B5502 STRATEGY FORMULATION (EMBA)
FALL 2020

Professor D. Daniel Keum
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Office Hours:
Tuesdays, 9:00PM-10:00PM US Eastern Time
Wednesdays, 8:00PM-9:00PM US Eastern Time
Fridays, 2:00 PM - 4:30 PM US Eastern Time

Teaching Assistants:
Rick Bae, sanggi.b@columbia.edu

COURSE DESCRIPTION
This course provides an introduction to strategic management. “Strategy Formulation” has two broad goals. The first is to understand why some companies are financially much more successful than others. Second, we will analyze how managers can devise a set of actions (“the strategy”) and design processes that allow their company to obtain a financial advantage. To gain a better understanding of strategic issues and begin to master the analytic tools that strategists use, we will study the strategic decisions of companies in many different industries and countries, ranging from U.S. technology firms to a Spanish fashion retailer, a Danish shipping company, and a African ecommerce platform.

The course material is grouped in three modules. The first, titled “Competitive Advantage,” shows what companies can do to outperform their rivals. The second module, “Competitive Dynamics,” analyzes the competitive moves of rival firms. This module relies heavily on game-theoretic concepts. In the final module, “Corporate Strategy,” we will ask when it makes sense for companies to diversify and globalize their business. In all modules, we will emphasize how frameworks used to make strategic decisions might be more or less useful as firms confront technological change, digitization, and new social issues.

REQUIRED COURSE MATERIALS
Cases and Course Module Notes are posted as PDFs online on Canvas.

COURSE OBJECTIVES
The primary objective of Strategy Formulation is for you to analyze the sources of companies’ competitive advantage. This skill is not only critical for positions in general management but also for those who aspire to careers in banking, consulting, non-profit, social enterprise, and start-up environments. The course will provide the analytic tools to analyze competitors, predict competitor behavior, and understand how firms can develop and sustain advantages over time.
METHOD OF EVALUATION

<table>
<thead>
<tr>
<th>Class Participation</th>
<th>40%</th>
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<tbody>
<tr>
<td>Midterm Group Project</td>
<td>20%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40%</td>
</tr>
</tbody>
</table>

All of your assignment submissions are subject to the CBS Honor Code. Violations of the CBS Honor Code may lead to failing the assignment, failing the course, suspension, and/or dismissal. In order to avoid ambiguity that may lead to unintentional violations of the Honor Code, assignment description types have been standardized and specified below.

<table>
<thead>
<tr>
<th>Type</th>
<th>Designation</th>
<th>Grade</th>
<th>Preparation of submission</th>
<th>Discussion of Submission*</th>
<th>Discussion of Concepts**</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Group Work</td>
<td>Same grade for all group members</td>
<td>By the group</td>
<td>Permitted to discuss (within group)</td>
<td>Permitted</td>
</tr>
<tr>
<td>B¹</td>
<td>Individual w/ Discussions of Concepts and Submission</td>
<td>Individual grade</td>
<td>Individual preparation</td>
<td>Permitted to discuss; sharing solutions or submission files is not allowed</td>
<td>Permitted</td>
</tr>
<tr>
<td>B²</td>
<td>Individual w/ Discussions of Concepts Only</td>
<td>Individual grade</td>
<td>Individual preparation</td>
<td>Not permitted to share/discuss solutions or submission</td>
<td>Permitted</td>
</tr>
<tr>
<td>C</td>
<td>Individual</td>
<td>Individual grade</td>
<td>Individual preparation</td>
<td>Not permitted to share/discuss solutions or submission</td>
<td>Not permitted***</td>
</tr>
</tbody>
</table>

* The designated group can be either an assigned study group or a self-selected one.

** Submission means any work and/or output pertaining to the specific assignment. If an assignment submission contains a calculation or decision related to a specific set of data and setting, discussing the details how to make this calculation or decision with regard the data/setting is to discuss the submission. Providing another student with a draft of the calculation or decision is sharing the submission.

*** Concepts mean any ideas, examples, readings, or other related materials from the class/course. Conceptual discussion should not be based on a specific set of data or setting related to a calculation or decision required in the assignment, but could be based on other related examples, preferably those from class/course materials.

