

School of Business Administration

BUSINESS STRATEGY | *BA*495 | University Studies Senior Capstone Course

**Professor** **T.A. Khoury, PhD.**

**Meeting Room/Times for BA495 section: Classroom** **SBA 290**

**SECTION 009 (CRN# 40315)**: **Mon/Thurs, 5:00pm – 7:50pm**

**Contact:**

**O**: SBA Room 634 (or 633 for Jan/Feb) **Office hours:** Thurs 3:30-5:00, or email for appointment

**T:** 503-725-8369 (please use email as primary form of communication)

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**W:** *Professor Website* [**http://www.pdx.edu/sba/fp-theodore-khoury**](http://www.pdx.edu/sba/fp-theodore-khoury)

**W:**  *Course Research Website*[**http://guides.library.pdx.edu/ba495?hs=a**](http://guides.library.pdx.edu/ba495?hs=a)

**REQUIRED READING**

* **Req. Text**: Frank T. Rothaermel, *Strategic Management: Concepts*. McGraw-Hill (ISBN: 978-0-07-732445-2) + if you buy the book via the bookstore, all supplemental ‘Cases & Articles’ will be bundled with no extra charge.
* **Req. Supplemental Cases & Articles:** Bundled for free if you buy at the bookstore **OR**, if you bought the book elsewhere, then you need to buy the supplement via ‘McGraw-Hill’s Create website at a cost of *$17.24*:

**(1)** go to <http://create.mcgraw-hill.com/shop/>

**(2)** Buy **ISBN: 9781121488014 “**UNIVERSITY STUDIES CAPSTONE BA 495 BUSINESS STRATEGY "CASES & ARTICLES"

**ASSIGNMENTS & GRADING**

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| --- | --- | --- | --- | --- |
| **ASSIGNMENTS** | **ASSIGNMENT** | **PTS.** | **%** | **DUE DATE** |
| **PARTICIPATION** | READINGS/CLIENTS | 14 | 7.0% | *EVERY CLASS* |
| **JOURNAL ENTRIES** | ENTRY1: Critical/Creative Thinking | 4 | 2.00% | *W2:Mon 14-Jan* |
| ENTRY2: Communication | 4 | 2.00% | *W4:Mon 28-Jan* |
| ENTRY3: Diversity | 4 | 2.00% | *W6:Mon 11-Feb* |
| ENTRY4: Ethics & Social Responsibility | 4 | 2.00% | *W8:Thurs 28-Feb* |
| **CLIENT PRESENTATIONS** | Pres of PESTEL + 6 FORCES + OT | 10 | 5.0% | *W3: Thurs 24-Jan* |
| Pres of VRIO + SW | 10 | 5.0% | *W5: Mon 4-Feb* |
| Pres of FINANCIALS | 10 | 5.0% | *W8: Mon 25-Feb* |
| Pres of FINAL PLAN | 30 | 15.0% | *W10:Thurs 14-Mar* |
| **WRITTEN REPORT** | Final Recommendations Report | 40 | 20.0% | *W11: Mon @noon + email to client/Dr. Jones* *billjones@teleport.com* |
| **TESTS** | Test 1: Chs 1-5 + Cases/Articles | 35 | 17.5% | W4:Th 31-Jan |
| Test 2: Ch., 6-9, 12 + Cases/Articles | 35 | 17.5% | W9:Thurs 7-Mar |
|   | **Total:** | 200 | 100% |   |

*The letter grade equivalent for the total points is as follows:*

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Grade** | **A** |  **A-** |  **B+** | **B** |  **B-** |  **C+** | **C** |  **C-** |  **D+** | **D** |  **D-** | **F** |
| **Minimum Points** | *187* | *180* | *173* | *167* | *160* | *153* | *147* | *140* | *133* | *127* | *120* | *< 120* |



