



Grado en Administración y Dirección de Empresas 27322 - Strategic management

Course 2015 - 2016

Curso: 3, Semestre: 1, Créditos: 6.0

Basic information

Teachers

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Recommendations to attend this course

This subject constitutes a first approach to the strategic management of a firm. Although there are no previous requirements for studying this subject, the students should be familiar with the basic concepts of subjects from the area of Management and Organization that have been previously given in the Degree of Administración y Dirección de Empresas (i.e. Essences of Management, Internal Organization and Management). Additionally, students are strongly recommended to attend the lectures on a regular basis and to participate in the different activities that will be carried out in them.

Course Schedule and Deadlines

The activities and key dates will be communicated via the Universidad de Zaragoza e-learning platform (moodle2). The timetable of assessment activities can be consulted in the webpage of the centres where the course is taught.

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Learning outcomes that define this course

The student, in order to pass the course, will have to show her/his competence in the following skills:

- 1:**
1. Understand the concept of competitive advantage, adequately use various indicators that measure value creation within a firm, and understand the role of strategy in this process. More specifically, distinguish between economic and accounting profit, identify the levels of strategy and the most important decisions within them.
 2. Value the potential profitability that an industry offers according to the analysis of a set of basic dimensions.
 3. Make a diagnosis of the internal situation of a firm, identify its strengths and weaknesses and identify the resources and capabilities that are a source of sustainable competitive advantages.
 4. Explain the generic basic strategies, their sources and how they help to generate value from their execution.
 5. Identify the main growth strategies, know their main characteristics, and be able of formulate a corporate strategy based on the specific circumstances of the firm.

Introduction

Brief presentation of the course

Strategic Management is a compulsory course that is given in the first semester of the third year. It is an introductory course to the Strategic Management of a firm and its general objective is to study the firm and its management from an overall viewpoint. It does not focus on specific functional areas (e.g. operations, marketing, finance and accountability...) as other courses do, but on the firm as a whole.

Competences

General aims of the course

The expected results of the course respond to the following general aims

The coordination of interdependent activities within the firm corresponds to top managers, who are responsible for the long-term survival of the firm, fix the organizational objectives and determine how to achieve them. The basic functions of executive management include internal design and resource allocation, the integration of activities from different departments, the continuous adaptation to environmental changes, and the design of firm strategy. Top managers should be able of take charge of all activities related to efficiency (have resources been correctly allocated?), efficacy (have the planned objectives been achieved?) and effectiveness (have objectives been defined adequately?)

Context/Importance of the course for the master degree

Strategic Management is a course included in the block Fundamentals, Strategies and Resources of the Firm –defined in the study program of the Degree of Administración y Dirección de Empresas. This subject is based on Essences of Management, as well as on other more specific courses that analyse different functional areas of the firm (e.g., operations, human resources, marketing and finance and accountability). Top management should be able to integrate this knowledge in order to make the best decisions and develop the activities of the firm in the most efficient way, with the main aim of maximizing firm value.

After completing the course, the student will be competent in the following skills:

- 1:**
1. Making decisions and managing business organizations.

2. Knowing the operations of all the functional areas of any company or organization and having the skills to perform any task within these areas.
3. Evaluating the situation and the previous evolution of firms and organizations, and being able to acquire the relevant knowledge for taking informed decisions successfully.
4. Elaborating and writing comprehensive management projects for companies and other entities.
5. Issuing reports about specific market situations, industries, organizations, companies and their functional areas.
6. Understanding and applying professional criteria and scientific standards to the solution of economic, business and organizational problems.
7. Problem-solving capability.
8. Organization and planning capabilities.
9. Analysing and searching for information from different sources.
10. Decision-making capability.
11. Motivation towards excellence.
12. Adaptation capability to new situations.
13. Ability to put theoretical concepts into practice.

Relevance of the skills acquired in the course

Strategy has an increasing importance for firms because of the uncertainty that exists in the environment where they carry out their activities. Consequently, an adequate identification and formulation of strategy are necessary. This is an important challenge for the organization and is critical to its survival and success.

Any firm that aims to maintain high profitability rates in the long term needs a deep understanding of the characteristics and structure of the markets in which it operates. It is also important to know the key elements that determine competition in those markets. This knowledge should be combined with a diagnosis of the firm's internal strengths and weaknesses because building sustainable competitive advantages is only possible by combining the internal (resources and capabilities) and external (markets) dimensions of the organization adequately.

