

University of Illinois at Urbana-Champaign  
Gies College of Business  
Department of Business Administration

**BADM 449: STRATEGIC MANAGEMENT / BUSINESS POLICY**

Fall 2018

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## INTRODUCTION AND COURSE OBJECTIVES

Strategic management deals with decisions that fundamentally influence the direction of the organization and the effective implementation of the direction chosen. Strategic management addresses the *strategic positioning, organizational structure, and resources & capabilities*, of the organization to create, capture, and sustain competitive advantage. In addition to economic *value creation*, management also must make decisions concerning the *appropriation* (value capture) of this value across stakeholders.

In BADM 449, ***Strategic Management/Business Policy***, you will develop your skills at:

- Understanding how firms create, capture, and sustain competitive advantage;
- Analyzing strategic business situations and formulating strategy; and
- Implementing strategy and organizing the firm for success.

Success ultimately depends not only on the soundness of the formulated strategy, but also on effective implementation through appropriate organizational choices to the problems at hand. This capstone business course focuses on strategic decisions, and with both the *content* of those decisions and the *processes* by which general managers position the businesses and allocate scarce resources (including time and attention) under conditions of uncertainty and competition. This course utilizes various tools, concepts, and frameworks that enhance our ability to define and analyze strategic problems and to identify sources of competitive advantage from industry and firm-level perspectives.

This senior-level business course focuses on key issues in *formulating* and *implementing* strategies to create and sustain competitive advantage. Focusing on a firm's strengths and weaknesses, we analyze the impact of change and environmental forces on unfolding opportunities for establishing and sustaining competitive advantage. Emphasis is given to developing pragmatic and action-oriented general management skills. Importantly, extant theory within the disciplines of accounting, economics, finance, international business, marketing, political science, and organization theory have important implications for general management. The course emphasizes cases and lecture/discussion sessions.

This capstone business course has two distinct components. In the first half of the course, we examine the theory and practice of strategic management. In the second half of the course, case presentations offer simulated real-world experience and practice for integrating material examined in the first half of our strategic management course.

Strategic management deals with the world of experience, which is uncertain. Therefore, within the classroom, reasonable people (with different experiences) will view effective management differently. Management involves *making* sense together, and is a creative process. Conjectures and knowledge that are based on personal experiences are highly valued within the conversation of this class. Creativity is rewarded in your participation grade, individual papers, and group projects. This capstone course also rewards the diligent worker who has the ability to listen and think critically. This senior-level course requires that you process a great deal of material. Both the first exam and the second exam will test your ability to *understand and apply* the material in the textbooks, readings, and class-notes. *Please note that the evaluation of your case analyses and the exams measure different skills.*

## THE RELATIONSHIP OF STRATEGIC MANAGEMENT TO OTHER BUSINESS COURSES

Up until this time, most of your business education within the Gies College of Business has emphasized a specialized, functional perspective of business situations. For example, in Accountancy, you have concentrated on how to both identify and produce the information necessary to manage and guide organizations effectively. In Finance, you have been concerned with how capital markets work and, in turn, affect the financing of a company's on-going operations. In Marketing, the focus has been on how to analyze, shape, and respond to the wants and needs of consumers as well as how to manage firms' marketing efforts. In Operations Management, the focus has been on organizing the production activities of a firm so it is able to produce quality goods and services at an attractive price. Finally, courses on Human Resource Management have been concerned with the effective development and management of a company's human assets. These functional disciplines play a critical role in the success of a company, *but how do they fit together?*

In this capstone business course, we integrate these views together by taking the unique perspective of *the situational problems of the general manager*. The general manager's primary responsibility is to formulate the problems at hand, to diagnose the critical factors that require attention in complex business situations, and to find workable solutions to strategic and organizational problems. To address such business problems, the general manager must be capable of understanding and using knowledge from each functional area to provide a total business (systems) perspective on issues pertaining to strategic management. The general manager must analyze competitive situations within industries to understand the sources of the firm's competitive advantage. Strategy is both enabled and constrained by the economic, political, and social conditions that prevail in an industry or country, as well as by the resources and capabilities available to management. In today's increasingly global business environment, whether you are a newly hired employee or the CEO of the company, you must be capable of thinking like a general manager.

## TECHNIQUES FOR LEARNING STRATEGIC MANAGEMENT

To accomplish our objectives, we will use a variety of learning techniques: lectures, outside of class assignments, readings, written reports, presentations, and most importantly, class discussion of case studies.

### ***Case Analysis***

Strategic thinking and analysis are best learned through practice. The capstone business cases we will examine concern real-world business situations. These senior-level business cases are designed to provide you with data on real-life managerial problems, and case analysis is useful as a simulation of actual managerial activity. These integrative, capstone cases provide an opportunity to both apply the concepts that we discuss in class as well as to develop further our ability to think about business strategy. How much you learn from these strategic management cases depend on your preparation and active participation. Each of us will be responsible to be fully prepared for each class, and there will be assignments throughout the term to help focus our preparation. *Everyone* is expected to participate effectively in each class to comment, question, and analyze.

### Objectives of Case Analysis:

- Increase your understanding of what managers should (and should not) do in guiding business to success;
- Build your skills for conducting strategic analysis and gaining in-depth experience in a variety of industries, competitive situations, and company circumstances;
- Obtain valuable practice in diagnosing strategic issues, evaluating strategic alternatives, and formulating workable plans of action; and
- Enhance your sense of business judgment.

### ***Group Work***

Discussing cases and preparing analyses outside of class help to deepen your knowledge concerning strategic management. Therefore, group work is essential for major group projects. Developing effective group skills is a critical part of the learning process. It is a good idea to have students with different areas of expertise in the group to facilitate the exchange of a variety of managerial viewpoints and to help guard against “groupthink.” To enable an internal balance within each group, we will divide the class into eight cross-functional groups.

### ***Exams***

There will be two in-class (closed book) exams during the semester. These in-class exams will test both your mastery of the concepts and your ability to apply them.

### ***Individual Participation***

Active participation in the class is an essential part of the learning experience. You are expected to contribute both to the case discussion and to discussion during the lecture sessions.

## **EXPECTATIONS AND POLICIES**

***Preparation:*** I will assume that you have read everything assigned. Even if you are not presenting a case, please be sure to read the case carefully, as it will be the basis of class discussion. It is especially valuable and appreciated when you come to class with questions about the readings. Poor preparation is a disservice to your classmates and will negatively affect your participation grade.