**COURSE OVERVIEW & GOALS**

* + Effective strategies lead organizations to stand out—for what they do and how they do it. One of the primary pillars of PSU’s strategic focus is to develop students who can apply interdisciplinary learning to real world issues and become leaders of change to better serve their communities.
		- The capstone course contributes to PSU’s strategic pillar by seeking to enhance the lives of PSU undergraduates through service learning with partners around the world.
		- This capstone has been a key component of PSU’s international recognition for a distinguished undergraduate experience, for example, these rare distinctions: [www.pdx.edu/cae/us-news-rankings](http://www.pdx.edu/cae/us-news-rankings) and [colleges.usnews.rankingsandreviews.com/best-colleges/rankings/national-universities/up-and-coming](http://colleges.usnews.rankingsandreviews.com/best-colleges/rankings/national-universities/up-and-coming)
* The course has two overarching **goals**:
1. For you to develop a your *competency* for thinking strategically;
2. For you to apply this competency in both the capstone project and your own career.

# COURSE OBJECTIVES & UNIVERSITY STUDIES CAPSTONE PROJECT

* + To understand the strategic management process (chap. 1,2), from *assessment* of *external* competitive environments (chap. 3) and *internal* competencies (chap. 4), to the *formulation* (chaps. 6, 7, 8, 9) and *implementation* of strategy (chaps. 12+extra readings, cases) that can create competitive advantage (chap. 5).
	+ To help clients, via the capstone project, by demonstrating how strategic management theory can help their business’ competitiveness and increase their ability to thrive and survive.
	+ To develop an understanding how strategy is translated into action at different organizational levels (functional, business, and corporate)
	+ To understand how and why stakeholders matter in strategy.
	+ To *critically* apply this understanding in assessments of a firm’s strategy and performance.
	+ To *creatively* apply this understanding in developing strategic recommendations.
	+ To refine the skill of dialectic inquiry via case discussion.
	+ To refine writing capabilities, especially with respect to logical structure.

The University Studies Capstone Program has four goals that we will pursue in BA495:

* + - * **Critical** (and Creative) **Thinking**
			* **Communication**
			* **Ethics** and Social Responsibility
			* **Diversity** of the Human Experience

**Capstone Student Handbook:** Review carefully! [www.pdx.edu/sites/www.pdx.edu.cae/files/capst-stu-bk05.pdf](http://www.pdx.edu/sites/www.pdx.edu.cae/files/capst-stu-bk05.pdf)

**ADVISING AND ASSISTANCE**

The SBA provides academic advisors as well as career/internship advisors to assist students to enrich their college experience. Academic advisors are trained to provide counsel in a wide range of issues. From selecting a business major to evaluating transferred transcripts, academic advisors are here to help students with all of their degree related questions. All SBA advisors are available by appointment, which must be scheduled in advance. Drop-in hours are available as well. Drop-in hours are held regularly throughout the week and are designed to help answer routine or simple questions. For more information about SBA advising and drop-in hours please visit the School of Business website at <http://www.pdx.edu/sba/> and click on student resources. The following is a brief summary of the type of issues with which academic advisors can offer assistance: **DARS reports / SBA admissions requirements / Major selection and requirements / Transcript evaluation / Course overrides / Transfer credit petitions / Career planning / Portland State rules and policies**

# GROUP PROJECT WORK & HANDLING OF ANY GROUP CONFLICTS

Team members will be collectively responsible for completing each of the Capstone assignments and the grades earned on the Team Projects will be assigned equally to each group member.I recommend that each team elect a “Team Leader” to direct the development of the various components of the project work, organize team meetings, help lead team discussion and communicate with the professor or client from time to time. The professor may communicate to the Team Leader or any team member as needed.

Don’t be ‘the loafer’ on the project. I'm sure all of you have been on teams where someone did not fully contribute to the project, but expected the same grade as those making a strong contribution. **Therefore, strong contributions to projects, showing a collaborative attitude, regular attendance both in class and at team meetings are essential for optimal grading.** In situations where someone is not sharing in the responsibilities of the project, or delivering poor quality / late work to the group, I may use evaluations to assess one’s contributions.

