

Strategic Management I

Credits:	1.5	Faculty:	ram kumar kakani	Sessions:	10	Group Work	Yes
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'Strategy' unfolds from the subjective strategist's desire to win. The strategist, therefore, seeks governance over others. Yet at the same time, one must agree to submit oneself to governance that constrains the payoff desired. Rules and norms thus get created through a social process, under the rubric of which the strategist acts. The discipline of *"Strategic Management"* must therefore grapple simultaneously with the individual and his/her individuated desires as well as the social domain that gets manifested in laws, rules and shared norms. For instance, the creative urge of an individual creates an innovation that most often creates a departure from extant norms, while the process of market creation for such an innovative enterprise becomes an activity in the social domain for it has to seek coordination with others.

In this course we will explore different mechanisms of governance, different shades of power and authority, understanding of which constitute the toolbox of a strategist. Governance within a firm, for instance, can be organized in myriad different forms with different implications for the nature of coordination achieved, or knowledge tapped, while governance through the market contract or in a network across the firm boundaries or in a public/social institution is quite different from that of governance and associated sense of authority inside a firm/organization. Different governance patterns that create different structures must not be conflated, therefore.

The academic field of strategy has undertaken rapid strides in recent years – a long journey from the concerns of the world of mass production, assembly lines and rational departmentalized (or divisionalized) administration to process based organizations, service strategies, differentiation and customization and distributed innovation in the new economy. Rationality has given way to bounded rationality and cognitive limitations of the strategist. We will undertake that journey in concepts in this course holding the hand of stalwarts who contributed to understanding of the business environment and managers' efforts to constantly grapple with uncertainties.

Course Objective:

This course (SM-1) develops the necessary concepts and skills required for a systematic and effective strategic management using an integrated approach starting from industry analysis. It also presents the latest concepts and methodologies for developing and implementing strategies that work. Drawing from relevant conceptual frameworks and real-life case studies, students of the SM-1 course learn to integrate strategies with culture and structure of organization in a competitive environment.

- ♦ CAREER FOCUS – It is aimed at students who expect at some point in their careers to be involved in developing corporate, business, or functional strategies in their organizations.
- ♦ EDUCATIONAL OBJECTIVES – The objective of the course is to enhance a students capacity for strategic thinking required for effective corporate change and performance; to undertake result-oriented strategic planning and management processes.

Please note that while SM-1 lays the foundations of the same, the second part of the course i.e., SM-2 extends the good work of this course and will build on the same.

Prescribed Material & Course Organization:¹

The SM-1 course material will comprise of, (a) Book titled "Strategic Thinking: Explorations around conflict and cooperation" by Biswatosh Saha, Parthasarathi Banerjee, etc. Sage Publications (henceforth, **BS**); (b) Strategic Management: Concept and Cases by Fred David; PHI India (henceforth, **FD**); (c) Exploring Corporate Strategy: Text Only by Johnson, Scholes and Whittington (henceforth **JSW**); (d) Strategy and the Business Landscape by Pankaj Ghemawat, Pearson (henceforth, **PG**); and (d) Collation of hardcopy-cum-softcopy material on strategy theories, discussions, and case material (wherever applicable).

¹ The author acknowledges the inputs of Dr. Biswatosh Saha (IIM Calcutta) in creating the course outline and material.

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A session plan with set of readings for each session is given. While every session has compulsory assigned readings, there are several additional readings (including web resources), which students may find interesting to go through depending on their areas of interest. The list of readings as well as the session plan is tentative and would evolve depending on how the course proceeds. For each session, every student must read at least the compulsory reading, while the assigned group would make a presentation with a critique by any random group whom I would invite in class. The readings are a mix of theories and real life case analysis. Interested students may analyze the readings, understanding and critiquing the arguments of the authors. An attempt to link these arguments to the evolving thread of discussions in class would be quite useful. Your active participation is vital in this course and I would expect you to put in as much effort as possible. If you have any problems please feel free to seek support/discussions even outside the class time. My office phone number is 91-657-398-3104. Email is kakani@xlri.ac.in

Each individual student will also be required to carry out an extensive project that would be declared within the next few days. Students may also have to use PROQUEST, EBSCO, SSRN (for access to journal articles required in projects), and databases such as PROWESS and ISI Emerging Markets.

Pedagogy:

The pedagogy will comprise lectures, extensive case-based analysis-cum-discussions, success & failure stories, and project work. Active participation by students is an important feature of the course.

Evaluation

	Weightage
Class Submission & Presentation (Assigned) / Class Random Critique	30%
End-term Examination* Part of this could be based on Individual/Group Project	40%
Project Work To deepen students' ability to apply the course skills in a practical context, they will have to work in an individual project. The project details would be distributed in one of the classes.	30%

* indicates some questions might carry negative marks also

Tentative Session Plan

Session	Theme	Prior Reading
1	Introduction to strategy – Two worlds explored, deterrence and innovation	Assigned Readings: The Nature of Strategic Management, The Business Vision and Mission (Chapters 1 and 2 of FD ; and similar/relevant readings in JSW & PG) Optional: (a) Business Policy from HBS; (b) Concept of Strategy by H Igor Ansoff
2	The Origins of Strategy and Identifying Core Competence	Assigned Reading: Jeffrey's Brandt Group (Own Case; To be distributed) Optional: a) The Core Competence of the Corporation (HBR 1990 Article); (b) Competing on Capabilities: The New Rules of Corporate Strategy (HBR 1992 Article); (c) Appendix 3B of BS ; (d) The Origins of Strategy (Chapter 1 of PG); (e) Building Your Company's Vision (HBR 1996); and (f) similar/relevant readings in FD, JSW & PG

