

INTERAMERICAN UNIVERSITY OF PUERTO RICO  
METROPOLITAN CAMPUS  
ECONOMICS AND ADMINISTRATIVE SCIENCES FACULTY  
MBA PROGRAM

SYLLABUS

I. GENERAL INFORMATION

Course title : INTEGRATION SEMINAR ON  
ENTREPRENEURIAL STRATEGIES  
Code and number : BADM 6500  
Credits : 3  
Academic term : Trimester  
Professor : Arline Milan Olivieri, Ph. D.  
Office hours : M-TH 5-7PM  
Email : amilan@metro.inter.edu

II. DESCRIPTION

Analysis of the factors to be considered in the formulation and selection of strategies and policies for the development and operations of companies in local and international competitive markets. Prerequisite: Have completed all core courses. Grade P/NP.

III OBJECTIVES

It is expected that upon completing the course, the student will be able to:

1. Analyze how strategic leaders can manage the strategy-making process to achieve competitive advantage, and how it can go wrong.
  - 1.1.Explain the concept of strategy and specify the relationships between superior performance, profitability, competitive advantage, and sustainable competitive advantage.
  - 1.2.Identify the roles and responsibilities of strategic managers at different levels within the organization and outline the main components of the strategic management process.
  - 1.3.Contrast the rational, deterministic view of strategy with alternate views.

- 1.4. Explain why formal strategic planning may not always lead to success, and identify ways of avoiding some of the common pitfalls associated with strategic planning.
- 1.5. Identify the attributes associated with superior strategic leadership and the barriers to effective strategic decision making and the techniques for improving decision making.
2. Analyze how to succeed, a company must either fit its strategy to the environment in which it operates or be able to reshape the environment to its advantage through its chosen strategy.
  - 2.1. Explain the importance of understanding the forces that shape competition in a company's external environment and how change gives rise to strategic opportunities.
  - 2.2. Discuss the strategic importance of each of Porter's five forces.
  - 2.3. Examine the emergence of a sixth competitive force-complementary.
  - 2.4. Describe the concepts of strategic groups and mobility barriers.
  - 2.5. Discuss the industry life cycle, the limitations of the five forces, strategic group, and industry life cycle models.
  - 2.6. Discuss the different forces in the wider macro environment and identify the forces that have resulted in the globalization of production and markets.
  - 2.7. Explain the concept of the value chain, and how distinctive competencies lead to superior efficiency, quality, innovation, and responsiveness to customers, which in turn allow a company to differentiate its products and lower its costs.
  - 2.8. Describe how competitive advantage leads to higher profitability, and the factors that influence the durability of a company's competitive advantage.
  - 2.9. Discuss the steps that companies can take to avoid failure and sustain a competitive advantage.
3. Evaluate the nature of competitive advantage and why managers need to perform internal analysis, just as they must conduct industry analysis, to achieve superior performance and profitability.
  - 3.1. Discuss how a company can build and maintain a competitive advantage through its choice of functional strategies.
  - 3.2. Analyze the different steps that can be taken at the functional level to improve a company's efficiency.
  - 3.3. Analyze the different steps that can be taken at the functional level to improve the quality of the company's product.
  - 3.4. Analyze the different steps that can be taken at the functional level to improve a company's ability to innovate.

