

Carnegie Mellon University H. John Heinz III College
Strategy Development – 94811 Section B1, Fall 2021
Course Overview and Syllabus

Instructor

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Course Description

This course introduces students to frameworks for understanding strategy development and implementation. Through a combination of theory and practice, students will be exposed to processes for formulating a sound, rational business strategy as well as the discipline required to successfully implement that strategy. Course activities and concepts include: 1) situational and environmental analysis, 2) internal capabilities assessment, and 3) appropriate linkage to an organization's vision, mission, objectives, and historical performance. 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 development in government entities and nonprofits as well. There are no prerequisite courses.

Course Objectives

Learning Objective	How Assessed
Understand a broad overview of strategic thinking, strategy development, and tactical execution in a variety of contexts.	Class participation; case discussion, assignments, discussion board
Describe and utilize foundational concepts and frameworks that are used "in the real world" to craft winning strategies.	Class participation; case discussion, assignments, discussion board
Identify and clearly define a problem/issue; analyze and question data and information in a rigorous manner.	Class participation; case discussion, assignments, discussion board
Listen to, respect and heed the advice and ideas of others	Class participation; case discussion, assignments, discussion board

Course Materials (all materials are listed in the Course Schedule section of this syllabus)

- 1) 6 Case studies
- 2) Articles (there is no textbook for the class)
- 3) NOTE: All materials are on Canvas. Harvard Business School charges for articles and cases, and students will receive a \$20 charge to their student accounts at the conclusion of the Drop / Add period.

Class Structure

Classes typically consist of one case discussion and a review of the associated reading material. The readings are meant to provide theory and frameworks to assist in case analysis. Instructions for each class and questions to assist with case analysis are included in the 'Course Schedule' section of this syllabus. For classes where no case study is assigned, students are still required to complete the readings to be prepared for discussion.

Expectations

Typically, cases require 2 to 3 hours of preparation and readings/articles require 1 hour of preparation before the class date noted on the syllabus. It is expected that everyone will be prepared to discuss the cases and the readings. Please do not research companies in the cases to see what decisions they actually made unless specifically asked to do so. You are permitted and encouraged to discuss cases and reading material before class in a study group with other members of the class.

Class Attendance and Participation

Class attendance and participation are critical for successful completion of the course. All students should actively engage in class discussions with the instructor, guest lecturers and one another, and be prepared to correctly answer questions about that day's case, readings, or general topic. Attendance will be taken at every class, and participation will be noted as well. Students who attend every class and participate actively and meaningfully will receive a higher score. Impromptu questions and exercises will assess student preparation and readiness for class and will also be incorporated into the class participation score.

Absences: Students are permitted one absence during the mini, which can be used for illness, travel, a job interview, or other reason. Additional absences will result in a lower score. If you must miss a class, please notify me with as much advanced notice as possible. For any class that you miss, you are responsible for obtaining the notes and related materials from another student.

Assignments and Discussion Board Posts

Students will be required to submit 4 out of 5 assignments to the Canvas discussion board, according to the "Assignment Due Date Schedule" table below. These posts will cover lectures, required readings, class discussions and guest lectures. Students will also be required to respond to a fellow student's post as the second part of the assignment. Instructions regarding discussion board assignments can be found on Canvas under the Module for the first day of class.

Course Performance Evaluation

Performance will be evaluated based on the following:

Assignment 1	12%
Assignment 2	15%
Assignment 3	18%
Assignment 4	20%
Assignment 5	15%
Class Attendance and Participation	20%

Total course grade 100%

Final grades are based on a curve and are assigned based on your *relative* performance in comparison to classmates' performance. The Heinz College faculty has endorsed guidelines for assigning grades, stating that the mean grade in an elective course should be approximately 3.5 (B+).

Assignment Due Date Schedule (the first two items are not graded, but are required)

Assignment	Where to Submit	Deadline for Original Post: 11:59pm	Deadline for Response Post: 11:59pm
Syllabus Attestation	Assignments	Wednesday Sept. 1	N/A
Company Selection	Discussion Board	Thursday Sept. 2	N/A
1	Discussion Board	Monday Sept. 6	Tuesday Sept. 7
2	Discussion Board	Monday Sept. 13	Tuesday Sept. 14
3	Discussion Board	Monday Sept. 20	Tuesday Sept. 21
4	Discussion Board	Monday Sept. 27	Tuesday Sept. 28
5	Assignments	Monday Oct. 11	N/A

Questions Regarding the Course or Assignments

All questions regarding the course should be posted to the Canvas discussion board. In this way, all students will be able to review answers to questions. Students are strongly encouraged to monitor the discussion board on a regular basis to ensure that they have up to date information. Please note that questions received via e-mail or phone, and last-minute questions may not be answered. The Canvas discussion board is also for you to interact with others in the course. Feel free to post questions, comments, and items of interest on this bulletin board. Personal questions regarding the course should be directed to the instructor.

