The management of large, established enterprises creates a range of multi-faceted challenges for the general manager. A general manager needs to understand the internal workings of a firm, how to assess and create a strategy, and how to take into account increasing globalization. While these issues are distinct, they are very much intertwined. As a result, this course will provide you with an integrated view of these challenges and show you that successful management in the 21st century requires a combination of insights drawn from economics, sociology, psychology and political economy. The course has three main parts, and two “bookend” events. The course starts with a class in which you will meet your entire teaching team and receive a road-map for this semester-long journey.

The first part of the course explores the successful management of individuals and groups. We stress the fact that organizational life is built around a complex interplay of social forces. Networks of cooperation, group conflicts, systems of power and influence, career paths, and reward systems shape how people and organizations manage and are managed. In this part of the course, we will create a framework for analyzing the impact of these social forces on individuals, groups, and the organization. In particular, we study how to motivate and lead those you manage. Moreover, we will study how to develop and implement organizational designs and human resource systems that achieve competitive advantage through the management of people.

The second part of the course will deal with fundamental issues of strategy, examining issues central to the long- and short-term competitive position of an enterprise. We will develop a set of analytical frameworks that enable you to explain performance differences among firms and that provide a structure for strategic decisions to enhance firms’ future competitive positions. We will cover both strategy at the business unit level, introducing tools of industry analysis and competitive positioning, and at the corporate level, examining the economic logic for firms to diversify across businesses and for vertical integration decisions across stages of the industry value chain.

In the third part of the course, we will learn about the unique opportunities and challenges that firms face when doing business across borders, and the strategies that they can deploy based on the external business environments and firm-specific characteristics. While reinforcing the learning points covered in the previous two parts of the course, the discussions in this part will emphasize the deep and persistent cross-country differences in economic, political and social institutions. We will also discuss how government regulations, new technologies, and new business models are shaping the global business landscape for multinational enterprises.

The class concludes with your final papers, showing how these different perspectives on organizations can be brought together to understand how established enterprises can be successfully managed.
TEXT AND READINGS
Wharton Reprographics has a copy of the course pack for MGMT 611, which can be purchased from Study.Net. The readings listed on the course outline below should be read and prepared before that class session.

PLEASE NOTE
This class is heavily participation based. Any students who fail to attend the first class will lose their seats in the class. Repeated absences from the class will result in a failing grade independently of your performance on the other assignments. The only exceptions to these rules are absences excused by the MBA Office.

ASSIGNMENTS, QUIZZES AND EXAMS
Final Paper Proposals Due: Thursday, September 20th at noon.
Human and Social Capital paper: Thursday, September 27th at noon.
Strategy paper: Tuesday, October 30th at noon.
Global Strategy paper: Thursday, November 29th at noon.
Final Paper Presentations: 3rd and 5th December.
Final Paper: Wednesday, December 5th at noon.
Please submit all assignments via Canvas.

CLASS SESSIONS AND PARTICIPATION
Each class will consist of a combination of lecture and discussion of the day’s topic. On most days, we will use case analysis to explore the issues at hand. Careful preparation is essential. We expect you to read all of the assigned materials for each session in advance of the class. In class, you should be prepared to analyze the concepts from the case and the readings and to discuss any questions provided in the syllabus. If you cannot answer the questions, you are not prepared for class. We will use cold calling to ensure preparation and to establish an even level of participation throughout the course.

We expect you to participate actively in class to help your learning and that of your peers. A productive learning environment requires active engagement of all class members. Three factors determine good class participation. First, given thorough and careful preparation, you should be able to identify the important managerial issues related to the case and/or readings. Second, you should be able to use that analysis to define a concise and logical position on the issues. Please avoid pure repetition of case facts. You should be able to show how a particular concept is illustrated in the case or suggest how the substantive problem presented in the case can be solved. Third, you should be able to analyze constructively the positions your classmates take. Quality, not quantity, will determine the effectiveness of your comments. “Airtime hogs” will not be rewarded.

Of course, the underlying condition for class participation is attendance. We expect you to attend all sessions. Specifically, according to the MBA office, there is no recruiting reason for which you should miss class. We will use the check-in app for all our classes. (More details to follow in the first class.) If you cannot come to class, you should notify your instructor by email in advance of the class.

