
STR 442E: Strategy Beyond Markets
Course Syllabus – Fall 2018
This Version: November 9, 2018

Course Logistics

Day and Time: Tuesday 5:50 – 8:50 PM
Location: Gleason Hall 118

Instructor

Professor David Primo
Office Hours (starting Sept. 11): Tuesday 4:30-5:30 PM on days when class meets, or by appointment
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Course Information

1. Course Description and Learning Objectives

Consider this real-world scenario: You are the CEO of a major corporation, and a new US president takes office who has pledged to implement new government rules that would hurt your industry. How do you respond? You may think this scenario refers to President Donald Trump, but he is hardly the first president to attack corporations, even if his tactics are unorthodox. For instance, in 2008, candidate Barack Obama promised to enact a windfall profits tax on oil companies if elected. The lesson? Regardless of who is control of government, managers must incorporate factors outside of markets—including government, public opinion, activists, and the mass media—into decision making and strategy building. Simple? Yes. Obvious? No. In fact, we repeatedly observe top executives caught off-guard when faced with “nonmarket” threats such as proposed government regulations or activist pressure. But the concept of strategy beyond markets extends further than reactively responding to threats. Managers also have the opportunity to shape the nonmarket environment in ways that advantage their firm. In this course, we will develop a framework for constructing nonmarket strategies and integrating them with market strategies. We will cover a broad range of topics, including the legislative process, regulation, activism, corporate social responsibility, and crisis management. We will also study the special challenges facing global firms and innovative firms. Class sessions will be highly interactive and will emphasize the real-world applicability of the frameworks and theories we discuss in class.

My goal is that by taking this course, “strategy beyond markets” will become part of your managerial tool kit. Specifically, you will strengthen your ability to do the following:

- Identify nonmarket opportunities and threats and analyze how they may affect your business
- Formulate nonmarket strategies for managing nonmarket issues
- Integrate market and nonmarket strategies
- Understand the techniques available to implement nonmarket strategies.

2. Relation with Other Courses at Simon Business School

This course is part of the Strategy and Organizations track within the Competitive and Organizational Strategy concentration. STR 421: Competitive Strategy is a required course for this track. This course also addresses some of the topics discussed in GBA 441: Business Ethics.

3. Textbooks and Required Material

There is one required textbook for the course: Business and Its Environment, 7th ed., by David P. Baron, ISBN 978-0132620550. The textbook is available for rental on Amazon.com. The textbook reading for the Sept. 4 class is available on Blackboard for those students who are not able to acquire a textbook immediately. Additional readings will be available via pdfs or links on Blackboard under Reserves.

4. Team Assignments

You will select into a team of 3-5 students to complete a weekly assignment based on the reading. Assignments will be made available on Blackboard and will be due each week (except for the first class and the week of the midterm). Each team must submit one set of answers via email to me by 10 AM on the day of class.

5. Class Participation

You are expected to be an active participant in class and attend every class. When we discuss cases, I will cold call students during the initial parts of our discussion. After that, I will only use cold calls as a last resort and will rely on you to be proactive in getting involved. Attendance, active involvement in class discussions, responsiveness to cold calls, and professionalism (see below) will be factored into your class participation grade. My pledge to you is that I will make every effort to create an environment where you will want to participate in class because you find the course material and discussions engaging, not because it is part of your grade.

6. Evaluation and Grading

Course grades are determined as follows:

Class Participation (Individual)	15%
Weekly Assignments (Team)	20%
Midterm Exam (Individual)	30%
Final Exam (Individual)	35%
Total	100%

Team members will receive the same grade for team assignments. If unresolved problems develop within your team, contact the Office of Student Engagement as soon as possible. Do not wait until the end of the quarter to resolve these issues.

Please ensure that your schedule will allow you to be present for both the midterm and the final exams.

The distribution of final course grades will follow this requirement taken from the Student Handbook: "The Simon Business School requests each faculty member not exceed a 3.5 average GPA for each graduate business course taught in a given quarter."