Use of Electronic Devices

Laptops, tablets, cell phones and other electronic devices are not permitted in class. There are two reasons for this:

- Research on learning shows that unexpected noises and movement automatically divert and capture people's attention, which means you are affecting everyone's learning experience if your cell phone, laptop, etc. makes noise or is visually distracting during class.
- The use of electronic devices in past courses has demonstrated that they are too distracting for students and can have an adverse effect on class performance.

If there is a specific day when students will require laptops during class, advance notice will be given.

Recording of Class Sessions

No student may record or tape any classroom activity without the express written consent of the instructor. If a student believes that he/she is disabled and needs to record or tape classroom activities, he/she should contact the Office of Equal Opportunity Services, Disability Resources to request an appropriate accommodation

Communication Assistance

For assistance with the written or oral communication assignments in this class, visit the Global Communication Center (GCC). GCC tutors can provide instruction on a range of communication topics and can help you improve your papers and presentations. The GCC is a free service, open to all students, and located in Hunt library. You can make tutoring appointments directly on the GCC website at <http://www.cmu.edu/gcc>. You may also find out about communication workshops offered at <http://www.cmu.edu/gcc/workshops/GCC%20Workshops.html>.

SPECIAL REQUIREMENTS RELATING TO COVID-19

For Our In-Person Course

The modality for this course is In Person Expectation (IPE). In order to attend class in person, I expect that you will abide by all behaviors indicated in [The Tartan's Responsibility](#), including any timely updates based on the current conditions. In terms of specific expectations for in-person students, this includes wearing a facial covering throughout class if mandated by the university. If you do not wear a facial covering to class, I will ask you to put one on (and if you do not have one with you, you will need to procure one). If you do not comply, please remember that you will be subject to student conduct proceedings, up to and including removal from CMU. Accordingly, I will be obliged to take other measures for the safety of the whole class.

If We Need to Go Fully Remote

If the class needs to go fully remote, you will receive an email from me and an announcement will be published on our course website on Canvas. If this happens, I will create Zoom links which will be available on Canvas. Please make sure that your Internet connection and equipment are set up to use Zoom and able to share audio and video during class meetings. (See [this page](#) from Computing Resources for information on the technology you are likely to need.) Let me know at synnott@cmu.edu if there is a gap in your technology set-up as soon as possible, and we can see about finding solutions. If we do need to use Zoom, students are expected to have their cameras on during class.

Ethical Standards

Students are expected to maintain the highest ethical standards with respect to plagiarism and cheating. Neither plagiarism nor cheating will be tolerated on any exercises, quizzes, exams or assignments. Students may collaborate with others only when expressly permitted by the instructor. Students who violate academic standards will at a minimum receive a failing grade for the assignment, and may also receive a failing grade for the course. Such cases will be referred to the Associate Dean, who may decide to take further action.

COURSE SCHEDULE

For each class listed below, there are 'Instructions and Study Questions' to be used to guide and assist as you prepare for class. I do not expect written responses to these 'Instructions and Study Questions'; however, if students appear to be unprepared for class sessions, I may require written answers at a later point in the course. Note that these study questions are **not** to be answered for the Assignments, which are detailed on Canvas.

Monday August 30, 2021

Topic: Class Introduction and Introduction to the Case Method

Reading Assignment – to be read prior to class

1. Course Syllabus (on Canvas)
2. "The Case Method" by David Lassman (on Canvas)

Video – to be watched prior to class

1. Strategic Planning Lecture (on Canvas)

Instructions and Study Questions:

1. Please read the course syllabus and the article, "The Case Method," and watch the pre-recorded lecture in preparation for our first class.
2. Sign the Syllabus Attestation (on Canvas)
3. Ensure that you will receive all course notifications. Go to: Canvas / Account (Upper Left) / Notifications then select the checkmarks next to three areas: Announcement, Discussion and Discussion Post.

