

Corporate Strategy Syllabus

Fall 2012

Lecture: Thursday, 8.00 – 10.00 a.m. (weekly theory lectures)/ 10.00 – 12.00 a.m. (four case study sessions)
(with exceptions – please see course overview)

Room: 001, Engehaldenstrasse 8

Professor / Lecturer: Prof. Dr. Artur Baldauf / Simone Schweiger

First lecture: September 20, 2012

Credits: 6 ECTS / 4 SWS

Target group: Master, lic.rer.pol., Fachprogramm

Course Language: English

Application: Due to a team learning approach, students are required to register for us to deduce the team size. Registrations will be accepted from Sep 01 until Sep 19 (via ILIAS).

Contact: Simone Schweiger, simone.schweiger@imu.unibe.ch

Required Reading: Collis, David und Cynthia Montgomery (2005): *Corporate Strategy: A Resource Based Approach*, second edition, Irwin/McGraw-Hill.

Course Description

Most industrial activity in developed countries is carried out by large corporations that compete in more than one market. Some well-known Swiss examples include Nestlé, Novartis, UBS and Valora. Due to the dominant role these firms play in economic activity, it is likely that most students, regardless of their chosen career paths, will at some point either work for, advice, or compete with, a multibusiness corporation.

The nature of these large corporations has undergone enormous change in the past forty years, affecting both their scope and their structure. The merger and acquisition booms of the sixties and eighties extended the scope of existing multibusiness corporations. More recently, capital market pressures forced every corporation to reassess its portfolio of businesses, level of overhead, and the way it coordinates and controls its multibusiness activities. New forms of corporate organization, such as the LBO partnerships of the eighties, provoked a debate about the efficacy of corporate hierarchies. In addition, new institutional arrangements, such as joint ventures, alliances and franchising have come to prominence.

Perhaps surprisingly, even the smallest single business companies face many of the same issues that challenge their larger brethren. The entrepreneur starting out his or her new enterprise, for example, has to decide on boundaries to the set of activities the company will undertake. Should it manufacture or purchase its inputs? Should it market one or several products? Should it franchise the firm's concept? These questions address the primary motivation of this course – to determine the appropriate scope of the firm.

Key questions:

- How does a corporation create economic value through its multimarket activity?
- How must the corporation be structured and managed to realize the benefits of its multimarket activity?
- Why should these activities be undertaken inside the corporation, rather than accessed through contracts, joint ventures or other institutional arrangements?

Grading

Exam

The exam will consist of three kinds of questions: multiple choice, theory, and case study.

In the multiple choice part, you will be confronted with multiple choice questions that predominantly cover theoretical concepts you have learned in the lecture. If you answer a multiple choice question incorrectly, your overall score will be diminished by the number of points assigned to this question. If you decide not to answer a multiple choice question, you will receive zero points for this question.

In the theory part, you will be confronted with questions referring to concepts covered in the lectures and in the text book.

In the case study part, you will be confronted with a company case in which you should transfer the knowledge you have gained in the lecture, the text book, the guest lectures, the Entrepreneur's Thursdays, the case study sessions as well as the team project presentations.

Performance Evaluation

Final written exam (90 minutes)	70%
Team grade	30%

Terms

- Each component (written exam, case study, and team project) must be graded positively (i.e., with the grade “4” or higher) in order to receive an overall positive evaluation.
- Questions in the written exam will be in English. Your answers can be in either English or German.
- Presentations are to be held in English.
- Should you decide not to take the exam this semester, you may keep your team grade for a future semester. In this case, contact the assistant before the beginning of the semester in which you wish to take the exam.
- Attendance is obligatory for the following sessions:
 - the two guest lectures
 - the case study session to which you have been assigned
 - both team project presentation sessions at the end of the semester
- Attendance will be verified in these sessions. Absence should not exceed two sessions in order to pass the Corporate Strategy course.

Tentative Course Overview (subject to change)

Date	Topic	Textbook
Sep 19	Due: Register to Corporate Strategy via ILIAS	
Sep 20 8.00 – 12.00 a.m.	Attendance required Course overview An introduction to Corporate Strategy	Ch. 1
Sep 21 8.00 – 10.00 a.m.	Due: Allocate to teams via Google.Docs Resources and Rents	Ch. 2
Oct 4 10.00 – 12.00 a.m.	Case study session 1	
Oct 11 8.00 – 10.00 a.m. 6.30 p.m.	Resources and Rents Entrepreneur's Thursday (in German) with Thomas Binggeli: Owner and CEO of Thömus Veloshop Attendance highly recommended / expected	Ch. 2
Oct 18 8.00 – 10.00 a.m. 10.00 – 12.00 a.m.	Scale and Scope within an Industry Case study session 2	Ch. 3
Oct 25 8.00 – 10.00 a.m.	Diversified Expansion I	Ch. 4
Nov 01 8.00 – 10.00 a.m. 10.00 – 12.00 a.m.	Diversified Expansion II Case study session 3	Ch. 4
Nov 08 8.00 – 10.00 a.m. 10.00 – 12.00 a.m.	Organizational Limits to Firm Scope Guest Speaker: Dr. Peter Binder, Binder Corporate Finance	Ch. 5
Nov 15 8.00 – 10.00 a.m. 10.00 – 12.00 a.m.	Due: Upload your proposal of team project to ILIAS Managing the Multibusiness Corporation Case study session 4	Ch. 6
Nov 22 8.00 – 10.00 a.m.	Due: Individual assignment on ILIAS: Case studies Creating Corporate Advantage	Ch. 7
Nov 29 8.00 – 9.00 a.m. 9.00 – 11.00 a.m. 6.30 p.m.	Corporate Governance Guest Speaker: Pia Tischauser; Boston Consulting Group Attendance required Entrepreneur's Thursday (in German) with Gerhard Jansen: Entrepreneur and chairman of the board of Prival AG Attendance highly recommended / expected	Ch. 8
Dec 05	Due: PowerPoint-slides of team project presentation (all teams)	
Dec 06 8.00 – 12.00 a.m.	Attendance required Team project presentations, part 1 of 2	
Dec 13 8.00 – 12.00 a.m.	Attendance required Team project presentations, part 2 of 2	
Dec 20 9.30 – 11.00 a.m.	Exam (1st opportunity)	
Feb 14	Exam (2nd opportunity)	