

General Course Information:

BUSI 7017-002-20022.BUSI Strategic Management of the Enterprise
8:30am 4:30pm
BTBA room RTBA

Instructor Information:



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Course Focus

Why do some firms perform so much better than others? The answer, in great part, is in their strategies -- the focus of this course. Entrepreneurs, as well as leaders of established businesses, develop strategies to seize opportunities in the marketplace, in ways that other companies have difficulty matching. Unlike Adam Smith, in this course we believe that the 'hand' of business leaders is exceedingly visible in the success and failure of firms.

Strategy is the recognition of opportunity and a plan for seizing it, but strategy also recognizes and deals with threats to the firm. These opportunities and threats come from external forces -- changes in customers' preferences, competitors' actions, technological breakthroughs, government actions such as deregulation, geopolitical shifts, trends in fashions and many more. Opportunities also arise from a business leader's convictions, personal values, or a flash of insight on changing times.

This course will develop students' skills in analyzing the evolving, sometimes turbulent, environment in which the firm competes, as well as the capabilities of the firm itself. Beyond analysis, however, the course also helps students understand how to design a strategy. They learn that a strategy must follow from the firm's long-term goals; it encompasses choices of products and markets, how the firm will serve customers better than competitors, what vehicles will be used to grow or shift the mix of businesses, decisions about the sequencing of initiatives, and a clear, compelling economic logic. Strategy thus sets the future direction of the firm and provides the guidance system for a host of operational and tactical decisions that must follow.

While taking an analytical approach, we recognize that strategy is an inherently creative process. The best strategies set new standards, create new ways to serve customers, transform the terms of competition in an industry, or even obsolesce entire industries and create new ones. The only strategies that create returns greater than the firm's cost of capital are those that are distinctive.

The course takes a managerial point of view -- emphasizing application, execution, and the framing and resolving of multi-dimensional strategic dilemmas. As such, the course places students (primarily through cases) in diverse managerial situations: large and small organizations, manufacturing and service industries, growing and mature firms, domestic and international

settings, asking them to act as advisors to executives or as business leaders themselves.

Course Perspective

This course deals with the roles and responsibilities of the general manager -- the person responsible for the effectiveness of an overall enterprise. The course is highly relevant in preparing students for eventual senior management positions, in providing students analytic frameworks for understanding the strategic and organizational priorities and issues faced by firms, and in providing students an integrated perspective for assessing the health and needed improvements in firms. Thus, the course is not only pertinent for students who intend to pursue general management careers, but also to those interested in management consulting, investment banking, venture capital, and other careers in which assessments of strategies, organizational effectiveness and management and action plans are centrally important.

The course takes a managerial point of view -- emphasizing application, execution, and the framing and resolving of large, multi-dimensional problems. As such, the course places students (primarily through cases and projects) in diverse managerial situations: large and small organizations, manufacturing and service industries, growing and mature firms, domestic and international settings, asking them to act as advisors to general managers or as line managers themselves.

Module 1 -- Corporate Purpose and Performance

In the first module -- Corporate Purpose and Performance -- the overall purpose of the firm is assessed. We look at the overarching importance of shareholder returns, but also identify how other performance metrics and strategic choices co-vary (or are at odds with) shareholder returns. The firm is viewed from the standpoint of multiple stakeholders who must be satisfied, and particular attention is paid to issues of social responsibility. We also discuss the role of corporate visions, ideologies, and objectives as factors in guiding and motivating strategic behaviors within the firm.

Module 2 -- Strategic Management of the Business Unit

The second course module -- Strategic Management of the Business Unit -- covers the fundamentals of the content and process of business strategy formulation and organization. Emphasis is placed on analysis of the external environment, using the tools of industry, customer and competitor analysis. This module additionally covers the general management process for implementing business strategies in diverse types of situations. Successful execution proceeds from an informed understanding of current strengths and weaknesses, the organization's readiness for change, and the magnitude of the gap between the current business configuration and that required to support the new strategy. Concerted application of the levers for strategy implementation require alignment of all aspects of the organization

Module 3 -- Managing the Multi-Business Firm

In the third module -- Strategic Management of the Multi-Business Firm -- contextual variations continue as we discuss the general management decisions which arise when selecting a mix of business units, allocating resources among them, and enhancing coordinated activities among them. Corporate strategy decisions -- the use of acquisitions, strategic alliances, internal venturing -- as well as organization decisions (such as corporate-business unit relationships, vertical integration, and resource sharing) are discussed. We will particularly discuss the concept of core competencies/ inimitable resources as a basis for diversification, divestitures, alliances and internal resource sharing.

Module 4 -- Executive Leadership

The course culminates in current debates and trends regarding corporate governance and approaches to senior-level leadership. The accomplishments of top-level managers are considered in light of the multiple stakeholder perspective.

Grading Criteria

Final Project [case, analysis]	35%
Paper #1 [individual or group]/ Presentation	20%
Paper #2 [individual or group]/ Presentation	20%
Individual contributions to class when not otherwise presenting	25%