Wednesday September 1, 2021

Topic: Industry Analysis: the Five Forces

Case and Article Assignment: to be read prior to class

1. Cola Wars Continue: Coke and Pepsi in 2010 (HBS 9-711-462)
2. "The Five Competitive Forces That Shape Strategy" by Michael Porter (HBS R0801E)

Instructions and Study Questions:

1. Analyze the cola industry using the '5 Competitive Forces' model.
 - a) Potential Entrants: Why haven't others successfully challenged Coke and Pepsi? What are the barriers to entry?
 - b) Substitute Products: What are the substitute products and how are they doing relative to Coke and Pepsi?
 - c) Power of Suppliers: Consider the power of suppliers of cans, sweetener, and other raw materials
 - d) Power of Customers/Buyers: Consider the power of bottlers, sellers (grocery, restaurant, etc.) and end-users (customer who drink the CSD)
 - e) Cola Industry Rivals: Who are the rivals, including Coke and Pepsi, and how do they differentiate themselves? How many are there?
2. Why, historically, has the soft drink industry been so profitable? How has the competition between Coke and Pepsi affected the industry's profits?
3. How have the 'Cola Wars' played out over the years, i.e. who have been the 'winners' and who have been the 'losers'? Who is winning now?
4. 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)?

Thursday September 2, 2021 – Discussion Board Post Due – Company Selection

Monday September 6, 2021 – NO CLASS due to holiday

Monday September 6, 2021 – Assignment 1 Due (on Canvas Discussion Board)

Tuesday September 7, 2021 – Response Post Due

Wednesday September 8, 2021

Topic: Vision, Capabilities and Coherence

Case and Article Assignment: to be read prior to class

1. Southwest Airlines: In a Different World (HBS 9-910-419)
2. “What Is Strategy?” by Michael Porter (HBS 96608)
3. “The Coherence Premium” by Paul Leinwand and Cesare Mainardi (HBS R1006F)

Instructions and Study Questions:

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?

Monday September 13, 2021

Topic: Vision, Capabilities, Coherence in Health Care

Case and Article Assignment: to be read prior to class

1. Shouldice Hospital Limited (HBS 9-805-002)
2. “Why Strategy Matters Now” by Michael Porter and Thomas Lee, The New England Journal of Medicine, April 30, 2015. (on Canvas)

Instructions and Study Questions:

1. How successful is Shouldice Hospital? In answering this, consider the following four questions: 1) Who is Shouldice Hospital’s target market? 2) What is the patient experience like, from the first contact with Shouldice through to the ‘patient reunions’? 3) What does Shouldice do operationally with regards to facilities, procedures, etc.? and 4) What are Shouldice’s HR practices and what is expected of employees?
2. What are the biggest risk factors for Shouldice going forward?
3. As Dr. Burns Shouldice (50% owner of the hospital), what actions, if any, would you take to expand the hospital’s capacity? How would you implement the changes you propose?

Monday September 13, 2021 – Assignment 2 Due (on Canvas Discussion Board)

Tuesday September 14, 2021 – Response Post Due

Wednesday September 15, 2021

Topic: Vision, Capabilities and Coherence

Case and Article Assignment: to be read prior to class

1. KaBOOM! (HBS 9-303-025)
2. “Building Your Company’s Vision” by James Collins and Jerry Porras (HBS 96501)

Instructions and Study Questions:

1. Per the first page of the case (4th paragraph), a strategic shift was being contemplated:
“Rather than just continuing to directly build playgrounds with its corporate partners, KaBOOM! would increase its emphasis on indirect builds by providing training and grant programs to help communities independently replicate the community-build playground model. Additionally, KaBOOM! would become a knowledge leader and advocate for children’s right to play.”
2. If you were Darell Hammond and the board of KaBoom!, what would you recommend, i.e. which of the strategic options would you choose and why? You may pick any one option or any combination of the options in the case, including simply sticking with the current strategy’s primary focus on directly building playgrounds with corporate partners.