Finally, in order to facilitate lively, in-depth discussions and out of respect for each other, there are two simple ground rules regarding mobile devices and laptop computers: 1) please remember to turn off your phone, Blackberry and/or other communication devices; and 2) no laptops or tablets open during class.

CASE DISCUSSIONS
In preparing cases for discussion in class, you should be ready to comment on (1) the case’s background and context, (2) the key issues and problems, (3) a framework for analyzing the issues and problems, (4) the implications of the assigned readings for understanding the case, and (5) a course of action for designing and implementing solutions.

FACULTY LUNCHES
We have scheduled a number of informal lunches with the course faculty. These are totally optional. You may sign up for lunch on the Canvas page for your section.

ETHICS AND USE OF PRIOR MATERIALS
It is never appropriate to use materials prepared by students or faculty in this course from previous years. You should not use previously completed case write-ups, or summaries of readings.

GRADING
Your grade will be based on:
- Class participation (25%) which will be graded by all three instructors and equally weighted across sessions. Because participation is a critical part of the learning experience, unexcused absences will be heavily penalized.
- Three individual assignments – a Human and Social Capital paper (15%), a Strategy memo (15%), and a Global Strategy paper (15%).
- The final project, which includes a team presentation (5%) in class and a team project write-up (25%).

It is possible to fail this class.

COURSE OUTLINE

Class 1: Introduction to Managing the Established Enterprise (29th of August)
  “Thinking Outside the Box: As American shoppers move online, Walmart fights to defend its dominance.” The Economist June 2nd 2016

Class 2: Motivating Individual Performance (5th of September)
• Case: **Nordstrom Inc. Department Store**

1. Who sets performance goals, and how are they set?
2. How does Nordstrom meet the needs of different employees?
3. What are the major positive and negative effects of how Nordstrom motivates employees?
4. How is Nordstrom’s culture and approach to managing employees relevant to the competition it faces from online challengers like Amazon?

**Class 3: Designing Reward Systems (10th of September)**


• Case: **Marshall and Gordon: Designing an Effective Compensation System (A)**

  1. What problems does Marshall and Gordon’s current compensation system create?
  2. How might you adjust their incentive system to better align rewards with the firm’s strategy? What do you think are the strengths and weaknesses of the system that you have proposed?

**Class 4: Designing Jobs (12th of September)**

• Readings: Talya Bauer, Berrin Erdogan (2013) “Motivating Employees Through Job Design”. Section 6.2 in *Organizational Behavior*, Flat World Publishing


  • Please fill out the JDS survey (available on Canvas) for the first job that you held after graduating. Bring the results to class.
  • Consider the worst job you’ve ever had, or perhaps a job in your most recent workplace that seemed particularly dissatisfying and dispiriting. Apply the “Job Characteristics Model” (Hackman et al.’s framework) to the job. What would you change? Are such changes feasible? If not, why not? If so, why haven’t such changes been implemented to date?
  • Then think about the best job you’ve ever had. Based on the Berg et al reading, did you do anything to make that job fit you better through job crafting?

**Class 5: Recruiting and Selecting Employees (17th of September)**

• Readings: Benjamin Schneider, “The People Make the Place”

• Case: **SG Cowen: New Recruits**
  1. Who would you hire and why?
  2. How will the change in recruiting strategy proposed by Chip Rae affect the nature of the company and its culture?
  3. What are SG Cowen’s goals for its recruiting process? Is SG Cowen meeting its goals?

Class 6: Managing Individual Performance (19th of September)

  “Is It Time to Put the Performance Review on a PIP?” HR Magazine, April 2015

• Case: **Naukri: Three Retention Dilemmas**
  Of these top performers, which individuals should Naukri attempt to retain? For those individuals, how should Sanjeev Bikhchandani (the CEO) try to retain them?
  Mala Podar (sales team)?
  Amit Bose (technical team)?
  Shiv Iyer (heading up a new venture within Naukri)?

