

**NEW JERSEY INSTITUTE OF TECHNOLOGY
SCHOOL OF INDUSTRIAL MANAGEMENT**

Business Policy
COURSE NUMBER: BUS 492-101

Spring 2004
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Class Timings: Mondays and Wednesdays 1:00 to 2:30 p.m.
Office Hours: Monday 11 noon to 12:30 p.m.
Wednesday 11:00 to 12:30 p.m.

Course Overview

Business Policy is a senior level capstone Course. A capstone course integrates what you have learned in other functional area courses so far. The course takes the perspective of strategic managers and evaluates conceptual tools that managers use in making decisions in their companies. We also consider the processes through which decisions are made in organizations.

Analyses of cases should reflect the integration of managerial principles and functional disciplines. Cases are based on a wide variety of firms ranging from small businesses to large multinationals. In addition, the course uses a computer simulation game that will offer students a hands-on experience of making strategic decisions and realizing the impact of decisions in a competitive market place.

This course requires that students spend at least 2-3 hours outside of class to complete it. The course requires not just knowledge of the material, but also critical and creative thought regarding applying this knowledge within specific situations.

Outcomes: Upon completion of this course students should:

Analytical Skills

- (1) Be able apply analytical tools like the Five Forces Analysis, Value Chain Analysis, SWOT analysis, BCG matrix and other strategy implementation models of actual companies in operation.
- (2) Be able to understand ethical issues that pertain to operating a company
- (3) Be experienced in solving life-like business problems through a global business simulation game.

Communication Skills

- (1) Be able to make oral presentations using visual aids and answer questions pertaining to the presentations.
- (2) To develop skills to provide opinions in case solutions in an effective manner.

Interpersonal and Team Dynamics

- (1) Be able to work in groups for the simulation game and for the case presentation.
- (2) To build relationship with team members that foster cooperation toward group goals
- (3) Be able to objectively evaluate the performance of other group members.

Ethics

- (1) To develop a sense of ethical and professional behavior
- (2) To be aware of ethical issues that emerge in organizations.

Technology Skills

- (1) Learn to use Powerpoint for presentation
- (2) Understand and use the Mikes Bikes Simulation Game effectively

Globalization

- (1) To understand the impact of globalization and the complexity it brings.
- (2) To have the knowledge to assess the needs of standardization versus local adaptation of products, practices and systems.
- (3) To understand the cultural, social, legal and ethical aspects of globalization

TEXTS

Strategic Management: Formulation, Implementation and Control. Pearce & Robinson. Eighth Edition. Richard D. Irwin (Publishers).

Smartsims (MikesBikes Simulation) Website: <http://www.smartsims.com>
Website Login: stunjit Password: newjersey

Recommended Reading

Newspapers: Wall Street Journal, New York Times

Magazines: Fortune, Business Week, Forbes

Course Content

It is a course about "strategy" and about "managing for success in a competitive environment." This course is centered on the theme that a company achieves continued competitive success when (a) managers have an astute and timely strategic plan for running the company; and (b) implement and execute their plan proficiently.

The course has many interesting elements and student participation in lectures and case discussions is absolutely essential. A computer simulation game is used to provide hands-on experience about concepts that we have discussed in class. The class will be divided into groups of three to four students. These groups will work on the computer game together and also present cases during class time. The cases for presentation will be assigned prior to class. All students are expected to read and prepare all cases prior to the discussion.

Articles from recent issues of popular business magazines and academic journals may be used to supplement the text. This material will be assigned prior to the class. You will be required to read the material for the class.

Mikes Bikes Simulation

This is a web based simulation exercise that gives players hands-on experience in crafting strategies and making business decisions and being responsible for financial performance.

You will learn an enormous amount working with numbers, exploring options, and trying to unite operations, marketing, finance and product design and development into a coherent strategy.

You will need to spend about 1-2 hours every week doing the analysis and calculations needed to win the competitive battle.

GRADING

Attendance and Participation	50 (Bonus)
3 Examinations	300 (Individual)
Case summaries	100 (Individual)
Group Case presentation	200 (Individual and Group)
Board of Directors (SWOT)	100 (Group)
In class assignments	100 (Group)
Mikes Bikes Project Presentation	100 (Group)
Mike Bikes Performance	100 (Group)
Total	1050 (50% of the grade from group assignments and 50% from individual assignments)

More than 3 absences – 0 for attendance.