** As no conceptual discussion is permitted, Type C is akin to a take-home exam.

Class Participation

An important course requirement is active involvement in class discussion. Your participation is essential for both your own learning and that of other students. Because Strategy Formulation is a case-based course, much of the learning will take place in our discussion of the business cases. We expect that every student will arrive well prepared and able to answer the day’s assignment questions. In our experience, it is helpful to meet in study groups to discuss the case and the assignment questions before class. Grading will differ slightly for students taking synchronously and asynchronously.

For Remote Synchronous and In-Person Students

40% of your overall course grade will be your participation grade, which is further decomposed into two components: 1) Poll question completion (10%), 2) Frequency and Quality of participation in class discussion (30%).

There is one poll question for each case we will study. Poll questions will be posted as assignments in your Canvas Calendar for Strategy Formulation. They require you to read the relevant case and give a 3-5 sentence response to an open-ended question. You must submit your answer to the poll question through Canvas by 8 AM on the day we discuss
the relevant case in class. The poll question is designated as assignment type B² (Individual preparation and grading; discussions of concepts are permitted).

Both the frequency and quality of your participation in class discussion will be affected by non-attendance. Not coming to a class means that you will not have a chance to take part in class discussion, which is a critical component of your overall grade. As part of your participation, please bring your smartphone to class so that you can cast your vote for in-class polls via a Poll Everywhere link that will be provided during class.

Please note that a TA will be recording student participation in class. Your participation grade will NOT be based on the TA’s records alone. The main purpose of the TA’s record-keeping is to ensure that certain students are not unfairly being given too many or too few opportunities to speak in class. In other words, the TA’s presence is meant to keep my management of the class discussion in check. In some cases, the TA’s records will be used to verify specific instances of student participation that particularly stood out in terms of quality. In terms of the quality of participation, the best class comments:

- Articulate a clear stance or argument.
- Raise issues from past classes or current events or other anecdotes that are relevant to the discussion.
- Show curiosity and a willingness to experiment.
- Use data or examples to support conclusions.
- Help others feel safe about participating by inviting further discussion or summarizing points that have already been made by your classmates.

I will cold call throughout the class, so be prepared to answer any questions regarding the details of the case, and to articulate your opinions about the assignment questions. Because the class is primarily discussion-based, if you have any reservations or question about participating in class at any time, I encourage you to email me to meet.

Finally, although the primary way to take part in class discussion is to actively do so with your voice, for some discussion formats, I will explicitly allow you to earn participation credit by submitting substantive and relevant comments and questions in the virtual chat function during class. The TA will monitor the chatbox, and I will ask the TA to occasionally contribute with any items from the chat window.

Below are some tips for preparing for a class discussion:

- Before reading a case, always read the “guiding questions” in the relevant session of your Canvas calendar.
- Take notes while you read the case to help you diagnose the key problems the case describes.
- Re-read your response to the session’s poll question, as it will almost always be part of our class discussion.
- I encourage you to have a printed copy of the case in class so that you can refer to it during our discussion without distraction from your laptop.

*For Asynchronous Remote Students*

If are remote, and your class time falls within the hours of 6 AM to 11 PM in your time zone, you must attend the class synchronously. If your class time falls outside of this window, we still encourage you to strive to be live and
synchronous, but also understand if that is not possible. Prior to the first of class, please confirm via a survey on Canvas whether you will be attending synchronously or asynchronously for the rest of the semester’s sessions.

40% of your overall course grade will be your participation grade, which is further decomposed into two components: 1) Poll question completion (10%, see description above), 2) News article or media submission (30%).