One-page team paper proposal due Thursday 20th of September

Class 7: Improving Organizational Processes (24th of September)

  Ceci Connolly, “Toyota Assembly Line Inspires Improvements at Hospital,” Washington Post, June 3, 2005

For this session, I will first cover key ideas, principles, and management practices from “lean production”, aka Toyota Production System (TPS), based on my research in the auto industry. The first reading provides the mini-case example of NUMMI (GM-Toyota JV) – a rare industrial experiment that conveys powerful lessons not just about the transplantation of TPS to the U.S. but also about culture and organizational change. The reading “Lean Knowledge Work” discusses how the principles of “lean” (aka
TPS) can be applied to knowledge work, e.g. software; health care; financial services, for which judgment and expertise are needed. The Washington Post article about a hospital describes one such application.

Class 8: Managing Human Resources for Organizational Performance (26th September)


- Case: Netflix (drawing on company document “Netflix Freedom and Responsibility Culture” – many text slides but a quick read)
  1. Would you want to work at Netflix? Why or why not?
  2. Do the various HR practices at Netflix form a coherent system? For example, does its approach to hiring dovetail (and achieve complementarities) with its approach to compensation and performance management?
  3. In what ways does the HR system at Netflix fit, and help achieve, its strategy?
  4. What might be vulnerabilities or problems that could arise from the Netflix culture, structure, and HR system?

Thursday, September 27th HUMAN AND SOCIAL CAPITAL PAPER DUE AT NOON

Class 9: Industry Analysis (Strategy Class #1) (1st of October)


- Case: Cola Wars Continue: Coke and Pepsi in 2010 (9-711-462)
  1. Why, historically, has the soft drink industry been so profitable?
  2. Compare the economics of the concentrate industry to that of the bottling industry: Why is the profitability so different?
  3. How has the competition between Coke and Pepsi affected the industry’s profits?
  4. How can Coke and Pepsi sustain their profits in the wake of the flattening demand and the growing popularity of non-CSDs?

Class 10: Competitive Advantage (Strategy Class #2) (3rd of October)

- Readings: Introduction to Relative Cost Analysis, Ryanair (Canvas)

- Case: Dogfight over Europe: Ryanair (A) (9-700-115)
1. Can the Ryan brothers make money at the £98 fare they propose?
2. What is your assessment of Ryanair’s launch strategy? How do you expect Aer Lingus and British Airways to respond?

Note: Check Canvas for more instructions regarding Question 1

Class 11: Competitive Position and Fit (Strategy Class #3) (8th of October)

- Case: Will be distributed in previous class
- Preparation questions:
  To be provided in previous class and will be available on Canvas after class.

Class 12: Value Creation and Capture (Strategy Class #4 (10th of October)

- Readings: Creating Competitive Advantage (9-798-062)
  Optional reading: Math Tools for Strategists (skim Section 2, “Competitive Positioning”)
- Case: None

Core Exams, No Class October 11-19

Class 13: Competitive Interactions (Strategy Class #5) (22th of October)

- Readings: Introduction to Competitive Interactions (Canvas)
- Case: Airbus vs. Boeing (9-707-447)
  1. What are the drivers of value creation and capture in this industry?
  2. Should Airbus invest in a VLCT? Should Boeing? Should they collaborate?
  
  Note: Check Canvas for further instructions with this assignment.

Class 14: Platform and Product Competition (Strategy Class #6) (24th of October)
• Readings: Introduction to Platform Competition (Canvas).

• Case: Walmart Inc. Takes on Amazon.com, N2-718-481 (718481-PDF-ENG)

  1. Who is currently in the stronger position within the retail space, Amazon or Walmart? Why?
  2. Why did Walmart struggle in the online business for so long? Should it ever have entered that business?
  3. What should Walmart do going forwards?

**Class 15: Corporate Strategy (Strategy Class #7) (29th of October)**


• Case: The Walt Disney Company: The Entertainment King, 9-701-035

  1. Why has Disney been successful for so long?
  2. What did Michael Eisner do to rejuvenate Disney? How did he increase net income in his first four years? How about the next 4 years? Are either / both strategies sustainable?
  3. Has Disney diversified too far in recent years?

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**Tuesday, October 30th STRATEGY PAPER DUE AT NOON**

**Class 16: The Global Business Environment (31st of October)**


  1. What are the relevant distances GE should consider in its global operations?
  2. How much distance is too much for a multinational company? How would your answer to this question vary depending on specific firm capabilities?