Grades

➤ 890 and over	A
➤ 840-889	B+
➤ 800-839	B
➤ 750-799	C+
➤ 700-749	C
➤ 650-699	D
➤ Below 650	F

Attendance and Class Participation

Students are required to be in class for all classes and participate in the group meetings for the computer simulation game. When students are absent from class, adequate explanation needs to be provided to the instructor. **Students absent for more than 4 classes will not get a grade for the course.**

You are required to read the cases and assigned material prior to class. Do not hesitate to ask questions about material that does not seem clear to you. Please feel free to discuss any course related material outside class. You are required to be present and prepared to participate. Participation in class requires that you are able to answer questions about the case asked in class. **IT IS IMPERATIVE THAT YOU ARE PREPARED FOR THE CASES.**

Examinations

You will do three exams during the semester. The exams are non-cumulative. The exams will consist of multiple choice questions, short answers and short essays. All exams will be in class and closed book. The third exam will be in lieu of the final examination.

Case Summaries

You should be able to identify key issues, problems and opportunities facing the central protagonists, articulate and evaluate alternative approaches to problems, and select the best alternative and provide reasons for your selection. Your recommendations should be feasible given the firm's resources, including their cash and their ability to raise money. Case data including financial and other quantitative data should be used wherever possible. **You are to submit two briefs during the semester. These case briefs should be submitted before the beginning of the class that we are scheduled to discuss a case.** Preparation questions will be given to you before the beginning of the class. Each case brief should be at least 2-3 pages double -spaced. Even if you choose not to do a case brief, you should still read the case and come prepared to discuss the case in class.

Group Case Presentation (Written and Oral)

Students will be assigned to groups. Each group will be required to make one case presentation to the class. This case will be a different one from the two case summaries that you have to do. Questions will be provided to guide your presentation. Your answers to the case questions should include the theory

covered in the articles assigned to you and the facts and figures provided in the case. In general do not restate the information in the case. Use the information to analyze issues and recommend a course of action. Use industry information and current data to strengthen your recommendation. In addition to an oral presentation, you will be required to submit a written report on the day of the presentation.

Students will be required to update the cases with current information from the library databases, internet and current magazine and newspaper articles. All case presentations need to be made with transparencies. Students will need to be prepared to answer questions posed by the instructor and other students at the end of the presentation.

Board of Directors Report (SWOT)

Each group will be required to be a Board member and quiz one another group when they are presenting the case. In addition the group that is the Board also needs to prepare a detailed SWOT analysis where they identify key problems and using the SWOT analysis provide solutions to the problems identified.

In Class Assignments

Groups will be required to do in class assignments based on the Business Week Readings assigned for the class. You will do 2 to 3 in class assignments during the course of the Semester. These assignments need to be done in class time. If you are not present, you will get a "0" for the assignment. No make up assignments will be given.

Mikes Bikes Simulation Game

Students will be required to spend about a couple of hours every week in their assigned groups working on the Mikes Bikes Simulation. Students will play 1 week of the Single Player MikesBikes and 1 week trial of the Multi-Player Mike. The grades for the game will be determined by the comparative standing of the groups in the Multi-Player Mike Bikes at the end semester as determined by SmartSims. In addition teams will be required to produce the following:

- (a) Annual Report to its Shareholders (6-8 pages plus reports) detailing and explaining current trends, conditions and future orientation.
- (b) Team's presentation of the Annual Report to its shareholders during the Annual meeting.
- (c) A Brief Report on the team's results from the latest Rollover.

Starting February 10th (Tuesday), when we play the Multi-Player MikesBikes, the decisions will be rolled over at 9:00 p.m. **Your decisions need to in 8:00 p.m.** The first set of decisions will be trial decisions. If your decisions are not in, the industry will be rolled over without taking into consideration your decisions.

Each team will consist of 3 students and each student will start with one of the following titles:

Chief Officer – Finance and New Product Development
Chief Officer – Marketing and Public Relations

Chief Officer – Information
Chief Officer – Operations

In 3 person teams, the finance, product development and operations functions will be combined .