- 3.5. Analyze the different steps that can be taken at the functional level to improve a company's responsiveness to its customers.
4. Explain how functional-level strategies can be used to build a sustainable competitive advantage.
  - 4.1. Analyze the main ways to compete in a business or industry.
  - 4.2. Analyze Porter's generic strategies of cost leadership, differentiation, and focus-and the opposite, being stuck in the middle-as well as the combined cost leadership/differentiation strategy.
  - 4.3. Examine the advantages and disadvantages of these strategies, and discuss the ways in which the company can achieve these strategies.
5. Compare the principal generic business models and business-level strategies that a company uses to obtain a competitive advantage over its rivals.
  - 5.1. Distinguish the different kinds of competitive problems that exist in different industry environments.
  - 5.2. Discuss the problems of developing a competitive advantage in a fragmented industry and formulate the solutions to such problems.
  - 5.3. Discuss the problems of maintaining a first-mover advantage in embryonic and growth industries.
  - 5.4. Examine the main kinds of competitive strategies that firms use to manage competitive industry relations in mature industries.
  - 5.5. Explain the main strategies for handling a declining industry environment.
6. Evaluate how global forces in the changing industry environment require managers to pursue new kinds of business-level strategies.
  - 6.1. Explain the importance of global competition and global competitors.
  - 6.2. Describe the benefits that global firms enjoy and also the costs they must bear.
  - 6.3. Explain the pressures for cost reductions and local responsiveness that face global companies.
  - 6.4. Compare global standardization strategy, localization strategy, transnational strategy, and international strategy.
  - 6.5. Explain how global companies make decisions about which markets to enter, when to enter, and on what scale to enter.
  - 6.6. Compare the advantages and disadvantages of various modes of entry into foreign markets.
  - 6.7. Judge the factors that determine which way of entering a foreign market is best for a particular company.
7. Explain how the different levels of strategy contribute to the creation of a successful and profitable business model and differentiate between various types of corporate strategies.

- 7.1. Illustrate how horizontal integration can create value for a company and show the bureaucratic limits to the profitable pursuit of horizontal integration.
- 7.2. Illustrate how vertical integration can create value for a company and show the bureaucratic limits to the profitable pursuit of vertical integration.
- 7.3. Explain how strategic alliances can be used instead of horizontal and vertical integration, and describe the limitations of alliances.
- 7.4. Explain how strategic outsourcing can be used instead of horizontal and vertical integration, and describe the limitations of outsourcing.
- 7.5. Compare related and unrelated diversification and the benefits and problems associated with each.
- 7.6. Explain the benefits, challenges, and implementation guidelines for the corporate-level strategy of internal new ventures.
- 7.7. Explain the benefits, challenges, and implementation guidelines for the corporate-level strategy of acquisitions.
- 7.8. Explain the benefits, challenges, and implementation guidelines for the corporate-level strategy of joint ventures.
- 7.9. Explain the reasons why firms restructure.
8. Justify why the fortunes of a company often rest on its manager's ability to design and manage its structure, control systems, and culture.
  - 8.1. Summarize the main elements of strategy implementation-structure, control systems, and culture-and their relationships to each other.
  - 8.2. Illustrate how structure, control, and culture can build distinctive competencies at the functional level.
  - 8.3. Analyze the use of structure, control, and culture in implementing a single-business firm's generic business strategy.
  - 8.4. Justify the use of restructuring and reengineering in improving the performance of a single-business firm.
9. Explain the nature of competition in high-tech industries and the strategies that companies can pursue to succeed in those industries.
  - 9.1. Recognize the important role of technical standards in creating success in high-tech industries and the ways in which they can emerge.
  - 9.2. Examine the concepts of network effects, positive feedback loops, and customer switching costs.
  - 9.3. Propose a variety of strategies for winning a format war.
  - 9.4. Analyze the cost structure of high-technology industries and its impact on strategy.
  - 9.5. Recognize the importance of intellectual property rights for high-tech firms, and explain the methods by which firms protect those rights.

- 9.6. Examine the advantages and disadvantages of being a first mover or a follower in a high-tech industry.
- 9.7. Analyze the cycle of development of new technologies that underlies technological paradigm shifts.
- 9.8. Examine strategies that can be used by first movers and existing firms to manage during a time of technological paradigm shift.
- 10. Conclude that the quest to maximize profitability should be constrained by Both legal and ethical obligations, and that managers must behave in an Ethical and socially responsible manner.
  - 10.1 Identify important stakeholder groups, show how they contribute to and Benefit from the firm, and describe how stakeholders affect corporate Profitability.
  - 10.2 Explain agency theory, and use it to explain why a misalignment of Interests exist at every level of the organization.
  - 10.3 Evaluate information about various corporate governance mechanisms.
  - 10.4 Explain business ethics, and show how managers can improve a firm's Ethical performance.