***Class Participation:*** Most of the learning in our class will occur through discussion. Thus, we want active participation. Meaningful participation requires having carefully read and thought about the day’s material, but that is *not* sufficient. You also need to speak and while key insights are appreciated, you can also contribute by asking questions, politely disagreeing with comments, or following up on another student’s comments with further insights or evidence.

**Homework:** One purpose of homework assignments is to enhance class discussion. Thus, (hard-copy) assignments must be turned in *before class begins* on the day that they are due. You should bring a copy to class for your own reference during discussion. *Assignments placed in my mailbox or under my door will not be accepted.* If you are ill, I will accept the assignment by e-mail Word attachment if it is received before the beginning of class on the day it is due. *There will be no credit provided for late assignments.*

**Attendance and Punctuality:** You cannot contribute to our learning if you are not in class. At the same time, it is understood that you may have other responsibilities and priorities. To balance these considerations, you are allocated *two* excused allowances. You can use these as you wish (e.g., job interviews, family needs, health days) with no questions asked. On these occasions, you are still responsible for turning in your assignment *before* the class session that you will miss. Please note that I will not make arrangements for homework after the fact. For each absence beyond these two, 10 points will be deducted from your individual participation grade. You may not use an excused absence on the day of an exam. In the event of illness, please bring a note from either the Emergency Dean or the Health Center to the next class session. Please be on time. If lateness becomes an issue, I reserve the right to treat a class for which you are late as a missed class.

**Course Organization:** Class assignments are shown in the schedule attached, and while subject to change, this schedule should guide your work plans. *There will be no announcements in class concerning assignments*, except those that may alter the attached schedule.

**Technology:** *The class is a technology free zone*; for each class that is uninterrupted by technology, \$50 is added to a pot of money for charity. Each time during the semester that a technology interrupts our class, you lose points for that class, and the pot of money is reduced by 50% --- this is an example of a *social contract*, in which defection from the agreement harms the collective good. All mobile phones, PDAs, pagers, laptops, and other electronic devices should be turned off and out of sight during class.

**Suggestions:** If you have special inquiries or constructive suggestions concerning the progress of the class, please feel free to talk to me. You can make an appointment by telephone, e-mail, or simply leave a message in my mailbox in 350A Wohlers Hall.

## COURSE TEXTS AND CASES

**Textbook:** Rothaermel, Frank T. (2017). Strategic Management: Concepts. New York: McGraw-Hill, Irwin (3<sup>rd</sup> edition). [The 1<sup>st</sup> 2<sup>nd</sup> or 4<sup>th</sup> editions will not be satisfactory]

**Cases:** Harvard Business Cases (BA 449 **Two Packets**). [Note: Packet #1 will be common for the 2018-2019 academic year; Packet #2 are cases for the Fall 2018 Semester only.]

Case	(#)	Source	Industry
Wal-Mart Stores in 2003	(01)	Harvard 9-704-430	Discount Retailing
RTE Breakfast Cereal Industry (A)	(02)	Harvard 9-795-191	Breakfast Cereal
Cola Wars Continue in 2010	(03)	Harvard 9-711-462	Soft Drink
Zara: Fast Fashion	(04)	Harvard 9-703-497	Fashion Apparel
Apple Inc. in 2015 (Fall only packet)	(05)	Harvard 9-715-456	Computer
Haier (Global Strategy)	(06)	Harvard 9-706-401	Appliance
PepsiCo's Restaurants (Fall only packet)	(07)	Harvard 9-794-078	Restaurant
Nucor at a Crossroads (Fall only packet)	(08)	Harvard 9-793-039	Steel
<b>Practicum Cases:</b>			
Netflix: International Expansion	(09)	Ivey W16236	Internet Streaming
Trader Joe's	(10)	Harvard 9-714-419	Supermarket
Mobileye: Driverless Cars	(11)	Harvard 9-715-421	Automobile Systems
LEGO (Fall only packet)	(12)	Harvard 9-613-004	Global Toy Market
Spotify	(13)	Harvard 9-516-046	Music
Health City Cayman Islands	(14)	Harvard 9-714-510	Health Care
Reinventing Best Buy (Fall only packet)	(15)	Harvard 9-716-455	Retail
Pharmaceutical Industry and Aids (Fall)	(16)	Harvard 9-702-049	Pharmaceutical

### COURSE REQUIREMENTS AND GRADING

(1) <i>Individual case assignments (5 cases: 20 points each)</i>	<b>100 points</b>
(2) <i>Individual case write-up for Haier: Global Strategy</i>	<b>25 points</b>
(3) <i>Group Case Assignments for Nucor</i>	<b>50 points</b>
(4) <i>Three-question format for remaining cases (9 cases: 5 points each)</i>	<b>45 points</b>
(5) <i>In-class exams (Mid-term exams: 200 points and 200 points)</i>	<b>400 points</b>
(6) <i>Participation (Individual and Mini-Group Presentation: 100 and 50 points)</i>	<b>150 points</b>
(7) <i>Practicum (Top Management Team, Primary Case Presentation, Group Paper: 30 points, 100 points and 100 points)</i>	<b>230 points</b> -----
<b>Final Grading Scale:</b>	<b>1,000 points</b>

<u>Course Points</u>	<u>Grade</u>	<u>Honor Points</u>
980 - 1000	A +	4.00
930 - 979	A	4.00
900 - 929	A -	3.67
870 - 899	B +	3.33
830 - 869	B	3.00
800 - 829	B -	2.67
770 - 799	C +	2.33
730 - 769	C	2.00
700 - 729	C -	1.67
650 - 699	D	1.00
Below 650	F	0.00

### EXPLANATION OF ASSIGNMENTS

**(1) Individual case assignments: 100 points**

*Case #1 Wal-Mart “Strategic Coherence” Map (20 points)*

Draw a strategic coherence (activity system) map for Wal-mart. Think carefully about how all of Wal-mart’s details in their activity system are complementary and reinforcing for its overall business-level strategy. Identify which activities are major and which are minor, and link together activities that reinforce each other to a *substantial* degree. This assignment -- and each of your other assignments -- is due **before** the class begins.

*Case #2 RTE Cereal Industry Table of “Barriers to Entry” (20 points)*

The Ready-to-Eat Cereal Industry assignment asks you to provide a Table of Barriers to Entry. To encourage conciseness, there is a limit of **two pages** (single-spaced) for this assignment.