Peer evaluation

Students will be required to do a peer evaluation of their team members. Final scores for the game, in class assignments and case discussions will be given only after taking into consideration the peer evaluations. The peer evaluations will be done two times during the semester.

Picking your team

Good management necessitates working in teams and getting work done with others. I recommend that you pick team members that have the same grade objective as you have and are willing to put the same amount of work for the course. Ideally I would like to work with 10 to 12 teams of three members each. Specific articles from Business Week, Fortune, and New York Times will be assigned prior to class for discussion.

CLASS SCHEDULE

January 21st	Discussion of the syllabus, course requirements Ice Breaker Exercise
January 26th	Lecture: Pearce & Robinson (P&R) Chapter 1 Strategic Management
January 28th	Lecture: Continued P & R Chapter 1 Discussion - Guide to Strategic Management Case Analysis Introduction to the Mikes Bikes Simulation Game
February 2nd	Chapter 2 - Defining the company mission and social responsibility BW Case 6: Carly Fiorina's Proposal: Merge HP and Compaq
February 4th	Lecture: P & R Chapter 3. The External Environment BW Case 8: Telecom Meltdown BW Case 13 – Rethinking the Internet
February 9th	Case 1: Toys R Us in the Online Business 26-1. All Class Case Play Single Player Mike
February 11th	Lecture: P & R Chapter 4 The Global Environment: Strategic Considerations for Multinational Firms BW Case 3: Wine Wars

February 16th	Case 2: Green Mountain Coffee Roasters 32-1 Written case analysis due (All class Case) First set of trial decisions for Multi-Player Mike Hand in Single Player Mikes Bikes Assignment
February 18th	Review of Decisions Work on Objective setting, Mission for the Game Discussion of Issues and questions related to the Game
February 23rd	In Class Exam: Chapters 1, 2, 3 & 4
February 25th	Lecture Chapter 5 Internal Analysis BW: Case 2. UPS vs. Fedex First set of real decisions due
March 1st	Case 3: Napster and MP3 – Redefining the Music Industry (Groups 1 and 2)
March 3rd	Lecture: P&R Chapter 6. Formulating Long term Objectives and Grand Strategies BW: Case 4: Sun Microsystems
March 8th	Lecture: P&R Chapter 6 (Continued). Formulating long term objectives and grand strategies BW Case 11 – AT&T
March 10th	BW Case 10: Nokia In class Exercise
March 15 – 21	Spring Break
March 22nd	Case 4: The Wall Street Journal Print vs. Interactive (Groups 3 and 4)
March 24th	Lecture: P&R Chapter 7. Strategic analysis and choice in single business companies BW Case 17. E-Bay
March 29th	Exam 2. Chapters 5, 6 and 7.
March 31st	Case 5: David Thomas – Entrepreneur: The Wendy’s Story (Groups 5 & 6)

April 5th	Lecture Chapter 8: Strategic Analysis and choice in Multi-business Companies: Rationalizing Diversification and Building Shareholder Value
April 7th	Complete Chapter 8 BW Case BW Cases 22 and 23: Tyco
April 12th	Lecture: P&R Chapter 9 Implementing strategy through short-term objectives, Functional tactics and employee empowerment.
April 14th	Case 6: K-Mart Corporation _ Seeking Customer Acceptance (Groups 7 & 8)
April 19th	Lecture: P & R. Chapter 10 Implementing strategy through restructuring and reengineering the company's structure, leadership and culture
April 21st	Film – Leadership, Ethics, and Culture BW Case 9: Motorola BW Case 16: Cisco systems
April 26th	Case 7: ABB in the New Millenium: New Leadership, new Strategy and New organization (Groups 9 and 10)
April 28th	Presentation of Annual Reports to Shareholders (Groups 1 to 5)
May 3rd	Presentation of Annual Reports to Shareholders (Groups 6 to 10)

The third exam will be on the final exam day. (Exams are not cumulative)

Good luck. Work hard and enjoy the course. Feel free to drop in and talk during office hours. There will be no make up quizzes or exams given. **Class participation is crucial for this course.** Make sure that you read current business news. Any changes in schedule will be announced in class.