

## STR 442E: Strategy Beyond Markets

### Course Syllabus – Fall A 2020

*This Version: September 21, 2020*

#### Course Day, Time, and Location

Day and Time: Tuesday 5:40 – 8:10 PM

Location: Schlegel 407 and on Zoom

#### Instructor

Professor David Primo

Harkness Hall 318

david.primo@rochester.edu

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

### 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. Learning Modules

To match the mode of instruction in Fall A, STR442E is structured as a set of learning modules. Each week, there will be a topic or set of topics, and for each topic there will be preparation materials such as an online pre-class video lecture and readings. Within each learning module, you will find all of the readings, assignments, and expectations for the week. My goal in designing the course this way is that you have a structure for each week's workload that is linear, logical, and user-friendly, and that the result will be productive class sessions and a positive overall course experience.

### 4. 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 and other vendors online. The textbook reading for the Sept. 1 class is available on Blackboard for students who are not able to acquire a textbook immediately. Additional readings for each learning module will be available via pdfs or links. You will be required to purchase at least one and possibly more cases from Harvard Business School Publishing. Details will be provided during the term.

### 5. 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 will be posted on the course's Blackboard page within 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 in-class participation into a student's final course grade, provided the student is notified in advance of my concerns.

### 6. In-Class Quizzes

Each class meeting starting in week 2 will begin with a brief 12-minute open-book quiz asking about the preparation materials 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 take the quiz when it 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. Quizzes will go "live" on Blackboard at 5:40 PM each week. You will enter your answers directly into Blackboard. (I have a back-up plan if Blackboard is down.) Please bring a laptop or other device that is compatible with Blackboard to class, and be logged in when class starts. 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 to or missing more than 1 class during the 7-week course, you should contact me immediately.

### 7. Weekly Team Assignments

Prior to the first day of class, you will select into teams of 5-6 students. (Details are on Blackboard in the Course Introduction module). Starting after the first class, each team will meet synchronously via Zoom or other mutually agreed upon video chat service for approximately one hour each week to discuss a set of questions related to the readings and videos. Students should have completed all of the preparation work in the learning module prior to this team meeting. Each week, a different team member should be designated as a note taker, and this student will submit a write-up via email by 8 AM on the day class meets, beginning with week 2, for a total of 6 assignments.

Expectations:

- I view synchronous team discussions about the course material to be an important part of the course experience. Team members must attend the team meeting to receive credit for the associated team assignment.
- Team members present at the team meeting will receive the same team grade for the associated team assignment. Assignments, which count toward 15% of your course grade, will be graded based on accuracy and the quality of explanations provided.
- At the end of the semester, students will provide me with a peer assessment of the contribution of other team members, factoring in (a) preparation, (b) contributions, and (c) professionalism. These assessments will count toward a separate 5% of your course grade.
- If unresolved problems develop within your team, contact me or the Office of Student Engagement as soon as possible. Do not wait until the end of the quarter to resolve these issues.

## 8. In the News Assignments

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*, *Business Insider*, or similar publications on a regular basis throughout Fall A. (All Simon students have free access to the *Wall Street Journal* online. See here for details: <https://wsj.com/rochester>.)

You will have two mini-assignments related to this independent work:

- After Sept. 1 and no later than Sept. 22 at 8 AM, you should create a thread with a link to an article related to the course material from the Sept. 1, 8, 15, or 22 classes in the In the News Part 1 discussion forum on Blackboard and explain its relevance to the course material in a paragraph.
- After Sept. 22 at 8 AM and no later than Oct. 13 at 8 AM, you should create a thread with a link to article related to the course material from the Sept. 22, Sept. 29, Oct. 6, or Oct. 13 classes in the In the News Part 2 discussion forum on Blackboard and explain its relevance to the course material in a paragraph.