*Case #3 Coke v. Pepsi 5-Forces Industry Analysis (20 points)*

The Soft Drink Industry assignment asks you to provide an industry analysis using Porter’s 5-Forces Model. There are three parts to the assignment:

(1) For each Force, answer whether the Industry Force is low, medium, or high in intensity. Cite key evidence from the case to support your answer — do not list everything, just the most important point or two that supports your answer;

(2) Given the strengths of the other Industry Forces, is the level of *price* rivalry what you would expect based on the 5-Forces *theory*? Why or why not?

(3) Think dynamically; What Force is changing the most? Is it increasing or decreasing?

Provide evidence from the case for your answer. You should *not* do any graphics for this assignment: Just type your answers. To encourage conciseness, there is a limit of **two pages** (single-spaced) for this assignment.

Case #4 *Zara's Value Chain* (20 points)

Provide a value chain analysis of Zara's business model. Specifically, for each primary and secondary activity in which Zara has a substantial value-creating activity, list the key components of this activity. Identify at least one value-chain activity that is a "core competence" creating economic value for Zara. To encourage conciseness, there is a limit of **two pages** (single-spaced) for this assignment.

Case #7 *Pepsi Restaurants* (20 points)

- Discuss the options and your recommendations for Carts of Colorado, and California Pizza Kitchen (business-level strategy); and
- Discuss whether Pepsi should continue in the restaurant business (corporate-level strategy). There is a limit of **two pages** (single-spaced) for this assignment.

(2) *Individual case write-up for Haier Global Strategy:*

Case #6 *Haier: Global Strategy* 25 points

Criteria for the 2-page individual case write-ups:

**Problem statement:** Define the scope of the identified problem in the first paragraph of your paper. Conclude the first paragraph with the *question*, and explain why the question is important. (05 points)

**Analysis:** Analysis remains focused on addressing the question raised. Indicate the key factors that are important for answering your question, and discuss the inter-relationships between factors. (15 points)

**Recommendations:** Suggested recommendations should follow logically from analysis. Be sure to discuss implementation issues. (05 points)

(3) *Group Case Assignments*

Case #8 *Nucor* 50 points

In this assignment, your team will advise Ken Iverson, Nucor CEO, on whether to adopt SMS's CSP process. In your memo to Iverson, please address the following issues:

1. *Cash Flow Analysis* (10 points)

One key question is "By its own investment criterion, should Nucor undertake this investment?" That calculation is what CEO Ken Iverson is interested in at this time. Once you have answered Ken Iverson, the second key question concerns NPV (the criterion taught in your business school education). For the remainder of the assignment, focus on the NPV.

Using the Excel spreadsheet provided as a template on the Web page, calculate the cash flow that Nucor could expect if it adopted SMS's CSP process. The relevant spreadsheet is labeled "CF analysis-thin slab." Most of the critical data are already in the spreadsheet, drawn primarily from Exhibits 12A and 12B. Please adhere to the following assumptions and conventions:

- Do not change any of the figures that have already been provided;
- Use the growth rate provided in the template for the price of steel, not the historical 6.84%;
- Assume the entire \$280 million construction cost is incurred in 1986; and
- Depreciate the factory equally over 10 years (1989-1998). The spreadsheet includes 12 years, of which two are while the factory is under construction (1987 and 1988). Start in 1989, when the plant comes on line, and assume it loses all value over the next 10 years.

### *2. Scenario/Sensitivity analysis*

*(15 points)*

Your recommendation provided in Part 1 depends on a set of assumptions. Identify at least three changes that might occur and calculate how your conclusions for Part 1 change given the change in assumption. Drawing on the case facts, explain why each of these new scenarios are important and whether you consider it likely or not.

### *3. Strategic analysis*

*(10 points)*

While SMS's thin-slab technology would offer operating advantages, the advantages are narrowed by the need to price lower than integrated mills because of the perceived lower quality of mini-mill steel. Nucor's major competitors include both modernized and un-modernized integrated mills. A leading source indicates that 40% of integrated steel capacity is in modernized plants. Exhibit 12B shows that Nucor would have large cost advantage over un-modernized integrated mills (\$225/ton versus \$300/ton for Hot Rolled) if it pioneered SMS's technology. However, the cost advantage over modernized mills is much lower. In fact, Nucor might find it difficult to compete head-on with a modern integrated mill that decided to price very aggressively. These concerns lead to the following questions: Based upon the two "CF analysis" Excel worksheets, determine if we should expect the integrated mills to modernize their mills, which are currently un-modernized. Why or why not? Assume the integrated mills follow traditional DCF/NPV investment criterion. How concerned should Nucor's top management team be about competing against modernized integrated mills if, and when, it opens its first thin-slab technology mill?

### *4. Real Options Analysis*

*(10 points)*

Consider the following strategic (real) options:

- The real option value of waiting by qualitatively applying key principles;
- The real option value of abandoning the project (provide the dollar estimate of how much of the \$340 million investment is redeployable to other uses); and
- The real option value of growth options (e.g., follow-on plant investments)
  - Use a 90% learning curve to calculate NPV of the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> plants
  - Use an 80% learning curve to calculate NPV of the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> plants

5. *Conclusion/Recommendation* (5 points)

In light of the (cash flow, sensitivity/scenario, strategic, and real-options) analysis should Nucor adopt the CSP process? Why or why not? Please do not just repeat previous ideas. Consider issues not covered in the preceding analyses. For example, are there important stakeholder issues that need to be raised? Explain how your analyses reinforce (or contradict) each other, and why you believe you have correctly identified the key factors.

**(4) Case Questions**

Provide 3 questions for each of the 9 remaining cases (5 points each)

**45 points**

For the remaining 9 cases (i.e., Apple Inc. and the 8 practicum cases) provide 3 key questions for each case, and *explain why each question is important*. You will be graded based on the quality of questions asked. A problem well stated is a problem half solved. The statistician John Tukey said: “Far better an approximate answer to the right question, which is often vague, than an exact answer to the wrong question, which can always be made precise.”

**(5) In-class exams:**

**400 points**

First Exam

(200 points)

Second Exam

(200 points)

Both the first exam and the second exam will be closed book and closed-notes.

