

**INDIAN INSTITUTE OF MANAGEMENT AHMEDABAD**  
**PGP & PGP (FABM)**  
Year 2015-16

**Course Title:** Managing Diversified Organizations

**Credit:** 0.5

**Term:** Term V

**Instructor:** Prof. Sunil Kumar Maheshwari

**Course Objectives:** This course aims to develop capabilities for identifying opportunities for and managing diversification. Students are expected to appreciate the ways to create value for themselves and the shareholders in managing diversified organizations. This course will also enable the students to make investment choices in organizations that might get into diversification for growth. To achieve this, the course will focus upon the following:

- a) Action choice: Students are expected to make their action choices in different organizational situations.
- b) Integrated Perspective: The course aims to develop an integrated perspective of organizational transformation in the context of diversification.
- c) The course would present different industry situations to enable the students to appreciate their unique strategic business imperatives.
- d) This course involves intense analysis and data based decision-making.

**Session-wise Plan:**

Session No	Session Title	Case and Reading
1	Introduction: Growth Through Diversification-Scope and Dimensions	Case: Starbucks (Revisited) Read: <ol style="list-style-type: none"><li>1. Goold, M. and Luchs, K (1993). Why Diversify: Four Decades of Management Thinking, Academy of Management Executive, PP: 7-25.</li></ol>
2-3	Growth Through Diversification: Competition, Globalization and Relatedness	Case: P&G Read: <ol style="list-style-type: none"><li>1. Rumelt R (1982). Diversification Strategy and Profitability. SMJ, pp: 359-369</li><li>2. Prahalad, CK and Hamel, G. (1990). The Core Competence of the Corporation, HBR, PP: 79-91.</li><li>3. Prahalad, CK &amp; Bettis, R. (1986). Dominant Logic: A New Linkage between Diversity and Performance, SMJ, PP: 485-501.</li></ol>
4-5	Ways to Diversify: Managing Mergers and Acquisition	Case: Global Products and Quality Caterers Read: <ol style="list-style-type: none"><li>1. Allred, BB, Boal, KB and Holstein, WK</li></ol>

		(2005). Corporation as Stepfamilies: A New Metaphor for Explaining the Failures of Mergers and Acquisition, Academy of Management Executive, PP: 23-37.
6	Diversified Family Business	Case: Murugappa Group Read: 1. No Man's Land (2) by Sunil Maheshwari 2. To Diversify or not to Diversify
7-8	Organizing Diversified Organizations	Case: Transformation of Matsushita Electric Industrial Co. Ltd. (2005) A Read: 1. What Determines the Scope of the Firm Over Time: A Focus on the Institutional Relatedness 2. Doz, Y.L & Prahalad, CK (1991). Managing DMNCs: A Search for a New Paradigm, Strategic Management Journal, PP: 145-154.
9-10	Governance of Subsidiaries in a Diversified MNC	Case: GE: Jack Welch's Two Decades of Leadership Read: Prahalad, CK and Oosterveld, J.P (1999). Transforming Internal Governance: The Challenge for Multinationals, Sloan Management Review, PP: 31-39.

**Pedagogy:** The course is primarily based on "case-method". The method requires intense preparation by all the participants including the instructor.

There will be few presentations by the students during the course.

**Workload:**

Number of sessions required: 10

Hours needed for student to prepare every class of sessions: 4

Hours needed for project: 40

**Evaluation Criteria:**

Class participation : 20%

Paper/project : 40%

End Term Examination : 40%

**Prerequisites and Eligibility:** Those who have gone through BTOT are not eligible for this elective.

**Restriction on class size:** 30

**Open to others (PGPX, Exchange Students):** No

**Relationship of the course with the overall programme objective and related courses:** The course focuses on one of the most important situations that the students will face in their career.