Strategic Management offers students the key concepts and tools to make the best strategic decisions in accordance with the dynamism and fast evolution of this field of management. Strategic Management is about how to manage organizations to achieve and maintain business success through the identification of factors that determine performance and through the implementation of a strategy to obtain the best result. Consequently, the contents of this course are of great interest to the student because it offers a good approach to these key aspects.

Evaluation

Assessment tasks

The student will prove that he/she has achieved the expected learning results by means of the following assessment tasks:

- 1:**
- An active attitude in class discussions and, at the beginning of the practical sessions, the handing in of the exercises or activities that had been previously indicated by the teachers. These practical sessions will be devoted to exercises related to program chapters, and to the presentation and discussion of recommended readings.
 - Development of a group project that consists of an in-depth analysis of a firm. Students will have to apply concepts from the course to obtain a detailed knowledge of the chosen industry. These projects will be carried out, preferably, in groups of three people. Students that decide to carry out this project will have to receive the approval of their teachers with respect to the firm selected and to hand in, on the date indicated, a preliminary proposal (around 3 pages) that explains the main objectives and the analysis to be carried out.
 - Final exam - on the date approved by each centre during the exam period in the academic calendar. This exam will have a theoretical-practical approach. The student will have to demonstrate her/his knowledge of the concepts from the programme and to interrelate them. The exam will, in general, consist of questions of

intermediate length that require the student to know and apply the knowledge accumulated during the course to the analysis of real situations.

Assessment Criteria

The student will be able to pass the course in either of the two sittings. For both of them, she/he can choose between a global assessment or partially considering the student's participation in course activities. The global assessment will consist of passing the final exam – which will make up 100% of the final mark. In the second option, the final mark of the course will be distributed in the following way:

- Active attitude in class discussions and the handing in of the exercises proposed in the practical sessions (10% of final mark). Students choosing this option will have to hand in all the exercises proposed on the date indicated.
- In-depth analysis of a firm (25% of final mark).
- Final exam (65% of final mark). Students choosing this option will have to obtain at least 3.5 points out of 10 in the final exam in order to be able to compute the course activities' marks.

In the evaluation of each assessment activity, the students will have to demonstrate that they know, understand and are able to use the concepts and tools explained in class in different real situations. Moreover, their capability to apply, integrate and synthesize the knowledge acquired will be evaluated.

Activities and resources

Course methodology

The learning process that has been designed for this course is based on the following activities:

Following the programme and achieving the learning outcomes will require continuous work from the student during the course based on the following activities:

- Regular attendance to classes
- Reading and studying the bibliographic material for each chapter
- Regular and detailed answers to the exercises and practical cases that the teachers will propose during the course
- Carrying out a group project that analyses in depth the situation of a real firm or industry that will be chosen by the students with the approval of the teacher
- Asking about doubts and difficulties that arise in their study of the course contents.

To progress better, the student should carry out a preliminary reading of the bibliographical material for each chapter prior to its presentation in class and a more detailed reading after the class and during the process of doing the exercises and the project.

Outline of the Programme

The programme offered to the students to help them achieve the learning results includes the following activities :

1: Part I. CONCEPT OF STRATEGY AND STRATEGIC MANAGEMENT

1. COMPETITIVE ADVANTAGE AND VALUE CREATION

1.1. Introduction.

- 1.2. What is a competitive advantage?
- 1.3. Approaches to measuring competitive advantage
- 1.4. Accounting profit vs. economic profit

2. STRATEGY: CONCEPT, ELEMENTS AND TYPOLOGIES

- 2.1. Introduction.
- 2.2. Definitions of strategy
- 2.3. Vocabulary of strategy
- 2.4. Levels of strategy
- 2.5. Corporate Social Responsibility
- 2.6. Strategic management

Part II. STRATEGIC ANALYSIS

3. THE FIRM AND ITS ENVIRONMENT

- 3.1. Introduction
- 3.2. General environment and specific environment
- 3.3. Defining the industry
- 3.4. Industry analysis: Porter's Five Forces Framework
- 3.5. Strategic groups and mobility barriers
- 3.6. Methodology for the analysis of the industry