#### IV. CONTENTS

##### A. Unit I What is Strategy?

- 1. Strategic Leadership, Competitive Advantage, and Superior Performance
- 2. Strategic Managers and the Strategy-Making Process
- 3. The Emergent Process of Strategic Planning and Strategic Decision Making
- 4. Strategic Leadership in the High-Performing Organization

Readings:

Required:

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin. Chapter 1.

Suggested:

Henderson, B. D. (1991). The origin of strategy. In C. A. Montgomery

And M. E. Porter (Eds.), *Strategy: Seeking and securing competitive Advantage* (pp. 3-9). Boston: Harvard University School.

Mintzberg, H. (1991). Crafting strategy. In C. A. Montgomery and M. E. Porter (Eds.), *Strategy: Seeking and securing competitive advantage* (pp. 403-419). Boston: Harvard University School.

Internet Center for Management and Business. (2007). the strategic Planning process.

<http://www.quickmba.com/strategy/strategic-planning/>

Internet Center for Management and Business. (2007). Business vision and Company mission statement.

<http://www.quickmba.com/strategy/vision/>

Internet Center for Management and Business. (2007). SWOT analysis.

<http://www.quickmba.com/strategy/swot/>

## B. Unit II Internal and External Environments

1. What is an Industry?
  - a. Porter's Five Forces Model
  - b. Strategic Groups within Industries
  - c. Industry Life Cycle Analysis
  - d. Limitations of Models for Industry Analysis
  - e. The Macro environment
  
2. Competencies, Resources, and Competitive Advantage

- a. The Value Chain
- b. The Building Blocks of Competitive Advantage
- c. Analyzing Competitive Advantage and Profitability
- d. The Durability of Competitive Advantage
- e. Avoiding Failure and Sustaining Competitive Advantage

Readings:

Required:

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin. Chapters 2-3

Suggested:

Internet Center for Management and Business. (2007). Competitive Advantage.

<http://www.quickmba.com/strategy/competitive-advantage/>

Internet Center for Management and Business. (2007). Porter's five Forces.

<http://www.quickmba.com/strategy/porter.shtml>

Internet Center for Management and Business. (2007). the value chain.

<http://www.quickmba.com/strategy/value-chain/>

### C. Unit III Strategy at the Functional Level

1. Achieving Superior Efficiency
2. Efficiency, Flexible Manufacturing, and Mass Customization
3. Achieving Superior Quality
4. Achieving Superior Innovation
5. Achieving Superior Responsiveness to Customers

Readings:

Required:

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin. Chapter 4.

Suggested:

Stalk, G. (1991). Time: The next source of competitive advantage. In C. A. Montgomery and M. E. Porter (Eds.), *Strategy: Seeking And securing competitive advantage* (pp. 39-60). Boston: Harvard University School.

#### D. Unit IV Strategy at the Business Level

1. Competitive Positioning and the Business Model
2. Competitive Positioning and Business-Level Strategy
3. The Dynamics of Competitive Positioning
4. Competitive Positioning and Strategic Groups

Readings:

Required:

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin. Chapter 5.

Suggested:

Ohmae, K. (1991). Getting back to strategy. In C. A. Montgomery And M. E. Porter (Eds.), *Strategy: Seeking and securing Competitive advantage* (pp. 61-74). Boston: Harvard University School.

Ghemawatt, P. (1991). Sustainable advantage. In C. A. Montgomery And M. E. Porter (Eds.), *Strategy: Seeking and securing Competitive advantage* (pp. 27-37). Boston: Harvard University School.

Internet Center for Management and Business. (2007). Porter's  
Generic strategies.

<http://www.quickmba.com/strategy/generic.shtml>

#### E. Unit V Strategy at the Corporate Level

1. Strategies in Fragmented Industries
2. Strategies in Embryonic and Growth Industries
3. Navigating Through the Life Cycle to Maturity
4. Strategy in Mature Industries
5. Strategies in Declining Industries

Readings:

Required:

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated*

*Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin. Chapter 6.