**Class 17: Managing Differences: Adaptation (5th of November)**


1. How should Amazon adapt in India? What should remain unchanged?
2. Is Amazon taking too much risk by investing in such a large scale? Why is Amazon taking this approach in India but not in other countries?

Class 18: Managing Differences: Aggregation (7th of November)

- Case: Ingvar Kamprad and IKEA (HBS 9-390-132)
  1. Why is the traditional furniture industry highly fragmented?
  2. What are consumers looking for when they buy furniture? And how does your answer to this question determine the right globalization strategy for IKEA?
  3. What are the major challenges faced by IKEA in its global expansion? How did it overcome these challenges?

Class 19: Managing Differences: Arbitrage (12th of November)

- Case: The Abraaj Group: Making of a Global Private Equity Firm (F312-PDF-ENG)
  1. Why is the Abraaj Group geographically dispersed but strategically focused on the growth markets?
  2. What are the main challenges in balancing its global-local play?

Class 20: Organizing across Countries (14th of November)

- Case: United Cereal: Lora Brill's Eurobrand Challenge (4269-PDF-ENG)
  1. Do you think it’s a good idea to launch Healthy Berry Crunch in France?
  2. What do you think of Brill’s Eurobrand proposals? Should she authorize the launch of Healthy Berry Crunch as the Eurobrand?

November 17-25    Thanksgiving Break

Class 21: State Capitalism and the Visible Hand (26th of November)

  1. Should we think of government support as a type of competitive advantage? Why or why not?
  2. What are the opportunities and challenges for multinational companies outside the system?

Class 22: Technology in Globalization: A Debate (28th of November)
Thursday, November 29th

GLOBAL STRATEGY PAPER DUE AT NOON

Class 23 and 24: Final Paper Presentations (December 3rd and 5th of December)

Wednesday, December 5th

FINAL PAPER DUE AT NOON

INDIVIDUAL ASSIGNMENTS DETAILS

Human and Social Capital Paper: Written Analysis of Previous Employment

Due at Noon, Thursday, September 27th

Your assignment is to examine your last job (or an earlier job) and use theories and concepts from the course to analyze and explain your work experience. Essentially, in this assignment, you will use your job as the case material that allows you to demonstrate your understanding of course theories/concepts. You may use course materials from Sessions 2-8 in which we cover such topics as motivation, job design, reward systems, managing individual and group performance, and group and organizational influences on decision-making. Certain readings focus on specific theories (e.g. expectancy theory; equity theory) that provide a full-fledged framework for explaining and predicting behavior; while other readings include concepts that may not be full theories but can be abstracted and applied to a wide range of situations, e.g. Rewarding A While Hoping for B (Kerr).

The choice about what issues to cover and what theories/concepts to apply is yours. In evaluating your answer, we will look to see whether the theories/concepts you use are described accurately (i.e. substantively correct), applied appropriately (i.e. fit the job situation you describe), and most relevant to the situation (i.e. did you pick the theories/concepts that best illuminate your situation).

In analyzing your job, focus on how you were managed, not how you behaved in managing others. It does not matter whether you had a good job experience or a bad job experience. You can talk about both the successful and the unsuccessful aspects of the job, and about what was missing for you. The paper presents you with an opportunity to explore in-depth the course readings, master them, and apply them to your experience. Thus, very good papers do not simply present a lively and detailed description of your past job. Rather, they demonstrate in-depth understanding and application of course concepts and theories. More specifically, they:

1. Demonstrate in-depth understanding of a minimum of three theories/concepts and a maximum of five theories/concepts from Sessions 2-8 by making specific links between theories/concepts and key elements of your job experience.

2. Explore (and demonstrate your understanding of) the similarities, complementarities, or inconsistencies among the theories and concepts (i.e., do the theories/concepts fit together and reinforce each other or do they disagree? How do they complement each other? Conversely, how are they inconsistent or conflicting?)

3. Explain why the theories or concepts you’ve chosen are important and useful for understanding (and perhaps for suggesting changes to) your prior job or organization.

Here are some tips based on our collective experience with this course assignment. Each instructor will offer additional guidance with his/her specific expectations and recommendations.