Term III

PGDM (Jan./Feb. 2012)

XIM-B

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Session	Theme	Prior Reading
3	Social Embeddedness of the Strategist: Concepts of Institution, Power and Authority	Assigned Reading: (a) Bangalore Labs (Case; Appendix 3C of BS); and (b) Dosa King (Case 5.2 of BS) Optional: (a) 'Markets and Hierarchies', by Herbert Simon and 'Economic performance through time, by Douglass North; (c) Cases 2.2 and 2.3 of BS ; and (b) similar/ relevant readings in FD, JSW & PG
4	Mapping the Landscape of Business: Industry Evolution and Analysis	Assigned Reading: Cola Wars: Coke Versus Pepsi (Case 3 of PG) Optional: (a) How Competitive Forces Shape Strategy (HBR, 1997 Article); (b) Managing the Business Landscape (Chapter 2 of PG); (c) Cases 2.5 and 2.6 of BS ; and (d) similar/ relevant readings in FD & JSW
5	Creating Competitive Advantage	Assigned Reading: (a) Barings private equity partners limited: Banking services for the poor in Bangladesh (Richard Ivey Case, To be distributed); (b) Creating Competitive Advantage (Chapter 3 of PG); and (c) SafeSave (Case; Appendix 5A of BS) Optional: (a) The Process of Mapping Business Landscapes (Chapter 2 of PG); and (b) similar/ relevant readings in FD & JSW
6	Understanding Business Groups & Business Networks	Assigned Reading: (a) House of Tata, 1995: The Next Generation (A) (HBS Case; To be distributed) Optional: (a) Appendix 3B and Case 5.1 of BS ; (b) Chapter 1 of BS ; (c) Wikipedia Open Source on the Web; (d) Article comparing Ratan Tata with JRD Tata; and (e) Cross Holding Strategy to Increase Control: Case of the Tata Group by Tejas Joshi: http://ssrn.com/abstract=889394 (download); and (f) similar/ relevant readings in FD, JSW & PG
7	Reaching Customer: Strategies in Distribution and Retailing: Large Scale Mass Retailing Vs Fragmented Distribution System	Assigned Reading: (a) Apparel distribution: Inter-firm contracting and intra-firm organization, Y. Miwa and Ramsayer; and (b) Case on Wal*Mart (Case 5 of PG) Optional: (a) Creating Competitive Advantage (Chapter 3 of PG); (b) Case 1.4 and 4.6 of BS ; (c) Introduction to Japanese distribution system; (d) Japanese trading companies and trade finance; (e) similar/ relevant readings in FD & JSW ; and (f) Web resources at http://WalmartWatch.com
8	Expansion Strategies: Choosing between Vertical Integration, Product Diversification, & Geographical Diversification	Assigned Reading: (a) RPG Enterprises, 1995; (b) Why Focused Strategies May be Wrong for Emerging Markets by Tarun Khanna and Krishna G Palepu (HBR Article 1997) Optional: (a) Why Firms Diversify? By H Igor Ansoff; (b) Explaining Diversified Business Groups Failure & Focused Business Groups Success in India: http://ssrn.com/abstract=906455 ; (c) Autobiography of JRD Tata; and (d) similar/ relevant readings in PG, FD & JSW
9	Micro Strategies in a Powerless World leading to Firms as Sites of Conflict	Assigned Reading: Knowledge, power and action: Towards an understanding of implementation failures in a government scheme by Biswatosh Saha and Self (AI & Society, 2006) Optional: (a) Building a pedagogy around action and emotion: experiences of blind opera of Kolkata by Biswatosh Saha and Subhashis Gangopadhyay (AI & Society, 2006); (b) An Essay on Bargaining by Thomas C Schelling, American Economic Review, June 1956; and (c) similar/relevant readings in BS, PG, FD & JSW

Term III

PGDM (Jan./Feb. 2012)

XIM-B

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Session	Theme	Prior Reading
10	In Search of Excellence: The Link Between the Seven Elements	Assigned Reading: (a) McKinsey's 7-S Model (www.themanager.org); and (b) Organizational Restructuring in KBL (Compilation to be given in the class); and (c) Legendary Efficiency at Tokyo Metro (Case; Appendix 2A of BS) Optional: (a) Structure is not organization by Waterman et al. (Business Horizons, 1980 Article); (b) Crafting Strategy by Henry Mintzberg (HBR 1987 Article); and (c) similar/relevant readings in PG, FD & JSW

Please note that the above sequence plan is tentative (and would be altered based on initial class experience).

Other Relevant Readings:

- ❖ Inheriting the Mantle by Sampath
- ❖ Managing from Zero to Blue Chip by Chandra Mohan by Think Inc.
- ❖ Strategic Management by Thompson
- ❖ Trout on Strategy by J Trout