7. Academic Integrity

Simon's Code of Academic Integrity (see Section 3 of the Student Handbook) states: "*Every Simon student is expected to be completely honest in all academic matters. Simon students will not in any way misrepresent their academic work or attempt to advance their academic position through fraudulent or unauthorized means. No Simon student will be involved knowingly with another student's violation of this standard of honest behavior.*"

In addition to refraining from obvious forms of cheating and plagiarism:

- On assignments, do not copy or paraphrase work from each other, from students who have taken the class previously, from materials of mine distributed in a previous class, or from outside sources. Any written work should be entirely your own (or your team's, as applicable).
- Do not obtain advice, notes, solutions, or other material from students who took the class previously in ways that would give you an unfair advantage or would undermine the learning experience for you and the class (such as notes from past case discussions). Similarly, do not rely on others' case analyses posted online.
- Be sure to follow proper citation procedures when quoting or citing sources.

Most forms of disallowed shortcuts are easy to detect and will be referred to the school's Academic Integrity Committee. If in doubt, do not hesitate to ask me whether a particular form of collaboration or use of outside sources is acceptable.

If something is going on in your professional or personal life that prevents you from finishing assigned work in a timely manner, get in touch with me before the deadline (and get in touch with the Office of Student Engagement as appropriate).

Finally, to help prevent other students from violating academic integrity, do not pass on notes or give advice on assignments to any students who are taking the course in a later quarter or are taking it at the same time in a different section.

Please refer to the Student Handbook for any questions regarding the Code of Academic Integrity.

8. Professionalism

Treat class sessions like business meetings. Unprofessional behavior has a negative impact on your participation grade. Specifically:

- Make every effort to attend and be on time for each class meeting. Should extenuating circumstances require you to arrive late or leave early, please let me know before the start of class and sit in back so you can enter/leave with as little disruption as possible.
- Display your printed name tent in every class.
- You are allowed to use laptops and tablets during lecture, but they should only be used for coursework related activities and not for email, social media, or other activities not directly related to the course.
- Cell phones must be silenced during class.
- No photography, video recording, or audio recording of any kind is allowed.
- No reproduction or dissemination of course materials, slides, or lectures—electronically or through other means—is allowed.

Course Outline and Schedule

Note: Readings and cases from the Baron textbook have page numbers immediately following them. Other readings are available on Blackboard. Readings are topics are subject to change, but plenty of advance notice will be provided in the event of a change.

Date	Topic	Reading	Assignment Due
1. September 4	The Nonmarket Environment and Integrated Strategy	- Baron, chs. 1 & 2 (pp. 1-16, 30-47) - Case: Amazon.com and the Amazon.com Tax (pp. 225-229)	No
2. September 11	Activism and Corporate Strategy	- Baron, ch. 4 (pp. 74-91) - Case: Shell and Brent Spar (pp. 92-94)	Yes
3. September 18	Integrated Strategy in American Politics	- Baron, chs. 6-8 (pp. 132-140, 149-156; 162-183, 195-213) - Krehbiel (Blackboard) - Case 1: Business versus Business (pp. 158-160) - Case 2: Federal Express and Labor Organization (pp. 188-189)	Yes
4. October 2	Navigating the US Regulatory Environment	- Baron, chs. 9 & 10 (pp. 248-251; 264-276) - Case 1: The Volcker Rule (Blackboard) - Case 2: The AT&T and T-Mobile Merger? (pp. 253-256)	Yes
5. October 9	Midterm Exam (1st half); The Politics of International Trade (2 nd half)	- Baron, ch. 19 (pp. 519-540)	No
6. October 16	Integrated Strategy in a Global Context	- Baron, chs. 2, 17, 24 (pp. 33-34, 477-493, 691-699) - Reading Packet (Blackboard)	Yes
7. October 30	Integrated Strategy for Innovative Firms	- Reading Packet (Blackboard)	Yes
8. November 6	Corporate Social Responsibility and Ethics: Local and Global Considerations	- Baron, ch. 20 (pp. 557-580) - Reading Packet (Blackboard) - Cases: Google in China (pp. 472-476); Google out of China (pp. 699-702); updates (Blackboard)	Yes
9. November 13	Crisis Management <u>Guest Speaker:</u> Richard Keil, Managing Director for Global Issues Management, Accenture	- Baron, ch. 5 (pp. 102-116) - Reading Packet (Blackboard)	Yes
10. November 27	<u>Final Exam (6:00 – 7:30 PM) in G118</u>		