If there’s a problem that I am made aware of: **Step 1** is for all of us to meet and sort things out with an improvement-plan. **Step 2** is a follow-up meeting to check on improvement. **Step 3**, peer evaluations, which can retroactively affect your grade on previously graded assignments, only occurs if there are still problems. In this case, individual grades on the project may be adjusted for a lack of group participation at the discretion of the professor. **An individual’s project grades can be as much as 30% less than the group’s per this review process**.

# LAPTOP / PHONE / MOBILE DEVICE POLICY

# Laptop use during lecture is prohibited, unless you are using the laptop to take notes. If that is the case, please see me for permission. In these circumstances, I’ll ask that you email me your notes taken for the lecture for the first 4 class sessions. *Exception*: on the days where we have in class exercises, having a laptop within your group is helpful, but not essential. On these days, it is encouraged to have one on hand.

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# Cell phones and mobile devices, PDAs etc. should be silenced and put away during class. If you routinely engage in texting, surfing or other device use during lecture, it sends a strong signal to me about your participation in class and your participation grade will be lowered to reflect this. Also, please refraining from posting any lecture materials, taking/posting photos of slides to public websites (i.e. facebook™, twitter™ and similar public forums).

# MISSED CLASSES / EXAMS / ASSIGNMENTS + ACADEMIC HONESTY

Admittance to this course: If you miss class sessions 1 and 2, you cannot add this course.

Only in the event that an examination is missed due to a legitimate illness or religious observance will a makeup exam or an early exam be arranged. Typically, these exams involve more writing and are more essay-oriented. In accordance with university policy this may occur only if:

* Notice is provided early enough in advance of the event (i.e. not the day before), and/or
* Proof of illness is promptly provided

All assignments are due at the beginning of class without exception and late assignments will not be accepted.

**Academic Honesty**: Students will uphold the honor code in all work associated to this course. All work must be original and non-original work should be appropriately referenced. Copying material from the internet or any other source without proper citation is considered plagiarism and cheating and will receive a failing grade. For more information regarding PSU’s policies on behavior and academic honesty, please see: <http://www.pdx.edu/dos/psu-student-code-conduct>

# INDIVIDUAL ASSIGNMENTS, TESTS, JOURNAL ENTRY DETAILS

**TESTS:**

Exams are based on (1) lectures (i.e. orally presented materials, board work, and slide material), (2) reading assignments (bookwork, cases, and extra articles). Format may be multiple choice, essay, short answer, or T/F. Please note that on Test days, we will also be working on our projects in class following the quiz. **First exam covers** material presented up through Week 4. The **second exam** **covers** material after the first exam through Week 9.

**REFLECTIVE JOURNAL ENTRIES:**

These short write-ups are central to the University Studies Capstone Program courses. The purpose of these short write-ups is to allow students to apply strategy concepts to real-world situations. Students should become masterful at relating strategic management theory, concepts and frameworks to current events while understanding the implications of these events for business practice. Grading for these are as follows:

*Superficial* = 1 *Superficial, but writing is o.k*. = 2 *Adequate* = 3 *Superb* = 4

**Entry Format**: Typed, heading of the assignment centered at top, 11-point font, times new roman, single-spaced.

**ENTRY 1: Critical/creative thinking—** *“Reaction to your client’s project introduction”***(3/4-1 page length)**

Reflect on how you—both personally and professionally— have become prepared for the work required in supporting the client. Use the following prompts as a guide:

* What connections do you see between the client’s needs and your preparation for this course?
* What specifically is meaningful about those connections? How and why do they matter as you reflect on your past experiences, learning and insights to be put to use in this course?
* What are the biggest challenges that you face in supporting both the client and your group?
* What do you see as potential outcomes from your interaction with the client project (client and group) in terms of your own growth both professionally and personally?

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| --- |
| **ENTRY 2: Communication—** *“Reflection on group & client communication”* **(3/4 – 1 page length)**Reflect and assess how well your group has communicated with the client and each other so far. Use the following prompts as a guide:* What is the frequency of--, nature of--, format of communication with your client so far? Comment on the quality of communication overall what is working well? What could be improved?
* How does your group communicate with one another? Comment on the quality of communication overall what is working well? What could be improved?
* What are the core features of communication that will ensure better outcome for you and your client?