Monday September 20, 2021

Topic: Entrepreneurial Strategy: The Innovator’s Dilemma

Guest Lecturer: Brendan Synnott, serial entrepreneur, Co-Founder and former CEO of Bear Naked, CEO of PACT Organic, and numerous other companies: <https://www.linkedin.com/in/brendan-synnott-8b25b46/>

Article Assignment: to be read prior to class

1. “Innovator’s Dilemma: Introduction: Why Good Companies Fail to Thrive in Fast Moving Industries” by Clayton Christensen (HBS 1713BC)
2. Chapter 7 of *The Innovator’s Dilemma*, by Clayton Christensen (on Canvas) – starts on pg. 14
3. ‘Cisco’s CEO on Staying Ahead of Technology Shifts’: <https://hbr.org/2015/05/ciscos-ceo-on-staying-ahead-of-technology-shifts> (also on Canvas)

Instructions and Study Questions: none

Monday September 20, 2021 – Assignment 3 Due (on Canvas Discussion Board)

Tuesday September 21, 2021 – Response Post Due

Wednesday September 22, 2021

Topic: Strategic Decision Making

Article Assignment: to be read prior to class

1. Chapter 1: Mental Models and Strategic Decision Making, *Transformative Planning* by Jim Austin, 2018 (on Canvas)
2. “How Management Teams Can Have a Good Fight” by Kathleen Eisenhardt, Jean Kahwajy, and L.J. Bourgeois (HBS 97402)

Instructions and Study Questions:

1. Recall examples of when you were in a group setting and experienced each of the four decision traps (frame narrowness, confirmation bias, groupthink, and attribution bias) described in the Austin book?
2. If you could go back in time, how might you have tried to avoid each decision trap?
3. Have you observed any of the four decision traps at the management levels of an organization where you worked or were part of the community?
4. Have you experienced or observed any of the team dynamics described in the “How Management Teams Can Have a Good Fight” article? What approaches were effective or ineffective in leading to a successful decision?

Monday September 27, 2021

Topic: The Balanced Scorecard

Case and Article Assignment: to be read prior to class

1. City of Charlotte (A) (HBS 9-199-036)
2. “The Balanced Scorecard – Measures That Drive Performance” by Robert Kaplan and David Norton (HBS 92105)
3. Charlotte BSC 2014 and 2019 (on Canvas)

Instructions and Study Questions:

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. While reviewing the Balanced Score Card documents posted on Canvas, consider how this information might be interpreted by different stakeholders: city employees, residents, politicians, etc. If you are a citizen of Charlotte – or a politician or an employee – how does this information make you feel about living and/or working there? How does this compare to other municipalities' efforts to disseminate strategic information?

Monday September 27, 2021 – Assignment 4 Due (on Canvas Discussion Board)

Tuesday September 28, 2021 – Response Post Due

Wednesday September 29, 2021

Topic: Creating Shared Value

Article Assignment: to be read prior to class

1. "Creating Shared Value" by Michael Porter and Mark Kramer (HBS R1101C)

Instructions and Study Questions:

1. Has the company you have been studying focused on corporate social responsibility and/or has it prioritized the creation of shared value? What evidence have you found?
2. If your company has not attempted to create shared value, how do you recommend that it do so?

Monday October 4, 2021

Topic: Developing Strategic Options; Mergers and Affiliations

Article Assignment: to be read prior to class

1. "Why Good Companies Go Bad" by Donald N. Sull (HBS 99410)
2. "Seven Ways to Fail Big" by Paul Carroll and Chunka Mui (HBS R0809F)
3. "Not All M&As Are Alike – And That Matters" by Joseph L. Bower (HBS R0103F)

Instructions and Study Questions:

1. Review the news or search the internet for an example of a company that attempted, completed and/or failed to affiliate with another company (mergers, acquisitions, alliances or partnerships):
 - a. Was there a stated reason for the affiliation?
 - b. Do you believe the stated reason was the actual reason?
 - c. Identify what type of affiliation it was based on the Bower article (#3 article above)
 - d. Do you believe the affiliation was a wise strategy? Why or why not?

Wednesday October 6, 2021

Topic: Strategy Implementation

Case and Article Assignment: to be read prior to class

1. Ben and Jerry's Homemade Ice Cream: A Period of Transition (HBS 9-796-109)
2. "Bringing Science to the Art of Strategy" by A.G.Lafley, Roger Martin, Jan Rivkin and Nicolaj Siggelkow (HBS R1209C)

Instructions and Study Questions:

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? 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?

Monday October 11, 2021 – LAST DAY OF CLASS

Topic: End of Course Review and Discussion

Article Assignment: None

Instructions and Study Questions: None

Monday October 11, 2021 – Assignment 5 Due (Under the Assignments Section of Canvas)