**(6) Participation:**

**150 points**

*Attendance*

(50 points)

*Contributions through Participation*

(50 points)

--- Note: 5 points here will be automatic via a “pre-test”  
5 points here will be automatic via a “post-test”

*Mini-Group Presentation*

(50 points)

*Individual Participation:* Active participation in the class is an essential part of the learning experience. We will be using senior-level business capstone cases and you must be prepared to discuss these cases. Meaningful participation means contributing to our discussion, not merely talking, and it does not mean repeating case facts or simply agreeing with what others have already said. Our interest is in whether you have contributed to the development of issues under study by the class, and whether you have moved the class forward. One clear way of contributing is to disagree with the comments of your classmates where needed; it is not the instructor's duty alone to decide whether a remark is of value. Failure to participate and disagree where needed penalizes you and the class in these ways:

- You lose incentive to prepare the case properly;
- You lose the opportunity to develop communication skills;
- You deprive all of us of your insights into the case; and
- Your ideas go unevaluated by others.

*Do not confuse attendance with participation.* While on-time attendance is important, active participation in the class discussion is evaluated separately.

*Mini-Group Presentation:* In the first half of this senior-level capstone course, we will have four *mini-group presentations*. Two groups are assigned to each of these four cases and each group is responsible for covering specific aspects of the case within 30 minutes, leaving 10 minutes for questions from the class. **Note: Power Point Slides are due by e-mail attachment two days before the presentation.**

Group #1:	Coke &Pepsi	Industry-level analysis (e.g., 5-Forces Model)
Group #2:	Coke &Pepsi	Business-level strategy (e.g., Coke's strategic plan)
Group #3	Zara	Industry-level analysis
Group #4	Zara	Business-level strategy (e.g., Zara's value chain)
Group #5	Apple Inc.	Industry level strategy
Group #6	Apple Inc.	Business-level strategy
Group #7	Haier	Industry-level analysis
Group #8	Haier	<i>Corporate</i> -level strategy (e.g., global expansion strategy)

Criteria for your mini-group presentation are the following:

*Mini-Group Presentation (50 points)*

- Substance of Presentation (10 points)
- Covered assigned topic well (05 points)
- Clarity: Audibility, wording, flow of ideas, pace of delivery (05 points)
- Persuasiveness: Credibility, eye contact, conviction, etc. (05 points)
- Use of visual aids: Key points emphasized, clarity, readability, and interaction with visual aids (05 points)
- Information clearly organized (05 points)
- Management of time (05 points)
- Equal division of presentation material (05 points)
- Ability to answer questions, think on feet (05 points)

**(7) Practicum (Cases 9-16):****230 points**

<i>Top Management Team</i>	<i>(030 points)</i>
<i>Group Presentation for Primary Case</i>	<i>(100 points)</i>
<i>Group Paper on Primary Case</i>	<i>(100 points)</i>

*Top Management Team:* In the final section of the course (for cases 9-16), each group will be assigned one case to take the role of a top management team and to ask the presenting group questions concerning their presentation and recommended actions.

*Group Presentation for Primary Case:* You and your group members will have primary responsibility for leading a discussion of that case. It is your responsibility to update the case to the present. Each member of the group should lead a discussion and provide updated material. It is imperative that group members *coordinate* their work. Your grade on this group presentation is a group grade. *If there are any problems with non-contributing group members, please let me know.* The objectives of these assignments are to enhance your ability to:

- Develop a clear and direct presentation;
- Utilize visual aids to support the presentation;
- Think on your feet;
- Evaluate the adequacy of an argument, position or plan;
- Listen critically and pose worthwhile questions that facilitate constructive group problem solving; and
- Give and receive criticism in a socially acceptable manner

The oral presentation is scheduled for delivery on the same day that the written case is due. All members of a group are expected to participate equally in the presentation. Presenters should avoid merely reading out presentation material. The group will be evaluated primarily on the cohesiveness of the arguments presented. Presentations are professional (this requirement for men presenting means a dress shirt is required). ***A copy of all transparencies and exhibits must be provided to the instructor by e-mail attachment two days before the presentation. The quality of the exhibits will be considered in the evaluation of the group's presentation.***

The last third of the presentation will consist of questions from the top management team and other interactions between the presenting groups and the class. The class should take the role of various stakeholders. Stakeholders are to critique, comment on, and support and/or question the analysis and recommendations presented by the primary case team (which requires all of us to be very familiar with the case company's situation). In reviewing the presentation, it is useful to think about what would be the consequences for the various stakeholders to the organization if the suggested recommendations were adopted.

Presentation Evaluation:	<b>(100 points)</b>
- Substance of Presentation	(30 points)
- Clarity: Audibility, wording, flow of ideas	(10 points)
- Persuasiveness: Credibility, eye contact	(10 points)
- Use of visual aids: Clarity and readability	(10 points)
- Information clearly organized	(10 points)
- Management of time	(10 points)
- Equal division of presentation material	(10 points)
- Ability to answer questions, think on feet	(10 points)

Group Paper on Primary Case: *Guidelines for Written Case Reports*

Written case assignments provide you with the opportunity to use your conceptual, analytic and technical skills in applications of real-world business situations. You should adopt the role of a consulting team that has been asked to examine the corporation and to provide: (a) strategic judgments regarding the key issues and problems facing the company with supporting evidence and sound logic; (b) alternative courses of actions available to the corporation and assessments of these options; and (c) specific recommendations with a supporting plan of action.

*A draft of the Group Paper is due on the day of your presentation.* The presenting Group should then use comments from the Top Management Team, other class members, and from me to revise the draft. The final paper is due in my mailbox in Wohlers Hall (3<sup>rd</sup> floor BA Department mailbox) by 4:00 PM on *Monday*, December 17, during the exam time-period.

*The Group Process:* A critical aspect of writing a good paper is the group process. First, take your role seriously. Decide on a specific process for analyzing the case and writing the report. You should aim to integrate the various viewpoints and simultaneously make the best possible use of the different analytical skills of the group members. A creative group process builds upon resolving diverse views in arriving at a synthesized whole. One method for achieving this result is to have each group member exhaustively analyze the case individually, then meet as a group and verbally decide on the group's collective judgments. You should decide on a specific group process for drafting, writing, and editing the final document. An important part of this process may involve giving one or two group members the authority to edit and pull the final document together, in the interests of generating a cohesive report.

*Focus: Judgments versus Analysis.* You are encouraged to use the various frameworks, concepts, and techniques discussed in the course or otherwise known to you. Remember, however, that these are analytical tools, which help in forming judgments concerning central problems and associated recommendations; these tools are not ends in themselves. Emphasize your judgments (usually using headings or sub-headings) and present data/information from the case, along with supporting analysis, in support of these judgments. Avoid merely rehashing facts.