- In a relative comparison (which is how we evaluate these papers), applying more theories is better than applying fewer theories, with two caveats: you need enough rich descriptive material about your job so
we can understand it, and you need to cover each theory thoroughly enough that we are sure you know how to apply it. It is definitely possible to include too many theories and concepts if they are covered so superficially that your knowledge cannot be convincingly displayed. The way the paper is graded, you need to apply a minimum of three different theories or frameworks. We set five as the maximum number of theories or frameworks because, in our experience, more than five is too many.

- Don’t forget that this is an exercise that must be graded. It is easy to get carried away with an interesting story and forget that this is also a way to test your knowledge of and ability to apply the course material.
- Be sure to explore your personal experience with your job, rather than writing generically about the experience of all people in positions like yours.
- Remember to mention course concepts specifically, so we don’t have to read your mind to figure out what concepts you are applying to your work experience. Drawing explicit links between the concepts you identify and the case material is the key. Don’t just drop in the names of a few theories or concepts into the midst of describing your job. Show how they apply to your situation.
- It may be useful to develop a comparative angle in the paper, i.e. compare how your job experience varied for two different tasks or compare your job before and after a change in your boss or a company restructuring.
- Comparing and contrasting how two or more different theories can be applied to the same aspect of your job situation is another effective strategy. Be sure you make it clear to us why you chose those theories and which you felt provided more insight.

The write-up should be printed double-spaced, using a normal font-size. The maximum length is 1,000 words (plus or minus 5%). Please include a word count on the front page. You will have to be concise and make choices about what issues to discuss. We recommend that you begin work on the paper early, to avoid the mid-semester crunch. This is feasible because the raw material (your work experience) is readily available to you and each class session will introduce new concepts that are potentially applicable.

This is an individual assignment, and should be done individually.

Strategy Paper
Due at Noon, Tuesday October 30th

The goal of this paper is to conduct a competitive analysis of a firm within the last industry that you worked. For the analysis, you are expected to do the following:

1. Conduct an industry (five forces) analysis of the last industry you worked in from the perspective of an incumbent firm.

2. Discuss value creation and capture in your industry, from the perspective of that incumbent firm: where is the value created and who is able to capture it (and why?)

3. Discuss 2-3 key activities taken by your incumbent firm that either raise WTP or lower cost, and how they do so. Draw an activity system in which these 2-3 activities are embedded, and their interconnections with other key activities chosen by the firm. Provide a brief statement of the overall logic of this activity system (take a look back at “What is Strategy?” for discussions and examples of activity systems).
4. Given your answers above, provide a synthesis of your assessment of the firm’s strategy. Does it occupy a strong and sustainable competitive position? Why or why not?

The paper should be no more than 1,000 words, i.e., about 3 pages, with one additional page for any diagrams or figures. Each part of the paper will have an equal weight for grading purposes. Good papers will apply the concepts and frameworks we discussed in class, but selectively and to good use.

More information will be provided in class and on Canvas.

**This is an individual assignment, and should be written individually.**

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**Global Strategy Paper**

**Due at Noon on Thursday, November 29th**

Pick a firm you are interested in. You are now hired as an internal consultant to assess the firm’s global strategy and give your recommendations. Note that it is perfectly fine if you recommend the firm to remain a pure-play domestic company with no foreign presence at all, after showing that even the best strategy you can come up with is still a losing strategy for the firm.

- Your submission should take the form of a letter to the top management team of the focal company, in a Word or PDF file. Your letter should be no more than 1,000 words, including figures and tables, with an additional page for references.
- You may refer to books, class handouts, and financial reports from the company, but have to write the answers in your own words, unless accompanied with quotation marks and references.
- Your letter must contain answers to the following questions:
  
  a. What do you think are the main competitive advantages of the focal company? How are these advantages associated with the unique home country business environment it is (or was) in?
  
  b. Focus on one country that the company has entered (host country) or is considering (potential host country). How does it compare with the home country, along the dimensions that are relevant to the firm’s business?
  
  c. Suggest the right entry strategy, or combination of strategies, taking into consideration of the firm capabilities outlined in a. and the cross-country differences outlined in b. If the firm has already entered the host country, please comment on its current strategy, and offer your suggestions.
  
  d. How does the firm’s decision to enter – or not to enter – the focal country affect its overall competitiveness in the industry (beyond the focal country)?