**ENTRY 3: Diversity—** *“Reflection on diversity per your group versus client & community”* **(1 -1.5 page length)*** First, describe and analyze the diversity within your group, such as cultural diversity (i.e. ethnicity, age, gender), functional diversity (work/professional experiences, majors)?
* Second, how do issues related to diversity affect your client’s business (i.e. their customers, the workplace culture)? In recognizing the positive aspects of diversity, how can diversity be better harnessed in your project work to support your client better?
* Next, discuss how these aspects of diversity for you and your group help or hinder the understanding of your client’s challenges, their goals, and their ability to serve their customers/communities they serve?

**ENTRY 4: Ethics & Social Responsibility—** *“Reaction and stance on Better World Books”* **(3/4 – 1 page length)** |

Assess BWB case and take a stance on their strategy with respect to social responsibility per the following guide:

* Summarize how social responsibility is accounted for in their business model, and whether there are any commonalities between features of their business and your client’s business or business model.
* Take a critical stance on their business model (i.e. profit distribution, use of resources, mission) and justify your position both through (1) some theoretical concepts discussed elsewhere in the term, and (2) your own experiences or acquired knowledge.
* If you were BWB’s CEO, discuss what you would do differently and what you would keep ‘as is’ moving forward, and why?

**PARTICIPATION: Class discussion contributions**

Please bring your nametag each lecture until I have your name memorized. A central part in developing your inquiry, critical thinking and communication skills will be active and thoughtful contributions to the class discussion. Your contributions here help refine your managerial and presentation skills, so everyone is expected to participate in each class session. I usually ask for volunteers, but **I also cold call so I know that you are reading**.

In evaluating class contributions, I consider both quality and the frequency of contribution, but I weigh quality more heavily. In assessing quality, I consider the following dimensions:

* Is the student creatively demonstrating strategic thinking and visioning?
* Does the comment simply repeat facts from the case, or does it provide analysis that adds to our understanding of the case and its broader implications?
* Does the comment fit well into the flow of the discussion? Is it linked to the comments of others?
* Does the comment reflect creative thinking, perhaps by tying together multiple viewpoints or tying back to material covered previously in the course?
* Is the comment delivered in a respectful, constructive tone?
* Overall: How significantly did this student’s contributions enhance the learning environment as a whole?”

**TEAM PROJECT REPORT DETAILS**

CAPSTONE PROJECT: Solve a Strategy Problem for a Community-based Client

Working with an interdisciplinary team, you will think like a consultant to solve a key strategy problem(s) for the client that account for the concepts/theory discussed in the course. After the second-class session, you will be assigned a team with members who represent a cross-section of the business majors. By course end, the team will produce one final written report that makes clear recommendations depending on the Client’s scope of work.

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| **CLIENT PRESENTATIONS** | Pres of PESTEL + 6 FORCES + OT | 10 | 5.0% | W3: Thurs *24-Jan* |
| Pres of VRIO + SW | 10 | 5.0% | W5: Mon 4-Feb |
| Pres of FINANCIALS | 10 | 5.0% | W8: Mon 25-Feb |
| Pres of FINAL PLAN | 30 | 15.0% | W10:Thurs 14-Mar |
| **WRITTEN REPORT** | Final Recommendations Report | 40 | 20.0% | *W11: Mon @noon + email to client +* *billjones@teleport.com* |

**GENERAL GRADING RUBRIC FOR PROJECT PRESENTATIONS/REPORTS**

The following rubrics are emphasized in grading the deliverables. The weights of these vary per deliverable.