*Format:* The text of the group paper is *limited to 12 double-spaced pages in 12-point font*. Supplemental exhibits and figures may be included as Appendices (e.g., Five-Forces Analysis, and Value-Chain analysis). The purpose of the page limit is to encourage you to prioritize the material you

wish to include in the final document. Please be selective, in order to generate a rigorous and relevant paper. Along with each report, following the title page, you should provide a brief **(1-page)** abstract that provides an **executive summary** (see the back pages of the *Harvard Business Review* for an example of an executive summary) of the key problems and associated recommendations discussed in further detail in the report. As far as possible, you should try to clarify your views on the relative importance of each of the issues you will discuss. Though grading will focus primarily on the strength of analysis and strategic recommendations, writing form, grammar, punctuation, and professional presentation will also be evaluated.

*Criteria for Evaluation:*

*(100 points)*

### **Analysis**

- Central issues explicitly communicated in the first paragraph of the paper (10 points)
- Completeness of coverage provided in Tables (10 points)
- Case data, supporting evidence, and logic used to support diagnosis of central issues (e.g., Case analysis deals with central issues identified) (10 points)

### **Alternatives/Recommendations**

- All identified issues addressed by recommendations (10 points)
- In-depth analysis of advantages and disadvantages of alternatives (10 points)
- Completeness/depth of recommendations (10 points)
- Recommendations follow logically from analysis (10 points)

### **Style/Organization**

- Information clearly organized, clarity of expression, development of logical arguments (10 points)
- Editorial style: Grammar, paragraphs, headings, and spelling (10 points)
- Clearly designed exhibits, assumptions stated, understandable, and an executive summary included. (10 points)

The issues mentioned below are the types of issues you should be thinking about when preparing your analysis; however, they should not be considered as either definitive or exclusive. It is well imagined that you will come up with issues and questions that are not mentioned below.

## **Part 1: Industry Analysis**

You should give a brief historical overview of the industry as well as undertake an industry and intra-industry analysis of the sources of sustainable competitive advantage. In addition, based upon your analysis, provide some idea of what you think the future holds for the industry. What opportunities and threats exist for the industry over the horizon?

### **I. A Brief Historical Overview of the Industry**

- A. What has the recent history of the industry been?
- B. What recent events have significantly affected the structure of the industry, such as changes in government regulation, etc.?
- C. How well has the industry recently performed?

### **II. Industry Analysis**

- A. Use the Five-Forces Framework to explain industry performance and explain the sources of competitive advantage in the industry.
- B. What factors have recently influenced the strength of each of these Five Forces?
- C. How are changes in the strength of the Five Forces related to one another?
- D. How do changes in the Five Forces affect industry profitability?

### **III. Intra-Industry Analysis**

- A. What are the strategic, marketing and technological dimensions that distinguish firm-level strategies?
- B. Who are the major players within the industry? How have competitors in the industry positioned themselves on these dimensions, i.e., what are their different strategies?
- C. Are there distinctive types of strategies in the industry, i.e., what are the different strategic groups?
- D. Who are the high and low performers in the industry? Why?
- E. What are the competitive dynamics between and within groups?

### **IV. The Future of the Industry**

- A. Given your industry and intra-industry analysis, what do you think the future holds for the industry? What do you predict will be future trends in industry performance?
- B. Are significant opportunities in the market untapped?
- C. What might the current competitors in the industry do to improve their competitive position?
- D. Are there significant threats to the industry looming over the horizon?

## **Part 2: Firm-Level Analysis**

### **I. A Brief Historical Overview of the Firm**

- A. What is the strategic scope of the company? What products and markets does the firm compete in?
- B. What are the company's stated missions and objectives? How have these missions changed over time?
- C. What has the recent history of the firm been?
- D. What recent events have significantly affected the firm?
- E. How well has the firm recently performed?

### **II. Analysis of Competitive Strategy and Position**

- A. What is the current strategy of the company?
- B. What is the company's position relative to its competitors, and what is the basis of its competitive advantage/disadvantage? How have the companies' relative positions changed over time?
- C. What are the key resources and competencies of the company?
- D. How sustainable is the company's competitive advantage?
- E. What opportunities may be unfolding for the company?

### **III. The Future of the Company**

- A. Given your industry and company analysis, what do you think the future holds for the company? What do you predict will be future trends in company performance?
- B. Are significant opportunities in the market untapped?
- C. Are there significant threats to the company looming over the horizon?
- D. What are the major strategic issues that the company confronts?

### **IV. Recommendations**

- A. What might the company do to improve its competitive position? Describe options and the strategic advantage(s) of these options.
- B. What is your evaluation of these identified options from a strategic and financial perspective? What risks are inherent in these options? What benefits?
- C. What likely competitor reactions would the company confront?
- E. What is your recommended course of actions for the strategic issues that you have addressed?

***LIST OF CASE ASSIGNMENTS BY GROUP***

<b>Group</b>	<u>Mini-Group</u>	<u>Top Management Team</u>	<u>Primary Case</u>
<b>#1</b>	Coke &Pepsi	Spotify	<b>Netflix</b>
<b>#2</b>	Coke &Pepsi	Health Care Cayman Islands	<b>Trader Joe's</b>
<b>#3</b>	Zara	Reinventing Best Buy	<b>Mobileye</b>
<b>#4</b>	Zara	Pharmaceutical Industry	<b>LEGO</b>
<b>#5</b>	Apple Inc.	Netflix	<b>Spotify</b>
<b>#6</b>	Apple Inc.	Trader Joe's	<b>Health Care Cayman Islands</b>
<b>#7</b>	Haier	Mobileye	<b>Reinventing Best Buy</b>
<b>#8</b>	Haier	LEGO	<b>Pharmaceutical</b>

## CLASS SESSIONS AND ASSIGNMENTS

### SESSION #1            Monday, August 27

“No amount of sophistication is going to allay the fact that all your knowledge is about the past and all your decisions are about the future.” Ian E. Wilson, former chairperson, General Electric

*Assignments:* **Read:** Rothaermel Chapter 1: “What is Strategy?”