- Use the concepts and frameworks discussed in class, but please be selective. Do not run a laundry list of all the factors. Instead, find the ones most relevant to this firm, and explain why they should demand attention from the top executives (i.e. busy people). Be explicit about the firm-, industry-, and country-specific characteristics.

- If some crucial information is not readily available, illustrate where to obtain the information or how to make decisions with incomplete information (which we do all the time). Good understanding of concepts and logical clarity are more important than the amount of information compiled.

**This is an individual assignment, and should be done individually.**

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**THE FINAL PAPER**
Due at Noon on Wednesday, December 5th

This team assignment consists of a report (25 pages in length) and a short presentation (8-9 minutes) summarizing its main themes and findings.

This is a team assignment. Teams of 5-6 will be randomly assigned at the beginning of the semester.

Your team is to address a critical decision facing the firm. Examples of appropriate focal questions include: Should Citi give stronger incentives to its branch managers? Should CVS set up mini-clinics in its stores? Should Panera Bread enter China? Your question should be narrow enough to have a specific answer, and yet substantial enough to require the theories and concepts from all three modules for a rigorous analysis. For example, your decision on how to incentive your managers (a HSC question) will also depend on Citi’s strategic positioning (a strategy topic), your decision to diversify into clinics (a strategy question) depends on CVS’s ability to recruit qualified doctors without compromising the morale of the store assistants (a HSC topic) and the regulations in your intended markets (a global strategy topic), and your decision to expand to China (a global strategy question) will also depend on Panera’s competitive advantage in the industry (a strategy topic).

Accordingly, the project can incorporate such human and social capital course topics as motivation, job design, reward systems, recruiting and selection, managing individual performance, and links between the HR system and business strategy; such strategy topics as industry analysis, positioning, firm capabilities and resources, and the horizontal, vertical and geographic boundaries of the firm; and such global strategy topics as aggregation-adaptation-arbitrage, the role of state and technologies in cross-country differences, and the tension between global efficiency and local responsiveness.

The choice about the relative weight to put on different issues, theories and concepts is yours. Your allocation of space should be made based on the company you have chosen to cover, the issues you choose to analyze, and the data you are able to collect. Difficulty in finding data is not an acceptable excuse for omitting coverage of any aspect of the course; we can provide guidance on how you can find ways around such barriers. We will judge your coverage of the course material based in part on our sense of what a good analysis of the focal firm requires, i.e. if you think certain human & social capital or strategic or global issues aren’t important enough to cover and we disagree, we’ll reflect that in our comments and grading.

In choosing a focal firm, remember that you may not choose a firm highlighted in the cases from the course; and that the firm must, to some degree, be global, i.e. involved in cross-border activities (not only serving a domestic market).

In evaluating your paper, we will look to see whether the theories/concepts you use are described accurately (i.e. substantively correct), applied appropriately (i.e. fit the context you describe), and most relevant to the situation (i.e. did you pick the theories/concepts that best illuminate the firm’s situation). Most importantly, make sure your paper is focused on a core question and contains original analyses, and is not just a fact-based summary of a company.

PLEASE NOTE THAT ANY QUOTATIONS OF LONGER THAN A PHRASE MUST BE EXPLICITLY NOTED IN THE TEXT. INSUFFICIENT ATTRIBUTION TO EXTENDED QUOTATIONS FROM EXTERNAL SOURCES WILL RESULT IN FORMAL CHARGES OF PLAGIARISM TO THE OFFICE OF STUDENT CONDUCT. IF YOU HAVE ANY QUESTIONS ON POLICY, SEE http://gethelp.library.upenn.edu/PORT/documentation/plagiarism_policy.html

A one page proposal that describes the company you are planning to study, what aspects your analysis will focus on, and how you plan to gather data should be submitted on Canvas by Wednesday 6th September. You should then meet with faculty by the end of October to discuss your progress.

You will present your projects in Classes 23-24, in a randomly generated order. One member of each team should upload your team’s slide deck before Class 23, even if your team presents during Class 24.
The write-up should be printed double-spaced, using 12-point Times New Roman Font. The maximum length is 25 pages not including Exhibits. Please include an Executive Summary and Word Count on a title page. You will have to be concise and make choices about what issues to discuss. We recommend that you begin work on the paper early, to avoid a last minute crunch.