Suggested:

Porter, M. (1991). From competitive advantage to corporate strategy.

In C. Montgomery and M. E. Porter (Eds.), *Strategy: Seeking  
And securing competitive advantage* (pp. 225-255). Boston:  
Harvard University School.

#### F. Unit VI Global Strategies

1. The Global and National Environments
2. Increasing Profitability and Profit Growth Through Global Expansion
3. Cost Pressures and Pressures for Local Responsiveness
4. Choosing a Global Strategy

5. Basic Entry Decisions

a. The Choice of Entry Mode

6. Global Strategic Alliances

a. Making Strategic Alliances Work

Readings:

Required:

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin. Chapter 8.

Suggested:

Kachaner, N. and Deimler, M. (2008). How leading companies are Stretching their strategy. *Strategy & Leadership*, 36 (4), 40-3.

Levitt, T. (1991). The globalization of markets. In C. A.

Montgomery and M. E. Porter (Eds.), *Strategy: Seeking and Securing competitive advantage* (pp. 187-204). Boston: Harvard

University School.

Ohmae, K. (1991). Managing in a borderless world. In C. A.

Montgomery and M. E. Porter (Eds.), *Strategy: Seeking and Securing competitive advantage* (pp. 205-221). Boston: Harvard

University School.

Internet Center for Management and Business. (2007). Global

Strategic management. <http://www.quickmba.com/strategy/global/>

Internet Center for Management and Business. (2007). Porter's

Diamond of national advantage.

<http://www.quickmba.com/strategy/global/diamond/>

## G. Unit VII Restructuring

1. Corporate-Level Strategy and the Multibusiness Model
2. Horizontal Integration: Single-Industry Strategy
3. Vertical Integration: Entering New Industries
  - a. Alternatives to Vertical Integration: Cooperative Relationships
4. Strategic Outsourcing
  - a. Benefits
5. Expanding Beyond a Single Industry
6. Increasing Profitability through Diversification
  - a. Types of Diversification
  - b. Disadvantages and Limits of Diversification
7. Entry Strategy: Acquisitions and Joint Ventures
8. Restructuring

### Readings:

#### Required:

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin. Chapters 9-10.

#### Suggested:

Internet Center for Management and Business. (2007). Vertical Integration.

<http://www.quickmba.com/strategy/vertical-integration/>

Internet Center for Management and Business. (2007). Horizontal Integration.

<http://www.quickmba.com/strategy/horizontal-integration/>

G. Unit VIII Corporate Structure and Control Systems

1. Implementing Strategy Through Organizational Design
2. Building Blocks of Organizational Structure
3. Strategic Control Systems
4. Organizational Culture
  - a. Traits of Strong and Adaptive Corporate Cultures
5. Implementing Strategy in a Single Industry
6. Restructuring and Reengineering
7. Managing Corporate Strategy through the Multidivisional Structure
8. Implementing Strategy across Countries
9. Entry Mode and Implementation
10. Information Technology, the Internet, and Outsourcing

Readings:

Required:

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated*

*Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin. Chapters 12-13.

Suggested:

Rappaport, A. (1991). Selecting strategies that create shareholder

Value. In C. A. Montgomery and M. E. Porter (Eds.),  
*Strategy:*

*Seeking and securing competitive advantage* (pp. 379-399).

Boston: Harvard University School.

Internet Center for Management and Business. (2007). Global

Strategic management. <http://www.quickmba.com/strategy/global/>

Internet Center for Management and Business. (2007). Foreign Market entry modes.

<http://www.quickmba.com/strategy/global/marketentry/>

#### H. Unit IX Managing in the Technological Age

1. Technical Standards and Format Wars
2. Strategies for Winning a Format War
3. Costs in High-Technology Industries
4. Managing Intellectual Property Rights
5. Capturing First-Mover Advantages
6. Technological Paradigm Shifts

Readings:

Required:

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin. Chapter 7.