For remote students attending asynchronously, to receive participation credit for a session, you must do the following (in addition to submitting poll question answers and other assignments on time):

- At least one day prior to the next session, you must email me and your TA a relevant news article, blog post, podcast episode, video, or other media relevant to some aspect of the discussion.
- In your email, please write a paragraph about the content of the article’s relevance to the material covered during the session’s class discussion. Please make sure it contains the following elements:
  - The key takeaways from the article.
  - An explanation of how the article relates to a substantive item, concept, issue, or question that came up during the class discussion.
  - A reference the person who brought it up in class – this can either be me or one of your classmates.
  - At least one discussion question that was not covered in the class.
- If the article you post is similar in content to an article already posted about the same session by another classmate, make sure that you raise different points and discussion questions.
- For example, if you asynchronously attended a session on the Zara case that ends at 9 PM US Eastern Time on Sep. 8. You must email me a relevant article and paragraph on Canvas by 9 PM US ET on Sep. 14.
- At the beginning of each class session, I will do my best to present and include your submitted news article to the class, so that you can hear reactions and exchange from your fellow classmates.

**Midterm Group Project**
The midterm project will be a group write-up of the “Samsung Electronics” case as well as a slide presentation summarizing your write up. Your write-up is due by **10 PM on the day before Session 3.** The write-up will be a response (1,800 word maximum) to the midterm questions, which will be distributed to you during the **first week of class.** You must also create a less than 9-slide presentation summarizing your write-up, also due by email to me by **10 PM on the day before session 3.** Your group is your assigned learning team. The Midterm is designated as **assignment type A** (Group preparation and grading; discussions within group is permitted, but not between groups).

**Final Exam**
The take-home final exam will be distributed on **Monday, October 19 at 12 PM (Noon).** You will be analyzing a case. The exam is open book; you are welcome to refer to all of the cases, course readings, and your notes during the exam. The final exam is assignment type C (individual preparation and grading; no discussion is allowed). **It will be due Wednesday, October 28, by 12 PM.** From the time you click into the exam (which will be recorded on Canvas), you will have 5 hours to submit it (which will also be recorded on Canvas).

Students who fail to submit the exam and have not notified OSA and the course instructor to make other arrangements prior to the exam date will receive an **F for the course grade**
ATTENDANCE POLICY

For in-person and synchronous remote students, Attendance will be recorded at the beginning of each class by the in-class poll questions and the TA. If you forget your phone, or have technical difficulties answering the in-class poll questions, please talk to me before or after class.

If you cannot attend class due to unavoidable circumstances, I expect you to send me an email prior to class, notifying me of your absence. Please note that any unexcused absences will significantly impact your overall grade for the course. In addition, the Office of Student Affairs requires that you submit a Core Excused Absence Form, the link to which you can also access on the course page in Canvas. Unexcused absences will affect your course grade as follows:

- Students that miss more than 33% of their classes (unexcused absences) will at most receive a P for the course grade
- Students that miss more than 50% of their classes (unexcused absences) will receive a F for the course grade

I encourage students who had to miss a session to ask their classmates for notes and lecture slides. However, it is considered an honor code violation to consult any materials from past sections of Strategy Formulation. Similarly, you must not share class materials with future students.

If you must miss a session on a given day, you can make up for it by attending another section of Strategy Formulation at a different timeslot on the same day. In particular, you may only attend another session taught by me, but not a different instructor because the material might be slightly different which could result in inconsistency in your assimilation of the material in the class.

If you are attending asynchronously, your attendance will be recorded based on your email submission of a news article and your description via Canvas (described in the ‘Class Participation: Asynchronous Remote Students’ section above). Failure to submit the assignment on time will result in an unexcused absence.
COLUMBIA CORE CULTURE

The purpose of Columbia Core Culture is to promote the values of a consistent classroom environment of mutual respect, preparation and engagement in all courses. Students are expected to adhere to the same standard of behavior prescribed by Core Culture and Honor Code in traditional in-person, fully remote and Hyflex classes.

Present: Students should be on time and present for the entire session.

