

Business Strategy

- Course program –

This course focuses on selected theories, concepts and tools of strategic management. Typically, the term "strategic" management refers to seeing the company and its environment and considering long-run decisions that affect the company as a whole. It is concerned with the totality of what a company is trying to achieve and it helps us to understand why some companies thrive while other companies struggle to survive.

The central tasks of strategic management are formulation and implementation of strategies, both at business and corporate level. At business level, the notion of competitive advantage is a central issue; at corporate level, the challenge of contributing value to businesses is crucial. The course "business strategy" addresses the business level of strategy making.

The course uses a combination of lecture sessions and case study sessions in order to provide the analytic and conceptual foundations for making strategic decisions.

- The case study sessions are designed to introduce typical strategic challenges that companies face. Selected case studies are discussed in smaller groups in order to understand the company situation and to develop solutions for the respective strategic challenges.
- In the lecture sessions theories, concepts and tools of business strategy are discussed – both, with regard to the case studies as well as in a broader, more general context of business strategy.

Students will learn from each other in discussions and in the group situations and they will learn from the lecturer's input and comments in the interactive plenary sessions.

For the lecture sessions, all students join one class at the same time (Wednesday 11.30am in room H6). For the case study sessions, the class will be split into three separate groups. All groups meet at the same time (Wednesday 9.45am) preceding the lecture sessions, in different rooms (rooms 0.222/3, 0.224 and H1).

Students have to sign in for the case study sessions on StudOn.

The following course schedule illustrates scheduling and content of lecture sessions and case study sessions as well as the assigned readings.

Session 1:
October 23
11.30 - 13.00

Lecture

Content: *Fundamentals of strategic management*

Introduction
Concept of strategy and strategic management

Introduction to working with cases

Readings: Dess/Lumpkin/Eisner (2008) pp. 4 – 17
Grant (2010) pp. 3 – 30
Hungenberg (2014) pp. 3 – 25, 75 – 86

Session 2:
October 30
9.45 - 11.15

Case study "Aldi: The Dark Horse Discounter"

Content: *Nature and sources of competitive advantage*

Readings: Aldi: The Dark Horse Discounter (case study)

In preparing the case, focus on the following questions:
Should Wal-Mart be worried about Aldi? Should Aldi be worried about Wal-Mart? What is Aldi's strategy? What is Aldi's value proposition in short? How should Wal-Mart react?

Session 3:
October 30
11.30 - 13.00

Lecture

Content: *Strategy formulation*

Nature and sources of competitive advantages
Premium strategies – performance advantages and differentiation

Readings: Dess/Lumpkin/Eisner (2008) pp. 153 – 176
Grant (2010) pp. 209 – 265
Hungenberg (2014) pp. 194 – 252
Porter (1980)

Session 4:
November 6
11.30 - 13.00

Lecture

Content: *Excursus: sustainability as differentiation*

CSR and sustainability: changing logics

Readings: Dess/Lumpkin/Eisner (2008) pp. 36 – 67, 75 - 100
Grant (2010) pp. 62 – 93 , 120 - 149
Hungenberg (2014) pp. 87 – 125, 142 - 163
Porter (1980)
Porter and Kramer (2011)

Session 5:
November 13
11.30 - 13.00

Lecture

Content: *Strategy formulation*

No-frills strategies – cost and price advantages

Readings: Dess/Lumpkin/Eisner (2008) pp. 153 – 176
Grant (2010) pp. 209 – 265
Hungenberg (2014) pp. 194 – 252
Porter (1980)

Session 6:
November 20
11.30 - 13.00

Lecture

Content: *Strategy formulation*

Strategies for two-sided / multi-sided markets (part 1)

Using innovative strategies / business model innovations
to create competitive advantages (part 1)

Handling disruptive innovations (part 1)

Readings: Christensen (2001), pp. 105 - 109
Dess/Lumpkin/Eisner (2008) pp. 285 – 295
Hungenberg (2014) pp. 133 – 142
Kim/Mauborgne (2005) pp. 105 – 121

Session 7:
November 27
11.30 - 13.00

Lecture

Content: *Strategy formulation*

Strategies for two-sided / multi-sided markets (part 2)

Using innovative strategies / business model innovations
to create competitive advantages (part 2)

Handling disruptive innovations (part 2)

Readings: Christensen (2001), pp. 105 - 109
Dess/Lumpkin/Eisner (2008) pp. 285 – 295
Hungenberg (2014) pp. 133 – 142
Kim/Mauborgne (2005) pp. 105 – 121

Session 8:

December 4
9.45 - 11.15

Case study "Ferrero Group: Achieving Sustainability through Supply Chain Integration"

Content: Strategy and sustainability, competitive advantages

Readings: Ferrero Group: Achieving Sustainability through Supply Chain Integration (case study)

In preparing the case, focus on the following questions:
What are strengths and success factors of Ferrero? How would you describe Ferrero's competitive strategy? What are challenges that Ferrero is facing within the industry? How does Ferrero integrate CSR activities and sustainability issues?

