08)

Article: *GE Goes With What It Knows* (NY Times, December 4, 2010);

http://www.nytimes.com/2010/12/05/business/05ge.html?pagewanted=all&_r=0

Article: *CEO Jeff Immelt on Transforming GE* (Business Insider, December 22, 2015);

<http://www.businessinsider.com/interview-with-ge-ceo-jeff-immelt-on-transforming-ge-2015-12>

Case: *GE's Growth Strategy: The Immelt Initiative* (Bartlett, Harvard Business School, 2006)

BLOG SUBMISSION #3 DUE BY 8 A.M. ON JUNE 12TH

Week 5: Developing Strategic Options (Part II)

Book Excerpt: *Why Good Companies Fail to Thrive in Fast Moving Industries and Discovering New and Emerging Markets* (Christensen, Introduction to and Chapter 7 of *The Innovator's Dilemma*, 1997)

Article: *Cisco's CEO on Staying Ahead of Technology Shifts* (Chambers, Harvard Business Review, May 2015); <https://hbr.org/2015/05/ciscos-ceo-on-staying-ahead-of-technology-shifts>

Strategic Innovation Simulation: *Back Bay Battery (v2)* (Christensen and Shih, April 2012)

BLOG SUBMISSION #4 DUE BY 8 A.M. ON JUNE 19TH

Week 6: Taking Strategy From Development to Implementation

Article: *Can You Say What Your Strategy Is?* (Collis and Rukstad, Harvard Business Review, April 2008)

Article: *Bringing Science to the Art of Strategy* (Lafley, Martin, Rivin, and Siggelkow, Harvard Business Review, September 2012)

Case: *Ben and Jerry's Homemade Ice Cream: A Period of Transition* (Collins, Harvard Business School, 1996)

Week 7 (Optional): The Future of Strategy

[The following articles and cases are not included in the course pack but referenced in the lecture and worth considering if you're interested in these areas.]

Article: *Strategies That Fit Emerging Markets* (Khanna, Palepu, and Sinha, Harvard Business Review, June 2005)

Case: *Lincoln Electric* (Siegel, Harvard Business School, 2006)

Article: *Creating Shared Value* (Porter and Kramer, Harvard Business Review, January-February 2011)

Case: *ITC Limited's Dairy Development Initiative* (Chaudhri and Kaul, Ivey School of Business, 2013)

SUPPLEMENTAL STUDY QUESTIONS

Note: These are meant to guide your case analysis; I do not expect written responses except for Cola Wars and Ben and Jerry's.

Week 2 – KaBOOM!

1. What is your evaluation of KaBOOM!'s approach to partnering? Value to each partner? Key success factors?
2. What do you think of the organization's possible shift to emphasizing indirect builds? To advocacy?
3. How would you implement such new strategies?

Week 2 – City of Charlotte

1. What do you think of Charlotte's Mission Statement and Vision?
2. What are the pros and cons of Charlotte's government structure, i.e. part-time elected officials and appointed city manager, attorney, clerk, etc.? How does it compare to other government structures with which you are familiar?
3. What do you think Charlotte did well in the implementation of the BSC? What have they not done well and how could they improve?
4. Do you like the Balanced Scorecards developed by Charlotte as shown in the exhibits? Do you think they are useful? If not, why not?
5. Have you ever worked for an organization with a Balanced Scorecard or something similar? Was the scorecard explicitly tied to the organization's strategy? How successful was the scorecard in driving actions that supported the strategy?
6. The two cases for this week focused on a not-for-profit organization (KaBOOM!) and a government (Charlotte). Do organizations view strategic planning differently depending on if they are 1) for-profit, 2) not-for-profit or 3) government/municipality? And do they place the same emphasis on measuring the results of their efforts to ensure that they are meeting their strategic objectives? If, in reality, strategic planning is different depending on the type of organization, why does that happen, i.e., what is it about the environment, circumstances, etc. that causes for-profit organizations to perform strategic planning differently?
7. Think about how you would implement a Balanced Scorecard for the organization where you currently work or worked most recently. What would be the key objectives in each of the four categories: customer, financial, internal process and innovation/learning?

Week 3 - Cola Wars Continue: Coke and Pepsi in 2010

1. Why, historically, has the soft drink industry been so profitable? How has the competition between Coke and Pepsi affected the industry's profits?
2. Compare the economics of the concentrate business to that of the bottling business: Why is the profitability so different?
3. How can Coke and Pepsi sustain their profits in the wake of flattening demand and the growing popularity of non-CSDs (non-Carbonated Soft Drinks)?

Week 4 – Southwest Airlines: In a Different World

1. Why has Southwest been so much more successful than its competitors? In answering this question, consider the following four topics: 1) Who is Southwest's target market? 2) What is the customer experience like when flying Southwest? 3) What does Southwest do operationally with regards to airports, planes, fuel, etc.? and 4) What are Southwest's HR policies and what is expected of employees?
2. How has the original strategy been altered in recent years? How, if at all, have these changes affected Southwest's key success factors?
3. Would you recommend that Southwest Airlines acquire the gates and slots available at LaGuardia Airport? Why or why not?
4. How does this decision fit with others that the airline's management has made recently or faces in the future?