- Does Twitter have a strategy? (pp.5-6; p.23)
  - How does Threadless leverage crowdsourcing to design T-shirts? (p.10)
  - How might Target’s stakeholders, in particular its employees, customers, local communities, and suppliers influence a manager’s decisions about building competitive advantage? (p.15)
  - BP’s experience in the Gulf of Mexico shows how *not* to manage stakeholder relationships effectively. What advice would you give to BP’s managers to help rebuild stakeholder relationships in the gulf region and elsewhere? How can BP repair its damaged reputation? (p.20)
  - If you embark on a new career or consider switching careers, what effect would the likelihood of industry growth play in your decision? (p.28)
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### SESSION #2            Wednesday, August 29

“Connect, always connect.” Goethe

*Assignment:* **Read:** Rothaermel Chapter 2: “Strategic Leadership: Managing the Strategy Process”

- US internet firm Yahoo was acquired by American telecoms giant Verizon Communications for \$4.5billion in 2017. Based on your reading of Yahoo, was this a good (financial valuation) deal for Verizon? (pp.33-34; pp.55-56)
- Merck followed a socially responsible path by donating more than one billion drug treatments to remedy river blindness in remote African communities. Yet Merck must also meet shareholder responsibilities and make profits on drugs. How should a responsible firm make these tradeoffs? What steps can strategic leaders take to guide organizations for these challenging issues? (p.41)
- What is your evaluation of PepsiCo CEO Indra Nooyi for her job performance as a strategic leader? What are her strengths and weaknesses? Where would you place Nooyi on the Level-5 pyramid of strategic leadership (see Exhibit 2.4), and why? Do you agree with Indra Nooyi’s philosophy of the intimate linkage between economic performance and purpose? (pp.432-434)
- Does the adoption of Frappuccino by Starbucks persuade you of the importance of autonomous actions in firms undertaken by lower-level employees? Alternatively, do you view this example as a rare occurrence in formal organizations? (p.51)

### SESSION #3                      Wednesday, September 5

*Assignments:* **Read:** Rothaermel Chapter 3: “External Analysis: Industry Structure, Competitive Forces, and Strategic Groups”

- Why do you think that Tesla’s market capitalization (i.e., share price times number of outstanding shares) is roughly 50% that of General Motors (GM), while GM’s revenues are more than fifty times larger than that of Tesla Motors? pp.65-66; p.95)
  - Consider two PESTEL factors --- sociocultural and technological. Explain how each of these environmental factors contributed to the erosion of Blackberry’s undisputed dominance in the early 2000s in smartphones. (p.71)
  - Evaluate each of Porter’s Five Forces Model within the airline industry: (1) Threat of entry; (2) bargaining power of suppliers; (3) bargaining power of buyers; (4) threat of substitutes; and (5) (price) rivalry among existing competitors. What would be the predicted industry economic performance, based on this evaluation? (p.74)
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### SESSION #4                      Monday, September 10

“With the possible exception of Henry Ford, Sam Walton is the entrepreneur of the century.”  
— Tom Peters, co-author of, In Search of Excellence

*Assignments:* **Read:** Case #1 **Wal-Mart Stores in 2003**

**Write:** Provide a “*Strategic Coherence (Activity System) Map*” for Wal-Mart (see p.7 of syllabus)

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### SESSION #5                      Wednesday, September 12

“I was not successful as a baseball player, as it was a game of skill.” Casey Stengel, baseball manager

*Assignment:* **Read:** Rothaermel Chapter 4: “Internal Analysis: Resources, Capabilities, and Core Competencies”

- If Beats Electronics’ core competencies are indeed intangibles -- such as marketing knowledge and intuition -- do you think these (intangible) core competencies will remain as valuable under Apple’s ownership? Why or why not? (pp.105-106; p.132)
- Based on the resource-based view and its framework of VRIO(N) – with N being “non-substitutable” (see Exhibit 4.5), explain the rise and fall of Groupon.(pp.117-118)
- IBM (and its clients) are facing three (technological) disruptions at once: (1) cloud computing; (2) systems of engagement (e.g., collaborating with Apple), and (3) big data and analytics. Evaluate IBM’s awareness, motivation, and capabilities (AMC) to master this three-pronged technology transformation.(pp.123-124)

- To be a source of competitive advantage over time, core competencies need to continuously be honed and upgraded. Why and how did Starbucks lose its uniqueness and struggle in the mid- 2000s? What strategic moves did Howard Schultz make to re-create Starbucks's uniqueness after his return in 2008? Do you think Starbucks will continue to be successful? (pp.443-445)
  - Consider the SWOT Matrix (see Exhibit 4.9). Given the economies of the now global movie industry, what are the strategic implications for Hollywood studios? What are some opportunities, and what are some threats? How should Hollywood movie studios take advantage of these opportunities, while mitigating the threats? (pp.488-491)
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**SESSION #6**                      Monday, September 17

*Assignments:* **Read:** Case #2 **RTE Cereal Industry**

**Write:** Provide a *Table of the Barriers to Entry* to the Industry (see p.7 of the syllabus)

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**SESSION #7**                      Wednesday, September 19

*Assignments:* **Read:** Rothaermel Chapter 5: “Competitive Advantage, Firm Performance, and Business Models”

- Microsoft's new CEO, Satya Nadella, has made drastic changes to Microsoft's strategy. What was Microsoft's strategy before Nadella was appointed CEO? What is it now under his leadership? Do you agree that Nadella has formulated a promising strategy? Why or why not? (pp.141-142; p.167)
- Compare Apple's and Blackberry's drivers of firm profitability for **2011**. Calculate some key profitability, activity, leverage, liquidity, and market ratios for Apple and Blackberry -- compare these numbers to 2012 (see p.470). Be prepared to discuss in class. What recommendations would you give the CEO of Blackberry about actions that should be taken to improve performance? (pp.469-474). [Note: review also “How to Conduct a Case Analysis,” pp.516-526]
- Consider the case of Interface as a global leader in modular carpet and sustainability. Do you think the next generation of business leaders (e.g., folks in this BA 449 class) will lead the way to more sustainable companies as the “new normal,” or do you think this case, was, is, and will be a rare occurrence in business? (p.161)
- Evaluate Airbnb as a first-mover in the peer-to-peer rental industry. What recommendations would you make to increase the likelihood of sustainable competitive advantage? (p.162)

**SESSION #8** Monday, September 24*Assignments:* **Read:** Case #3 **Cola Wars Continue 2010****Write:** Provide an Industry (5-Forces) Analysis (see p.7 of the syllabus)**SESSION #9** Wednesday, September 26*“Dare to be naive.”* R. Buckminster Fuller*Assignments:* **Read:** Rothaermel Chapter 6: “Business Strategy, Differentiation, Cost Leadership, and Blue Oceans”