- Faculty are expected to start and end class on time and students are expected to be ready to begin class on time. You should arrive to class 10 minutes early. For synchronous remote students, this will ensure you can address any technical difficulties before class starts. For those students attending in-person, this will give instructors the opportunity to assign seating (if decided). An instructor can choose to factor consistent lateness into a student’s participation grade. Asynchronous students are expected to watch course recordings in a timely manner (generally within 24 hours).
- For in-person students, you must wear your mask fully covering your mouth and nose at all times, to protect yourselves and your peers from the risk of spreading COVID.
- For in-person students, you are required to bring your laptop (or web-enabled device) to class (as feasible) and to join the Zoom meeting, without connecting to audio or video (until advised differently by your instructor). You will also be asked to bring a headset. This will allow for in-person and remote students to remain connected during the live class; and for the professor to create Breakout Rooms that combine students across both modalities.
- For synchronous remote students only, your camera must be turned on upon joining the room unless otherwise requested by your instructor.
- While electronic devices are necessary for remote instruction, they should only be used for educational purposes during class time. In other words, you are always expected to have Zoom as the active screen on your computer.
- Make sure your full name is visible to the instructor and as best as possible to your peers. All students are expected to rename yourself in Zoom as your name appears in Canvas. For those students attending in-person, also make sure you bring your name card and have it prominently displayed. To foster an inclusive class environment, we strongly encourage remote students to use ITG’s Zoom virtual background generator to make your name and preferred pronouns highly visible.
- Please remain on mute (unless asked to speak) and dress appropriately when attending to avoid distractions.
- As a general rule, if you wouldn’t engage in behavior or make a comment in a traditional classroom, please do not do so in a virtual or Hyflex one.

Prepared: Students should complete pre-work needed for class.

- Expect cold-calling. For remote students, your instructor will share expectations on how to answer when cold-called (i.e., unmute yourself, type in the chat box, etc.)
- Expect to use PollEverywhere during class, and that part of a student’s participation grade is to participate in polling questions.

Participate: All courses will have a meaningful component of the final grade attached to preparation and participation.

- Communications will be respectful. Inappropriate language will not be tolerated, and the faculty member has the right to determine what is inappropriate.
- Everyone’s comments are important. The diversity of experience among members of the class will enhance learning. All students will be treated equitably within the classroom. The classroom is a place of expression and discussion. Be courteous to others and do not interrupt when another student is speaking.
<table>
<thead>
<tr>
<th>Session</th>
<th>Class Dates</th>
<th>Module</th>
<th>Key Topics</th>
<th>Case(s)</th>
<th>Other Required Reading and Assignments</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Sep. 12</td>
<td>Competitive Advantage</td>
<td>Strategic Trade-offs</td>
<td>Brooklyn Brewery: Setting the Course for Growth</td>
<td>Strategy Formulation and Competitive Advantage</td>
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<tr>
<td></td>
<td>Cluster E: 8:30AM-11:30AM</td>
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<td>Cost Leadership</td>
<td>Wal-Mart: In Search of Renewed Growth</td>
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<td>Cluster M: 12:30PM-3:30PM</td>
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<td>2</td>
<td>Sep. 26</td>
<td>Competitive Advantage</td>
<td>Differentiation; Non-Market Strategy</td>
<td>- Zara: Fast Fashion</td>
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<td>Cluster E: 3:45PM-6:45PM</td>
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<td>- Eli Lilly</td>
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<td>3</td>
<td>Oct. 3</td>
<td>Competitive Advantage</td>
<td>Network Effects, Midterm Review</td>
<td>- Apple Inc. in 2020: Vision and Strategy</td>
<td>Samsung Electronics Midterm Presentations</td>
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<td>Cluster E: 3:45PM-6:45PM</td>
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<td>4</td>
<td>Oct. 10</td>
<td>Competitive Dynamics</td>
<td>Competitor Analysis, Game Theory</td>
<td>- Airbus vs. Boeing (A)</td>
<td>Competitive Dynamics and Business Strategy</td>
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<td>- Maersk Shipping</td>
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<td>5</td>
<td>Oct. 17</td>
<td>Corporate Strategy</td>
<td>Value-Added and Contract Tests</td>
<td>- PepsiCo Snacks and Beverages: A Salty Combination?</td>
<td>Diversification and Corporate Scope</td>
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<td>- Jumia Foods</td>
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<td>6</td>
<td>Oct. 18</td>
<td>Corporate Strategy</td>
<td>Core Resources; Global Strategy</td>
<td>- The Walt Disney Company: If You Give a Mouse a Focus</td>
<td>Corporate Strategy</td>
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