* Demonstration of High Quality Research: Assignments & project deliverables should present information that is current, useful, and directly relevant to the business issues that matter to the deliverable. Its important to demonstrate that in-depth research has been done. The project deliverable guidelines are helpful here.
* Analysis & Interpretation of Research: Your assignment should demonstrate an understanding of the issues, not just a reiteration/regurgitation of facts and figures found in other sources. A clear, explanatory connection between what has been uncovered by investigation and the recommendations made are critical. Use of course topics and materials should also be apparent.
* Organization: **Write professionally. Be clear & concise. Edit and edit again, then edit.** Your works should be neatly structured (e.g. headings, subheadings), well-written, clear and to the point. Final reports are typed, double-spaced (note- this differs from journal entries), 11-point font, with 1” margins. Typographical errors (i.e., grammar, spelling) should be nonexistent. Use figures/charts/graphs as need be (including the source where obtained), as long as they are explained in the text and interpretation is not left to the reader. Since all team members contribute writing, please ensure that the report/presentations read as “one voice”. Carefully document source citations, including a complete bibliography with in-text citations. No need to use binders and plastic covers for projects! For citations / references, please use the MLA style convention per: www.library.cornell.edu/resrch/citmanage/mla OR owl.english.purdue.edu/owl/resource/557/01/

**WRITTEN REPORT: FORMAT;** The completed report should be approximately **20 pages**, NOT including Appendices with such items as additional charts, graphs, resumes, tables, or outlines—please put those after the main body text, but explain them in the text. The report should be typed and organized using subheadings for easy reference and formatted per above details on organization. Ensure all charts/data/sources for quotes are cited. **Each final report may have different elements depending on the client’s scope of work. Potential elements are:**

*I. INTRODUCTION:*

* **Cover Page** – The cover page should clearly state all members of your group alphabetically, the client’s organization, and the date. Do not use bindings or coverings, just staple the upper left-hand corner.
* **Table of Contents** – Sections of the report and page numbers. The appendix must be ordered in the sequence referred by the narrative. Your first appendix will be the management plan – organizational chart (appendix A), through your last required appendix.
* **Executive Summary** - The purpose is to provide a quick overview for easy reference and to create interest and “excitement” for the reader to continue into the specifics of the report. The executive summary should be written after the body of the report is completed. Each paragraph should have an associated subheading in the report (i.e. match exactly the evaluation sheet). **Each paragraph is similar to a “journal abstract” and should be an informative summary of the critical recommendations of each section.** Some general guides:
* State the overall key strategy problem(s)/confronting issue/opportunity that faces the client per the SOW.
* You then briefly state or summarize how much and which of their challenges are based on external versus internal environment issues and how this creates and relates to the strategic options analyzed (1/3 page).
* Lastly, you state your overall recommendation that you have for the client, and how the rest of the analysis serves to support this recommendation. (i.e. 1-2 sentences)
* A final paragraph summarizes each area covered in the body of your plan that supports your recommendations, such as Client Description/Management, Marketing, Financial Analysis, and Strategic internal/external areas of focus. Whatever these areas are per your SOW, briefly summarize whey they matter to your recommendations (no longer than 1 page).

*II. BODY: (\* means a chart is required in addition to the FULL text explaining chart)*

**An Introduction to the Client, Its History, Challenges, Opportunities and Current State of Operations:**

* Summarize the key pieces of client/market information that are meaningful to addressing their issues. This is essentially an outline of the client’s strategy problems. You can do this in paragraph form and then break out certain ‘lists’ if need be (w/ bullets/numbers). Ideally, if you can relate the “intended strategy vs. realized strategy” that occurred, you are on the right track. Set the stage for recommendations.
* Company history (need varies per client). Here, we only care about the history that matters to a consultant making a strategy recommendation. Do this if the history is relevant to the consulting project.

**Management Strategy-** Use the following rough guide—again, what appears here is client/SOW-specific : )

* Organizational Structure (which may include external vs. internal resources, such as alliances/suppliers)\*
* Human Resources (Wages and Benefits)\*
* Production Process\* (PERT diagram of process or schedule that is repetitious for the Client’s organization – example: restaurant – daily schedule, remodeler – job schedule, financial planner – client meeting etc.)

**Market Strategy/Feasibility Analysis**: Based on the 1st two presentations/analyses presented in class. This section should be rich with information & analytical rigor! How you arrived at your conclusions is meaningful to the client.