#### J. Unit X Corporate Performance, Governance, and Ethics

1. Stakeholders and Corporate Performance
2. Agency Theory
3. Governance Mechanisms
4. Ethics and Strategy

Readings:

Required:

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin. Chapter 11.

Suggested:

Andrews, K. R. (1991). Directors' responsibility for corporate

Strategy. In C. A. Montgomery and M. E. Porter (Eds.), *Strategy: Seeking and securing competitive advantage* (pp. 448-461). Boston: Harvard University School.

Jensen, M. (1981). Eclipse of the public corporation. In C. A. Montgomery and M. E. Porter (Eds.), *Strategy: Seeking and Securing competitive advantage* (pp. 423-447). Boston: Harvard University School.

## V. ACTIVITIES

- A. Assigned key concepts and theories readings, from books, journals, and Internet
- B. Comprehensive case analysis
- C. Professional dialogues
- D. Intense use of videos and other technological devices
- E. New ventures proposal writing
- F. Website General Reading

## VI. EVALUATION

	Points	% of final grade
(1) Midterm exam	100	33
(2) Final exam	100	33
(3) New Venture Plan	100	34

Total 300 points

### Specific Instructions

Midterm exam: At the middle of the trimester, the professor will post a 25 Multiple Choice Questions Exam at 4 points each one. The exam includes material from units 1-5. See the course calendar for the due date.

Final exam: At the end of the trimester, the professor will post a 25 Multiple Choice Questions Exam at 4 points each one. The exam includes material from units 6-10. See the course calendar for the due date.

## VII. SPECIAL NOTES

### A. Special Accommodation

Students who require special accommodations must request these services at the beginning of the course as soon as they notice that they need help. Students can access this service with Professor Jose Rodriguez, Coordinator of Students with Special Needs at the Guidance and Counseling Office on the first floor at Metro's Student Center.

### B. Plagiarism

Plagiarism, dishonesty, fraud and any other type of manipulation or inappropriate behavior related with academic performance are unacceptable in our institution. Disciplinary actions will be taken on students found guilty of such practice as established in Chapter V, Article 1, Section B.2 of the Student's Rules and Regulations handbook.

<http://metro.inter.edu/servicios/documentos/reglamentosestudiantes2006.pdf>

Inter American University has very strict regulations regarding plagiarism (using the ideas or words of others without giving proper credit), so it is important that you specifically read Chapter 5, Article 1, Section B.2c of the Student' Rules and Regulations Handbook. This section clearly explains what plagiarism is. In addition, it explains the types of sanctions students are exposed to when they commit it.

### C. Use of Electronic Devices

Cellular (mobile) telephones and any other electronic device that could interrupt the teaching-learning process or disrupt a milieu favorable for academic excellence will be deactivated. Critical situations will be dealt with in an appropriate manner. The use of electronic devices that permit the accessing, storing or sending of data during tests or examinations is prohibited.

## VIII. EDUCATIONAL RESOURCES

### TEXTBOOK

Hill, C. & Jones, G. (2007). *Strategic Management: An integrated Approach* (7<sup>th</sup>. Ed.) Boston: Houghton Mifflin.

The seventh edition of this book is available at the Metropolitan Campus Bookstore, and may be used for this course.

The 2008 eight edition is available online at Amazon.com,

[http://www.amazon.com/s/ref=nb\\_ss\\_b?url=node%3D465600&field-keywords=hill+and+jones&x=15&y=17](http://www.amazon.com/s/ref=nb_ss_b?url=node%3D465600&field-keywords=hill+and+jones&x=15&y=17)

## IX. BIBLIOGRAPHY

### BOOKS

Abegglen, J. (2006). *21th Century Japanese Management: New systems, Lasting values*. New York: Palgrave Macmillan.

Balogun, J., Hailey, V.H. Scholes, K. & Johnson, G. (2008). *Exploring Strategic Change* (3<sup>rd</sup>. Ed.). Pearson Education.