Session 9:
December 4
11.30 - 13.00

Lecture

Content: *Strategy formulation*

Using innovative strategies / business model innovations to create competitive advantages

Handling disruptive innovations

Readings: Christensen (2001), pp. 105 - 109
Dess/Lumpkin/Eisner (2008) pp. 285 – 295
Hungenberg (2014) pp. 133 – 142
Kim/Mauborgne (2005) pp. 105 – 121

Session 10:
December 11
11.30 - 13.00

Lecture

Content: *Strategy formulation*

Understanding industry dynamics

Instruments to master dynamic business environments

Readings: D'Aveni (1994)
Dess/Lumpkin/Eisner (2008) pp. 37 – 44
Hungenberg (2014) pp. 181 – 193, 262 – 284
Kim/Mauborgne (2005) pp. 105 – 121

Session 11:
December 18
11.30 - 13.00

Lecture

Content: *Strategy analysis*

Understanding industry and market position

Readings: Dess/Lumpkin/Eisner (2008) pp. 36 – 67, 75 - 100
Grant (2010) pp. 62 – 93, 120 - 149
Hungenberg (2014) pp. 87 – 125, 142 - 163
Porter (1980)

- Session 12:**
January 8
9.45 - 11.15
- Case study "Beyond Meat: On the route to profitability?"**
- Content: Understanding industry and market position
- Readings: Beyond Meat: On the route to profitability? (case study)
- In preparing the case, focus on the following questions:
Did Beyond Meat enter an attractive industry? Which activities of the value chain are most valuable? Which activities are major cost drivers for the company? Is Beyond Meat's valuation reasonable?
- Session 13:**
January 8
11.30 - 13.00
- Lecture**
- Content: *Strategy analysis*
- Understanding industry and market position
- Readings: Dess/Lumpkin/Eisner (2008) pp. 36 – 67, 75 - 100
Grant (2010) pp. 62 – 93, 120 - 149
Hungenberg (2014) pp. 87 – 125, 142 - 163
Porter (1980)
- Session 14:**
January 15
9.45 - 11.15
- Case study "Glas AG (part 1)"**
- Content: Evaluation of strategic options
- Readings: Glas AG (case study)
- In preparing the case, focus on the following questions:
How can we reach decisions on different strategic options?
How can we use financial information to substantiate our decisions? Which is the appropriate financial instrument to support management in this context?
- Session 15:**
January 15
11.30 - 13.00
- Guest Lecture**
- Session 16:**
January 22
9.45 - 11.15
- Case study "Glas AG (part 2)"**
- Content: Evaluation of strategic options
- Readings: Glas AG (case study)
- In preparing the case, focus on the following questions:
What are the respective shareholder values for both strategic options? Which strategic option would you

choose? Do you have enough information to make your decision?

Session 17: January 22 11.30 - 13.00	Lecture	
	Content:	<i>Strategic choice</i> <i>Practical strategy development</i>
		Financial evaluation of business strategies Evaluation of risk and flexibility
	Readings:	Copeland/Koller/Murren (2000) pp. 3 – 15, 131 – 155 Hungenberg (2014) pp. 284 – 317
Session 18: January 29 11.30 - 13.00	Lecture	
	Content:	Wrap up Exam Preparation
Session 19: February 5 11.30 - 13.00	Exam for Exchange Students	
		Only for students who take the course on a non-degree basis (e.g. Erasmus students, exchange students)

Textbooks

Dess, G., Lumpkin, G., Eisner, A.: Strategic Management, 4. Ed., Boston 2008.

Grant, R.: Contemporary Strategy Analysis, 7. Ed., Malden 2010.

Hungenberg, H.: Strategisches Management in Unternehmen, 8. Ed., Wiesbaden 2014.

Additional books and articles

Christensen, C.: The Past and Future of Competitive Advantage, in: Sloan Management Review, Vol. 42, 2001, Winter, pp. 105 - 109.

Copeland, T., Koller, T., Murren, J.: Valuation, 3. Ed., New York 2000.
D'Aveni, R.: Hypercompetition, New York 1994.

Kim, W., Mauborgne, R.: Blue Ocean Strategy: From Theory to Practice, in: California Management Review, Vol. 47, 2005, No. 3, pp. 105 – 121.

Porter, M.: Competitive Strategy, New York 1980

Further readings will be announced in class.