

# STRATEGIC MANAGEMENT: MGT511

Syllabus  
Spring Semester, 2002

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## COURSE DESCRIPTION

The focus of this course is on the management of the survival of the firm in a changing business environment. This course provides conceptual frameworks and diagnostic tools for analyzing a diverse spectrum of the firm's survival problems. The classes require students' active interaction and involvement. In particular, students are placed in the roles of key decision-makers or their advisors and asked to think about solutions to these survival problems in the evolving landscape of competition.

### Readings

The textbook for this class is Corporate Strategy: Resources and the Scope of the Firm. The other supplementary materials consist of Harvard cases and articles drawn from selected journals and book chapters.

### Course Requirements and Evaluation

Class Participation	20%
Case Presentation	10%
Mid-term Examination	20%
Final Examination	20%
Term Project	20%
Short Essay	10%

## **Term-Project**

A group of four or five students will update one of the cases we discuss in the class by focusing on changes in its competitive situation. The group will prepare 12-14 pages of text as well as 4-5 pages of charts, tables, or/and figures. The term paper should include the key forces that affect the industry and the nature of competition. Students are encouraged to apply course concepts and diagnostic tools to analyze the competitive situation. Analysis is not a listing of the facts, but your understanding of how the industry and the firm works, and the paper should be able to convince other 'reasonable' persons. On the last day of class, the summary result of this analysis will be presented, and the written report will be submitted to the instructor.

## READING LIST

Session 1     **Introduction to the Course**

### **I. Issues in the Conventional Strategic Management**

Session 2     **The Concept of Strategy**

*Reading:* Collis & Montgomery: Chapter 1

Session 3     **Business Environment**

*Reading:* Collis & Montgomery: Chapter 2

Appendix B: Business Strategy and Industry Analysis

*Case:* “Intel Corporation: 1968-1997”  
HBS case # 9-797-137

The Intel Case Update

Session 4     **Economies of Scale and Scope and Learning Curve**

*Readings:* Collis & Montgomery: Chapter 3

*Case:* “Honda A” & “Honda B”  
HBS case # 9-384-049

Session 5     **The Value Chain**

*Readings:* “Creating and Capturing Value in the Value Chain”

“Mastering the Value Chain: An Interview with Mark Levin of  
Millennium Pharmaceuticals”

*Case:* “Millennium Pharmaceuticals, Inc. (A)”

Session 6      **Management of the Scope of the Firm**

*Readings:* Collis & Montgomery: Chapters 4 & 5

*Case:* “Ashai Glass”  
HBS case # 9-794-113

Session 7      **Core Competence**

*Readings:* Collis & Montgomery: Chapter 5

Prahalad and Hamel. “Core Competence of the Corporation,”  
*Harvard Business Review* (May/June, 1990).

*Case:* “Sharp Corporation: Technology Strategy”  
HBS case # 9-793-064.

Session 8      **Strategic Alliances**

*Readings:* Collis & Montgomery: Chapter 4

“Is Your Strategic Alliance Really a Sale?”

*Case:* “Corning Incorporated: A Network of Alliances”  
HBS case # 9-391-102

TBA            **Mid-Term Exam**

## **II. Strategic Issues in the Digital Economy**

Session 9      **Competitive Landscape in the Digital Economy**

*Readings:* “CHESS and Competing in the Age of Digital Convergence”

*The Coming Internet Depression*

*Video:* A Brief History of the Internet

Session 10    **The Internet and Mass Customization**

*Readings:* “E-volving the Auto Industry: E-Commerce Effects on Consumer and Supplier Relationships”

“Making Mass Customization Work”

*Cases:* “Ford Motor Company: Supply Chain Strategy”  
HBS case # 9-699-198

Session 11    **Increasing Returns**

*Readings:* *Information Rules:* Chapters 2, 5 & 6

*Cases:* “Microsoft, 2000”  
HBS case # 9-700-071

Session 12    **Increasing Returns**

*Readings:* *Information Rules:* Chapters 7, 8 & 9

*Case:* “The AOL Time Warner Merger”  
HBS case # 9-701-036

*Case:* “The Instant Messaging War”

Session 13    **Exploration vs. Exploitation**

*Reading:* “The Options Approach to Capital Investment”

“How Real Options Theory Can Improve Your Decision Making”

*Case:* “Eli Lilly and Company: Drug Development Strategy (A)”  
HBS case # 9-698-010

Session 14     **Growth Strategy for Established Companies:  
Acquisition and Development**

*Reading: Making the Cisco Connection*

*Case: Cisco Systems, Inc.*

Session 15     **The Internet and Transformation of the Financial Services Industry**

*Reading: “Beyond the Exchange: The Future of B2B”*

*Case: “Merrill Lynch: Integrated Choice”*

HBS case # 9-500-090

Session 16     **Presentation of Term-Project**

TBA             **Final Exam**