Birkinshaw, J. (2004). *Strategic management*. Northampton. *Cheltenham, UK: Edward Elgar Publishing*.

Burgelman, R. A., Modesto, M, & Wheelwright, S. C. (1996). *Strategy Management of Technology and Innovation*. New York: McGraw-Hill.

Eisenhardt, K. & Hull, D. (2002). "Strategy as Simple Rules" in *Harvard Business Review on Advances in Strategy*. Boston: Harvard Business

School.

Harvard Business Review on Advances in Strategy. (2002). Boston: Harvard Business School.

Hitt, M.A., Freeman, R.E., & Harrison, J. S. (Eds). (2006). *The Blackwell Handbook of Strategic Management*. Blackwell Publishing, Johnson, G., Scholes, K., & Whittington, R. (2008). *Exploring corporate Strategy: Text & cases* (8<sup>th</sup> Ed.) New Jersey: Financial Times Prentice Hall.

McKiernan, P. (Ed.) (1996). *Historical Evolution of Strategic Management: History of Management Thought*, (Vosl. I- II). Aldershot: Dartmouth Publishing, 1996.

Mintzberg, H. (1989). *Mintzberg on Management: Inside our strange world Of organizations*. New York: Free Press.

Montgomery, C. A. & M. E. Porter, (Eds.) (1991). *Strategy: Seeking and Securing competitive advantage*. Boston: Harvard University School.

Porter, M. (2002). *Strategy and the Internet* in Harvard Business Review on Advances in Strategy. Boston: Harvard Business School.

Porter, M., Hirotaka T. & Sakakibara, M. (2000). *Can Japan Compete?* Cambridge: Perseus.

Thompson, J. L. & Martin, F. (2005). *Strategic management: Awareness*

*And change* (5<sup>th</sup>. Ed.) Boston: Cengage Learning.

Whittington, R. (2001). *What is strategy, and does it matter?* (2<sup>nd</sup>. Ed.).

Boston: Cengage Learning.

#### JOURNALS

Dyer, J.H., Kale, P. & Singh, H. (2004). When to ally, and when to acquire.

*Harvard Business Review*, 82(7/8), 109-115.

Kachaner, N. & Deimler, M. (2008). How leading companies are

stretching their strategy. *Strategy & Leadership*, 36 (4), 40-3.

Markides, C. (2004). what is strategy and how do you know if you have

one? *Business Strategy Review*, 15(2), 5-6.

#### WEB LINKS

Internet Center for Management and Business. (2007). the *strategic*

*Planning process*.

<http://www.quickmba.com/strategy/strategic-planning/>

Internet Center for Management and Business. (2007). *Business vision and*

*Company mission statement*.

<http://www.quickmba.com/strategy/vision/>

Internet Center for Management and Business. (2007). *SWOT analysis*.

<http://www.quickmba.com/strategy/swot/>

Internet Center for Management and Business. (2007). *Competitive*

*Advantage*.

<http://www.quickmba.com/strategy/competitive-advantage/>

Internet Center for Management and Business. (2007). *Porter's five forces*.

<http://www.quickmba.com/strategy/porter.shtml>

Internet Center for Management and Business. (2007). *Porter's generic Strategies*.

<http://www.quickmba.com/strategy/generic.shtml>

Internet Center for Management and Business. (2007). *the value chain*.

<http://www.quickmba.com/strategy/value-chain/>

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<http://www.quickmba.com/strategy/vertical-integration/>

Internet Center for Management and Business. (2007). *Horizontal integration*.

<http://www.quickmba.com/strategy/horizontal-integration/>

Internet Center for Management and Business. (2007). *Global strategic Management*.

<http://www.quickmba.com/strategy/global/>

Internet Center for Management and Business. (2007). *Foreign market entry Modes*.

<http://www.quickmba.com/strategy/global/marketentry/>

Internet Center for Management and Business. (2007). *Porter's diamond of National Advantage*.

<http://www.quickmba.com/strategy/global/diamond/>