- Consider Jet Blue’s value curve (Exhibit 6.10). What recommendations would you offer to JetBlue to strengthen its strategic profile? (pp.175-176; p.200).
- Discuss lessons that Dr. Devi Shetty provides concerning: (1) cost leadership; (2) economies of scale and scope; (3) process innovation; and (4) a coherent activity system of low-cost value chain activities. (p.189)
- Discuss how JCPenney under its (former) CEO, Ron Johnson, learned the hard way how difficult it is to change a firm’s strategic position. (p.198)
- Does P&G’s decision to slash its R&D spending – and cutting costs and jobs more generally – risk being “stuck in the middle?” Why or why not? What strategic position should P&G pursue? Which value and/or cost drivers would you focus on to improve P&G’s profile? How would you go about implementing your recommended changes? (pp.449-451)

**SESSION #10** Monday, October 1***First Exam*****SESSION #11** Wednesday, October 3*Assignments:* **Read:** Case #4 **Zara****Write:** Provide a Value Chain Analysis (see p.8 of the syllabus)

**SESSION #12**      Monday, October 8

“The leader must know, must know that he knows, and must be able to make it abundantly clear to those around him that he knows.” Clarence B. Randall, chairperson, Inland Steel

*Assignments:* **Read:** Rothaermel Chapter 7: “Business Strategy: Innovation and Entrepreneurship”

- Netflix’s growth in the United States seems to be maturing. What other services can Netflix offer that might further demand in the United States? International expansion appears to be a major growth opportunity for Netflix. Elaborate on the challenges Netflix faces going beyond the U.S. market. (pp.209-210; pp.242-243). [Note: We will revisit these issues for our first primary case]
- Wikipedia, through its open-source (crowdsourcing) model for content, disrupted the encyclopedia business (e.g., CD-based Encarta from Microsoft, and Britannica), thereby rendering a traditional business model obsolete. The founder of Wikipedia, Jimmy Wales, is a *social* entrepreneur seeking to make the entire repository of human knowledge available to anyone, anywhere for free. If you were the founder of Wikipedia, would you want to monetize the business? Why or why not? What are the benefits and costs of a for-profit versus non-profit business? (pp.475-77)
- Discuss how an e-commerce start-up, Dollar Shave Club, is disrupting Gillette through business model innovation. (p.236)
- Discuss the strategic logic of GE Healthcare, a leader in diagnostic devices, disrupting its own technology by developing an inexpensive, portable ultrasound device. (p.237).

**SESSION #13**      Wednesday, October 10

*Assignments:* **Read:** Case #5 **Apple Inc. in 2015** (and Rothaermel, pp.440-442)

**Write:** 3-questions

**SESSION #14**      Monday, October 15

“... good management rests on a reconciliation of centralization and decentralization.”

Alfred P. Sloan

*Assignments:* **Read:** Rothaermel Chapter 10: “Global Strategy: Competing Around the World”

- Both a rich developed country (the United States) and emerging economies (i.e., China and Russia) are the fastest-growing international markets for IKEA? What challenges does this pose for how IKEA ought to compete across the globe? (pp.327-328; p.353)
- Consider the competitive pressures on international routes that Gulf Airlines --- such as, Emirates, Etihad Airways, and Qatar Airways – will place on U.S. legacy carriers such as Delta, American, and United. In your judgment, is it a major threat? Explain. (p.334)

- Evaluate how big a factor the “liability of foreignness” played in explaining why Wal-mart’s recipe for success that worked so well domestically did not work in Germany. (p.337)
  - How important are non-US sales to General Motors (GM)? What implications does this have for GM’s global and business strategy? Consider the integration-response framework (see Exhibit 10.6) to inform their global strategy position. (pp.492-493)
  - Apply the integration-responsiveness framework (Exhibit 10.6) to determine which global strategy position you would recommend that Alibaba should pursue when attempting to create a strategic foothold in the United States. Explain. (pp.509-512)
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**SESSION #15**      Wednesday, October 17

*Assignments:* **Read:** Case #6 **Haier: Global Strategy**

**Write:** 2-page Case Write-Up (see p.8 of the syllabus)

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**SESSION #16**      Monday, October 22

“Tis the part of a wise man to keep himself today for tomorrow, and not venture all his eggs in one basket.”  
Miguel de Cervantes

“Put all your eggs in one basket and — WATCH THAT BASKET.” Mark Twain

*Assignments:* **Read:** Rothaermel Chapter 8: “Corporate Strategy: Vertical Integration and Diversification”

Rothaermel Chapter 9: “Corporate Strategy: Strategic Alliances and Mergers & Acquisitions”

- Amazon.com continues to spend billions on seemingly unrelated diversification efforts. Do you believe these efforts contribute to Amazon gaining and sustaining a competitive advantage? Why or why not? Amazon.com is now over 20 years old and makes over \$100 billion in annual revenues. As an investor, would it concern you that Amazon.com has yet to deliver on economic profits? Why or why not? How much longer do you think investors will be patient with Jeff Bezos as he continues to pursue billion-dollar diversification initiatives? (pp.253-254; pp.283-284)
- What is the strategic logic for why Coca-Cola took a minority investment in Monster rather than an outright acquisition? (p.263)
- Tata Group’s corporate strategy aspires to integrate different strategic positions pursued by different strategic business units, each with its own profit and loss responsibilities. Do you believe that Tata Group will be successful in implementing this corporate strategy? Why or why not? (p.276)
- Given the build-borrow-or-buy framework (Exhibit 9.1), do you think Disney should pursue alternatives to acquisitions? Why or why not? Why do you think Disney was so successful with the Pixar and Marvel acquisitions, while other media interactions such as Sony’s acquisition of Columbia Pictures or New Corp’s acquisition of MySpace were much less successful? (pp.295-296; p.316)

- IBM and Apple – long-time rivals – have formed a strategic alliance to create simple-to-use business productivity apps and to sell iPhones and iPads to corporate clients. Discuss how each company might benefit through this alliance. (p.301)
  - What are the advantages of the (hostile takeover) Cadbury acquisition on the new \$37 billion Kraft Heinz merged firm? (p.312)
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**SESSION #17**      Wednesday, October 24

*Assignments:* **Read:** Case #7 **Pepsi Restaurants**

**Write:** Business Level and Corporate Level Analysis (see p.8 of the syllabus)

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**SESSION #18**      Monday, October 29

“He who hesitates is sometimes saved.” James Thurber

*Assignments:*                    **Read:** Power Point Sets 9b and 9c

*Learning Objectives:*

1.      What are real options?
  2.      When are first-mover advantage and second-mover advantage applicable?
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**SESSION #19**      Wednesday, October 31

“... a manager’s authority comes *from* the employees. Distance yourself from your people and you distance yourself from your base of authority.” Ken Iverson in Plain Talk (1998).