Week 4 – GE's Growth Strategy: The Immelt Initiative

1. How difficult was the task facing Immelt as he assumed the CEO role in 2001? What is forcing him to consider change, especially when one considers how well GE has done the previous 20 years?
2. What do you think of the broad objectives Immelt has set for GE? Can a giant global conglomerate hope to outperform the overall market growth? Can size and diversity be made an asset rather than a liability?
3. What is your evaluation of the growth strategy Immelt has articulated? Is he betting on the right things to drive growth?
4. After 4 ½ years, is Immelt succeeding in his objectives? How well is he implementing his strategy? What are his greatest achievements? What is most worrying to you?
5. What advice would you offer to Immelt as he faces the next stage of his leadership of GE?

Week 5 – Back Bay Battery (Pre-Simulation)

1. Please read the article "Why Good Companies Fail to Thrive in Fast Moving Industries"
2. Please do the simulation BEFORE the "case" lecture for the week gets posted on Thursday, June 22nd – this is a requirement. When you log into the simulation, you will be provided with two pieces of background information: an 8-page, downloadable pdf and a brief (7 minutes) video. I will allow you to run the simulation up to two times on your own.
3. If for some reason the simulation is not running correctly, I recommend that you reboot your computer or try it on another computer before contacting me or HBS Publishing. Believe it or not, every semester a couple of students have technical problems, which are easily resolved by rebooting or using a friend's computer. Another trick is to clear your browser's browsing history: I once had an issue with the simulation using Google Chrome, so I cleared my browser's history from "the beginning of time", rebooted my computer, and the simulation worked. However, don't hesitate to get in touch if you are truly stuck – I can be reached at 412-735-4077.
4. I will monitor your results running the simulation throughout the week (the "easier" simulation period will conclude at noon on Wednesday, June 21st).

5. After noon on June 21st, the simulation will be set to the more advanced level where you can try it while entering annual sales estimates. If your estimates are too far off, you run the risk of getting fired!

Post-Simulation

1. What did you learn during the simulation?
2. What was difficult about playing the simulation?
3. What did you struggle with most as you thought about how you would allocate your R&D investment dollars?
4. What specific information did you concentrate on during each decision-making round?
5. What do you think it takes to win, i.e., what comprises a winning strategy in this simulation?
6. Have you worked for an organization facing a disruptive innovation? What happened?
7. Can you envision a disruptive innovation impacting an organization you have worked for? What could happen?

Week 6 – Ben and Jerry’s Homemade Ice Cream

1. What issues is Ben and Jerry’s Homemade Ice Cream Inc. facing in 1995?
2. In addition to the issues identified in the question above, are there other issues that Bob Holland is facing as he takes over Ben and Jerry’s?
3. Is the first-ever financial loss in 1994 due solely to the \$6.8 million write-down of the new factory or is something else going on? Are some components of Ben and Jerry’s cost structure higher than their competitors’?
4. At the time of the case, does Ben and Jerry’s have a clear and coherent strategy? Articulate it if you can.
5. What should Ben and Jerry’s strategy be going forward? In particular, how should they address quality, their requirement to use “Vermont natural dairy” ingredients, the company’s “Hippie” culture, their cost structure, diversification (both in products and geography), etc. Consider how the first three steps in the “Bringing Science to the Art of Strategy” article could be used to formulate the strategy.
6. Based on your answer to question #5 above, how should Bob Holland implement the strategy? What actions should he take? What will be the biggest obstacles to implementing the strategy?

Week 7 – Lincoln Electric

1. Should Lincoln Electric expand into India by investing in a major production facility there?
2. If you were to expand into India, would you enter through acquisition, a greenfield site, or some type of joint venture? Which factors would inform your decision among these entry mode choices?
3. In which countries is Lincoln Electric likely to be most successful or least successful? Why? How would this guide your own choice of where to place Lincoln Electric's production facilities abroad?
4. When Lincoln Electric goes to India and other countries, what factors should determine how much it adapts its core incentive pay-for-performance management practices to local labor market norms? Should Lincoln Electric follow the adage "when in Rome, do as the Romans do," or should it seek to always replicate the recipe behind its success in the home plant in Cleveland?

Week 7 – ITC Limited's Dairy Development Initiative

1. What are the benefits of e-Choupal for farmers and for ITC? How did ITC leverage e-Choupal to develop new food products?
2. Why did ITC develop the "social and farm forestry program" described on pages 5 and 6 of the case? What are the benefits of this program for farmers and for ITC?
3. How has the concept of "creating shared value" been woven into ITC's overall corporate strategy? Look for examples in the case of how ITC has: 1) reconceived products and markets, 2) redefined productivity in the value chain, and 3) enabled local cluster development (the three key ways to create shared value, per the article by Porter and Kramer)
4. Can ITC's existing model of creating shared value be applied to dairy development? Why or why not?