

STR 442E: Strategy Beyond Markets

Course Syllabus – Fall A 2019

This Version: September 29, 2019

Course Logistics

Day and Time: Tuesday 5:40 – 9:30 PM

Location: Schlegel 102

Instructor

Professor David Primo

Harkness Hall 318

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Office Hours: Please email me if you need to meet, and I will arrange a time ASAP to talk either in person, by video conference, or by phone.

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, presidential 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 or organization
- Formulate nonmarket strategies for managing nonmarket issues
- Integrate market and nonmarket strategies
- Understand the techniques available to implement nonmarket strategies
- Connect the frameworks and theories from class to current affairs.

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 and Corporate Social Responsibility.

3. Textbooks and Required Material

The required textbook for the course is *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 Aug. 27 class is available on the course's Blackboard page under Reserves for students who are not able to acquire a textbook immediately. Additional readings will be available via pdfs or links on the course's Blackboard page under Reserves.

4. Independent Study Activities

My experience is that the students who get the most out of this course are the ones who are able to connect its frameworks and theories to the nonmarket issues firms currently face. To that end, all students should read the *New York Times*, *Wall Street Journal*, *Economist*, or similar publication on a regular basis throughout Fall A. Team assignments will rely in part on these independent study activities. (All Simon students have free access to the *Wall Street Journal* online. See here for details: <https://wsj.com/rochester>.)

5. Team Assignments

On the first day of class, you will select into a team of 4-5 students. Each team will complete a weekly assignment asking you to draw from the course readings and material you identify as part of your independent study activities (see above). Assignments will be available on the course's Blackboard page and will be due each week starting on September 3. Each team must submit a single set of answers via email to me by 10 AM on the day of class.

6. In-Class Quizzes

Each class meeting will begin with a brief 10-15 minute quiz asking about the readings for the week. These quizzes are designed to encourage you to stay up-to-date with class material and help prepare you for class discussions. You must be present when the quiz is given to complete it. Late arrivals will not be given extra time to complete the quiz, and make-up quizzes will not be given. Because I understand you may need to miss class or be late to class for personal or professional reasons, I will only count your best 5 of 6 quiz grades toward your course grade. If you anticipate being late or missing more than 1 class during the 7-week course, you should contact me immediately.

7. Class Participation

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. In return, you are expected to attend every class and be an active participant in class. *You should let me know in advance if you will need to miss class.* In the event that you do need to miss class, videos of class sessions are posted on the course's Blackboard page 24 hours after each class ends. Videos of class sessions are copyrighted material and may not be stored, reproduced, shared with others, or redistributed in any way.

Should a student display a consistent lack of engagement with the course (i.e., regularly miss class, consistently show up late or leave early, etc.), I reserve the right to incorporate participation into a student's final course grade, provided the student is notified in advance of my concerns.

8. Evaluation and Grading

Course grades are determined as follows:

Weekly Assignments (Team)	20%
In-Class Quizzes (Individual)	30%
Final Exam (Individual)	50%
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.

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."

9. Professionalism

Treat class sessions like business meetings. 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 the 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 class, 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, videos, or lectures—electronically or through other means—is allowed.

10. 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 any 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/or 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 students outside of the class.

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

11. Credit-Hour Policy Adherence

This course follows the Simon credit hour policy for 2.5-credit courses. This course meets once weekly for 3.25 hours per week. In addition, students will complete independent study activities connecting ongoing issues facing firms to the course themes, as well as group assignments, for a total of at least 1.25 hours per week. There will be no less than 31.25 total hours of instructional activity (i.e., class sessions) or its equivalent (i.e., independent study activities and group assignments) over the entire course. In addition, under the Simon credit hour policy, students are expected to supplement each of the required 31.25 hours of instructional activity or its equivalent with 2 hours of additional work.

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. The Reserves section of the course's Blackboard page will contain the updated and complete list of readings (including textbook readings) for each week.

Date	Topic	Read Prior to Class	Assignment and Quiz
1. August 27	The Nonmarket Environment and Integrated Strategy	<ul style="list-style-type: none"> - Baron, chs. 1 and 2 (pp. 1-16, 30-47) - Case: Amazon.com and the Amazon.com Tax (pp. 225-229) 	Neither
2. September 3	Integrated Strategy in American Politics	<ul style="list-style-type: none"> - Baron, chs. 6-8 (pp. 132-140, 162-182, 195-201, 205-211) - Case 1: Business versus Business (pp. 158-160) - Case 2: Federal Express and Labor Organization (pp. 188-189) - Readings on Blackboard 	Both
3. September 10	Integrated Strategy in a Global Context	<ul style="list-style-type: none"> - Baron, chs. 19, 24 (pp. 523-525, 691-699) - Readings on Blackboard 	Both
4. September 17	Integrated Strategy for Innovative Firms	<ul style="list-style-type: none"> - Readings on Blackboard 	Both
5. September 24	Activism and Corporate Strategy	<ul style="list-style-type: none"> - Baron, ch. 4 (pp. 74-91), re-read ch. 7(175-177) - Case: Shell, Greenpeace, and Brent Spar (pp. 92-94) 	Both
6. October 1	Managing Crises and Reputational Risk <u>Guest Speaker:</u> Richard Keil, Managing Director for Global Issues Management, Accenture	<ul style="list-style-type: none"> - Baron, ch. 5 (pp. 102-116) - Readings on Blackboard 	Both
7. October 8	Corporate Social Responsibility	<ul style="list-style-type: none"> - Readings on Blackboard 	Both
8. October 22 6:00 – 8:30 PM Schlegel 207	Closed-Book, Cumulative Final Exam (2.5 hours)		