*Assignments:* **Read:** Case #8 **Nucor**

**Write:** Group Assignment Strategic Analysis (see pp.8-10 of the syllabus)

**SESSION #20** Monday, November 5

Assignments: **Read:** Rothaermel Chapter 11: “Organizational Design: Structure, Culture, and Control”

Rothaermel Chapter 12: “Corporate Governance and Business Ethics”

- What is a holacracy and how does this organizational form differ from organizational forms that are more traditional? Why is Zappos experiencing significant implementation problems with holacracy? What else could Zappos do to implement the new organizational form more effectively? (pp.365-366; p.392)
- How did problems in Microsoft’s organizational structure and culture contribute to strategic mistakes concerning their search engine decisions? (p.370)
- What management lessons can be taken from W.L. Gore & Associates (informal) organization structure? (p.374)
- Several lawsuits are under way to determine if Uber drivers are independent contractors or employees. The drivers bringing those lawsuits argue that they are employees and should receive reimbursements for expenses such as gas or car maintenance that they currently pay out of pocket. How do you view the *sharing economy* with companies such as Uber, Airbnb (hospitality), Task-Rabbit (house cleaning and odd jobs)? Do you think that drivers for Uber are independent contractors or employees? (pp.401-402; p.419)
- What are the advantages of having a more diverse board of directors in US companies such as General Electric (GE)? Why are so few companies as diverse as GE? (p.411)
- Did Goldman Sachs and the “Fabulous Fab” violate its fiduciary responsibility and commit securities fraud? Why or why not? (p.416)

**SESSION #21** Wednesday, November 7**Second Exam**

## Practicum

**SESSION #22**      Monday, November 12

*Assignments:* **Read:** Case #9 **Netflix: International Expansion**

**Write:** 3-questions

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**SESSION #23**      Wednesday, November 14

*Assignments:* **Read:** Case #10 **Trader Joe's**

**Write:** 3-questions

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**SESSION #24**      Monday, November 26

*Assignments:* **Read:** Case #11 **Mobileye**

**Write:** 3-questions

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**SESSION #25**      Wednesday, November 28

*Assignments:* **Read:** Case #12 **LEGO** (and Rothaermel, pp.457-459)

**Write:** 3-questions

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**SESSION #26**      Monday, December 3

*Assignments:* **Read:** Case #13 **Spotify**

**Write:** 3-questions

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**SESSION #27**      Wednesday, December 5

“Plans are nothing, planning is everything.” Dwight D. Eisenhower

*Assignments:* **Read:** Case #14 **Health City Cayman Islands**

**Write:** 3-questions

**SESSION #28**      Monday, December 10*Assignments:* **Read:** Case #15 **Reinventing Best Buy****Write:** 3-questions**SESSION #29**      Wednesday, December 12

“These then are my last words to you. Be not afraid of life. Believe that life is worth living and your belief will help create that fact.”  
William James

*Assignments:* **Read:** Case #16 **Pharmaceutical Industry and Aids****Write:** 3-questions**Monday, December 17:      Group Paper due before 4:00 PM in BA Dept. (3<sup>rd</sup> Floor) Wohlers****Final Comments:**

This capstone course has attempted to reflect the objectives of your undergraduate program to offer a global and interdisciplinary perspective that better prepares you for the business world. This course integrates elements of Accountancy (e.g., value chain and activity-based cost accounting), Finance (e.g., pro forma discounted cash flow analysis), and business administration with several technology management, globalization, and entrepreneurship cases embedded within this course. In this course, you needed to show competences along multiple dimensions:

- *Disciplinary Competence* across our three Departments (Accountancy, Finance, and Business Administration) has been a hallmark requirement permeating this capstone business course.
- *Critical Thinking and Problem Solving Skills.* The case method is meant to challenge you. When you make a statement in class, we continuously ask, “How do you know?” Not only do we focus on problem solving, we go further by requiring that *you* ask the questions. Thus, *problem formulation* is at least as critical as problem solving.
- *Professional Responsibility Awareness.* This senior-level course offers many dilemmas for managers throughout our semester’s agenda. By the time we get to the challenging AIDS case, we are hopeful that you are prepared for new levels of thinking required in that case, and that if you are a lifetime learner we invite you to save that case, and revisit it in a few years as your own personal audit trail of continuous improvement.
- *Leadership and Teamwork.* Collaborations in diverse groups in your mini-case, primary case, and Nucor case are essential for success. Inclusiveness is a shared value at Illinois (pass it forward). Thank you!

- *Communication Skills.* The course has focused on several writing assignments not only for better grammatical writing, but also for better logical thinking. We hope we have made clear in the 1-page paper assignment that the scientific method of problem-statement, analysis, and recommendations is a key to logic.
- *Multicultural Diversity.* Diversity issues by gender, race, nationality, and technological backgrounds are issues you will need to manage in your career. This course has focused on the role of managers to build respect among a diverse workforce. We hope you continue to improve in both courage and competence throughout your career to make a difference.

**Psalm of Life** by Henry Wadsworth Longfellow

Tell me not, in mournful numbers,  
Life is but an empty dream!  
For the soul is dead that slumbers,  
And things are not what they seem.

Life is real! Life is earnest!  
And the grave is not its goal;  
Dust thou art, to dust returnest,  
Was not spoken of the soul.

Not enjoyment, and not sorrow,  
Is our destined end or way;  
But to act, that each to-morrow  
Find us farther than to-day.

Art is long, and Time is fleeting,  
And our hearts, though stout and brave,  
Still, like muffled drums, are beating  
Funeral marches to the grave.

In the world's broad field of battle,  
In the bivouac of Life,  
Be not like dumb, driven cattle!  
Be a hero in the strife!

Trust no Future, howe'er pleasant!  
Let the dead Past bury its dead!  
Act, — act in the living Present!  
Heart within, and God o'erhead!

Lives of great [wo]men all remind us  
We can make our lives sublime,  
And, departing, leave behind us  
Footprints on the sands of time;

Footprints, that perhaps another,  
Sailing o'er life's solemn main,  
A forlorn and shipwrecked brother,  
Seeing, shall take heart again.

Let us, then, be up and doing,  
With a heart for any fate;  
Still achieving, still pursuing,  
Learn to labor and to wait.