4. STRUCTURE AND EVOLUTION OF THE INDUSTRY

- 4.1. Introduction
- 4.2. Horizontal configuration of the industry
 - 4.2.1. Number of firms and size differences
 - 4.2.2. Industry concentration
- 4.3. Typology of industry structures
- 4.4. Demand evolution. Industry life-cycle and technological evolution
- 4.5. Environment analysis and type of industry

5. INTERNAL ANALYSIS OF THE FIRM: THE THEORY OF RESOURCES

- 5.1. Introduction
- 5.2. Traditional approach to internal analysis: Porter's value-chain
- 5.3. The theory of resources
 - 5.3.1. Resource typology
 - 5.3.2. VRIO analysis
- 5.4. Competitive strategy and rent generation

Part III. STRATEGY FORMULATION

6. COMPETITIVE STRATEGY

- 6.1. Introduction
- 6.2. Generic competitive strategies
- 6.3. Cost leadership strategy
- 6.4. Differentiation strategy

7. CORPORATE STRATEGY

- 7.1. Introduction
- 7.2. Diversification strategy
- 7.3. Strategies in a global context
- 7.4. Other corporate strategies

Course planning

Calendar of actual sessions and presentation of works

The calendar of sessions can be found on the website of the centre; the presentation of works and other activities will be communicated to the students through the e-learning platform of the Universidad de Zaragoza (moodle2).

Bibliographic references of the recommended readings

Facultad de Economía y Empresa

- Barney, Jay B.. Strategic management and competitive advantage : concepts / Jay B. Barney, William S. Hesterly . - 4th ed. Upper Saddle River, New Jersey : Pearson educación, cop. 2012
- Casos de dirección estratégica de la empresa / Luis Angel Guerras Martín, José Emilio Navas López (editores) ; autores, Álvarez Sescun, Emilio... [et al.] . - 5ª ed. Cizur Menor (Navarra) : Cívitas, 2014
- Economics of strategy / David Besanko ... [et al.] . 6th ed. Hoboken (N.J.) : John Wiley & Sons, cop. 2013
- Fernández Sánchez, Esteban. Dirección estratégica de la empresa : fundamentos y puesta en práctica / Esteban Fernández Sánchez . - [1ª ed.] Madrid : Delta, cop. 2005
- Grant, Robert M. : Dirección estratégica : conceptos, técnicas y aplicaciones / Robert M. Grant ; traducción, Zulima Fernández, José Daniel Lorenzo Gómez, José Ruiz Navarro . - 8ª ed., 4ª ed. en Civitas Madrid : Thomson Civitas, 2014
- Guerras Martín, Luis Ángel : La dirección estratégica de la empresa : teoría y aplicaciones / Luis Ángel Guerras Martín, José Emilio Navas López . - 5ª ed. Cizur Menor (Navarra) : Aranzadi, 2015
- Johnson, Gerry : Dirección estratégica / Gerry Johnson, Kevan Scholes , Richard Whittington . - 7ª ed., [reimp.] Madrid [etc.] : Prentice Hall, D.L. 2011
- Navas López, José Emilio : Fundamentos de dirección estratégica de la empresa / José Emilio Navas López, Luis Ángel Guerras Martín . - 1ª ed., 1ª reimp. Cizur Menor (Navarra) : Aranzadi, 2013
- Rothaermel, Frank T.. Strategic management : concept and cases / Frank T. Rothaermel . International student ed. New York : McGraw-Hill/Irwin, cop. 2013
- Ventura Victoria, Juan. Análisis estratégico de la empresa / Juan Ventura Victoria Madrid : Paraninfo, cop. 2008

Facultad de Empresa y Gestión Pública

- Barney, Jay B.. Strategic management and competitive advantage : concepts / Jay B. Barney, William S. Hesterly . - 4th ed. Upper Saddle River, New Jersey : Pearson educación, cop. 2012
- Casos de dirección estratégica de la empresa / Luis Angel Guerras Martín, José Emilio Navas López (editores) ; autores, Álvarez Sescun, Emilio... [et al.] . 5ª ed. Cizur Menor (Navarra) : Thomson Cívitas, 2014
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Facultad de Ciencias Sociales y Humanas

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