Expectations:

- Each of these posts will be graded 0, .5, 1.5, or 2.5, for a total of 5 possible points. Simply posting a relevant article link with no explanation is worth .5 point. Posting a relevant article link with an explanation containing a weak connection to the course or substantive errors (e.g., you discuss a concept incorrectly) is worth 1.5 points. Posting a relevant article link with an accurate explanation and a strong connection to the course is worth 2.5 points.
- Articles should be recent (published/posted after Sept. 1, 2020).
- I encourage you to post articles as soon as you find them, as you will then be able to view what others have posted.
- I encourage you to offer constructive comments and feedback on other posts.

## 9. Final Exam

Students must complete a comprehensive final examination at the time set by the Simon Business School. The exam will be open-book, and students will receive guidance on preparing for the exam towards the end of the term.

## 10. Evaluation and Grading

Course grades are determined as follows:

Weekly Team Assignments (Team grade)	15%
Weekly Team Assignments (Peer assessment)	5%
In the News Assignments (Individual)	5%
In-Class/Online Quizzes (Individual)	25%
Final Exam (Individual)	50%
Total	100%

The distribution of final course grades will meet the Simon Business School's Fall A 2020 standard of a 3.6 average GPA.

## 11. Professionalism

Treat class sessions like business meetings. Specifically:

- Make every effort to attend and be on time for each class meeting, regardless of whether you are attending in-person or via Zoom. Should extenuating circumstances require you to arrive late or leave early, please let me know before the start of class and, if attending in person, sit in the back of the classroom 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, tablets, and mobile phones 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.
- All electronic devices 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. The unauthorized use of course content is a violation of Simon's Code of Academic Integrity and will be reported to University officials.

## 12. Academic Integrity

Simon's Code of Academic Integrity (see 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, or unknowingly yet passively within a team, 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.

## 13. Credit-Hour Policy Adherence

This course follows the Simon credit hour policy for 2.5-credit courses. This course meets in-person and on Zoom once weekly for 2.5 hours per week. In addition, students will engage with one another via discussion groups, watch online instructional or other videos, and complete team assignments, for a total of at least 2 hours per week. There will be no less than 31.25 total hours of instructional activity (e.g., class sessions) or its equivalent (e.g., team assignments) for 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

Date	Learning Modules
1. September 1	Foundations <ul style="list-style-type: none"> <li>- The Nonmarket Environment</li> <li>- Integrated Strategy</li> </ul>
2. September 8	Integrated Strategy in American Politics <ul style="list-style-type: none"> <li>- The Distributive Politics Spreadsheet</li> <li>- Types of Nonmarket Strategies</li> <li>- Institutions and Strategy (Pivotal Politics)</li> </ul>
3. September 15	Integrated Strategy in a Global Context <ul style="list-style-type: none"> <li>- Strategies for the Cross-Border Enterprise</li> <li>- The CAGE Framework</li> <li>- Political Risk                             <ul style="list-style-type: none"> <li>- Corruption</li> <li>- Trade Policy</li> </ul> </li> </ul>
4. September 22	Integrated Strategy for Innovative Firms <ul style="list-style-type: none"> <li>- Applying Course Frameworks to Innovative Firms</li> <li>- Antitrust (M&amp;A)                             <ul style="list-style-type: none"> <li>- <u>Guest Speaker</u>: Dave Carey, former Executive Vice President, T-Mobile</li> </ul> </li> <li>- Antitrust (The Antitrust-Innovation Tension)</li> </ul>
5. September 29	Activism and Corporate Strategy <ul style="list-style-type: none"> <li>- Private Politics</li> <li>- Managing Amidst Activism</li> </ul>
6. October 6	Managing Crises and Reputational Risk <u>Guest Speaker</u> : Richard Keil, Managing Director for Global Issues Management, Accenture
7. October 13	Corporate Social Responsibility <ul style="list-style-type: none"> <li>- Motivations for CSR</li> <li>- Competing Conceptions of the Corporation</li> <li>- Quantifying and Assessing CSR Initiatives                             <ul style="list-style-type: none"> <li>- <u>Guest Speaker</u>: Tyler Wry, Associate Professor, Wharton</li> </ul> </li> </ul>
8. October 20 *Online*	Open-Book Cumulative Exam (6:00-8:30 PM on Blackboard)

Note: Modules are subject to change, but plenty of advance notice will be provided in the event of a change.