* Target Markets Focusing on Client’s Strategic Issue (RESEARCH – should have 7 –10 “cited” sources)
* You should focus only on the aspects or specific external environmental dimensions that matter.
* Include an updated VRIO analysis of their key resources and combinations of resources according to RBV in how they support sustainable or temporary competitive advantages.
* Summarize, the key aspects of the internal environment that affects the firm’s ability to realize their “intended strategy” (i.e. corporate culture problems, turnover, lack of capability).
* Competitor Analysis (3 top competitors relevant to strategy problem, SWOT)
* Time matters. If industry cycles/events exist that affect some competitors more than others, note these.
* Focus on Product/Service Characteristics & Pricing Strategy vs. manufacturing/service offering constraints.
* What Promotional Plan (Promotional mix and budget) makes sense per their challenges/opportunities?

# Financial Plan: The financial analyses/exercises done in class *may* be relevant, but you essentially have to identify which financial exercises/analyses matter to your client’s problems and help you/client address these. Here, you must first identify the correct exercise/analysis method, show that you have identified the right pieces of data that help you perform this analysis, and where you are unable to get information, you need to show how and why you made specific assumptions in your model.

* For each exercise you determine, multiple scenario analysis is required given any contingencies. What are the contingent assumptions you made and how to do they matter to the identified exercise? Justify!

**Some examples of applicable exercises may include:**

* Financial Feasibility Study: How much money does the Client need to act on the recommended strategy and how do you propose they obtain this money? At what timing or according to what assumptions is the money needed? Overall will this project be successful and why (last part of this section)
* Projection of anticipated costs at start up\* (research – cite your sources)
* Projected monthly cash flows / operating budgets\*
* Sales projections for 2 years of operation according to your plan\*
* Pro Forma Income Statement for first 5 years\*
* Break even projections\* (refer to text and [www.JavaCalc.com](http://www.JavaCalc.com))

*III. CONCLUSION AND FINAL RECOMMENDATIONS:*

**Strategic Alternatives For The Firm To Consider To Be More Competitive:**

* Go over the, say, 2-4 options that the firm should consider in moving forward. Describe each of these with at least a paragraph. Weigh only the relevant pros/cons of each. They may concern different aspects of firm strategy. For instance, they may have specific problems in managing organizational culture problems of which you have a couple of recommendations, while also facing some external environmental issues that require different alternatives to be proposed.

**Strategic Recommendations***:* What should the client do, and why, regarding its pressing strategic issue?

* Short term (one year or less), intermediate (2 -3 years) and long range (4+ years) goals. These are GOALS – Small, Achievable, Measurable and Specific. “THUS, based on these alternatives… the consulting team recommends the following strategies to be pursued: (STATE THESE HERE)” No new material for why they do this— just need to defend this choice relative to the other options on why it’s the best. Here, you say: WHAT you recommend, WHY you recommend it (per all your research/analysis), and sudden or emergent CONTINGENCIES that the firm needs to be aware of in embarking on this strategy so that they realize what they intend to do.

**CONCLUSIONS [1/2 page]:**

* Here, you review the ‘sub’- summaries of each of first 3 sections and, therefore, how it leads to the final recommendation. No new material here, just need to make sure everything ties together.

*IV. ADDITIONAL ATTACHMENTS:*

**Appendix**: All charts, tables, graphs, etc.

**Bibliography**:

* I will expect at least 7 DIFFERENT and HIGHLY CREDIBLE secondary sources to be utilized, credited, and cited in your report. DIFFERENT means five various sources (i.e. all web sites count as only ONE source).
* Possible types of sources include credible Internet, competitor information, brochures, personal interviews, marketing collateral, periodicals, newspapers, trade journals and books (one or more of each type – often students have a total of 5 or more sources for each “type” ).

\*While recommended page lengths are given for some of the written portions of the project, note that page length is not as important as adequately addressing the assignment through the general guidelines provided above.

**PRESENTATIONS:**

* Many aspects of the guide for the written report are helpful to addressing the presentation deliverables.
* All presentations must be emailed to me 1hr prior to class start on the due date + also bring them on a USB.
* Time available for each presentation is typically 20 minutes + 5 minutes of Q/A and longer for the final one.
* Print two copies: 1 for me, 1 for the client (can use ‘handout-format’ to print).