

Strategy Execution

MGT 8803
Spring 2016 Course Syllabus
Georgia Institute of Technology

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Overview

This course offers an overview of strategy and a focus on executing strategy. After performing strategy analysis and formulation, how do leaders, managers, and entrepreneurs succeed in achieving strategic results?

This course takes a transdisciplinary approach to the theory and practice of strategy execution. Objectives of the course are to help students (1) understand and apply processes of strategy analysis, formulation, and implementation, (2) significantly increase their knowledge of strategy execution, (3) appreciate how theory informs practice, and (4) improve their skills in executing strategy and achieving objectives.

The course involves case studies, lectures, and exercises, including a computer simulation.

Among the frameworks and models in this course is an S framework (similar to McKinsey's 7-S framework) from the works of Robert Waterman, Tom Peters, Julien Phillips, Richard Pascale, Anthony Athos, Michael Porter, and Jack Weber: strategy, structure, systems, shared values, staff (people), skills, style, superordinate goals, situation, stakeholders, success metrics, and self. Two more S's complement the framework: one represents the *stock*, or *storehouse*, of a firm's resources and capabilities, and the other represents *sensemaking*; both add further insight to developing, analyzing, and executing action plans.

Grades are given for class preparation and participation, a written case-study report, and a written report on each of two rounds of the simulation. The written reports on computer simulations include real-time logs and write-ups of how strategy was analyzed, designed, and executed in each iteration, what was learned, what options, risks, tradeoffs, and implications were evaluated, what assumptions were made, and what results eventuated.

Learning Objectives

Through this course, students should further learn how to:

1. Analyze, design, evaluate, influence, and improve strategies
2. Understand strategy dimensions, consequent issues, and their implications
3. Solve strategy problems
4. Understand conceptual and graphical tools, frameworks, and process models to assist in strategy execution
5. Assess and develop resources, organizations, and action plans
6. Identify assumptions and avoid biases in implementing action plans
7. Identify key implementation variables, their interconnection, and their context
8. Appreciate the many pressures influencing strategy implementation
9. Understand how to evaluate risk and how to shift probabilities toward success in executing strategy
10. Predict the potential consequences and subsequent-order effects of strategy execution
11. Empathize with stakeholders affected by implementation
12. Develop and communicate the ethos, pathos, and logos of strategy execution
13. Lead by putting strategy into action
14. Identify ethics of motive and effect in actuating and assessing strategies
15. Construct hypotheses, structure experiments, and develop and apply appropriate metrics
16. Conduct strategy experiments, making explicit both inductive and deductive processes
17. Integrate people, policy, and process in strategy execution

Assessment

Students' grades for this course are based on their mastery of course material and their performance in (1) class preparation and participation and (2) written reports of simulations.

Class preparation and participation: Arriving at every class fully prepared to discuss assigned readings and project work, leading discussions in class, taking an active role when others are leading discussions, and making insightful comments that demonstrate comprehension – this is the basis for assessing students' class preparation and participation grade. All students are responsible for full preparation of all readings and other assignments; in addition, each student should expect (1) assignments of specific case studies or articles for oral presentation and (2) cold-call questions on any reading assigned in current or previous classes. The Socratic method is used to determine how well each student understands relevant theory, practice, and implications. Note that class attendance is essential for participation. Students must sign the attendance sheet at the start of each class to verify their attendance at that class. *Class preparation and participation* constitutes 15% of the course grade and can mean the difference in an entire letter grade for this course. Students should focus on quality of participation

during each class, not quantity; indeed, using the class' time with questions or comments lending nothing to class learning may result in the loss of participation points. Students may receive class participation points for each class, and letter grades correlate to a points scale: A, 4 points; B, 3 points; C, 2 points; D, 1 point; and F, zero. Class participation grades follow these standards.

- A: Attendance in class and comments covering all assignments (including project assignments) evidencing (1) thorough preparation, (2) full comprehension of information from class assignments, (3) accurate analysis and synthesis of both quantitative and non-quantitative data from class assignments, (4) integration with concepts from prior classes, and (5) construction, presentation, and explanation of key insights.
- B: Attendance in class and comments evidencing thorough preparation, comprehension, and application of information from class assignments, including project assignments
- C: Attendance in class and accurate recitation of information from class assignments
- D: Attendance in class and no participation
- F: Absence from class

Students who are absent because of participation in approved Institute activities (such as field trips and athletic events) will be permitted to make up the work missed during their absences. Approval of such activities will be granted by the Student Academic and Financial Affairs Committee of the Academic Senate, and statements of the approved absence may be obtained from the Office of the Registrar.

Students who are absent because of participation in a religious observance will be permitted to make up the work missed during their absence with no late penalty, provided the student informs the course instructor of the upcoming absence, in writing, within the first two weeks of class, and provided the student makes up the missed material within the timeframe established by the course instructor. Exercising one's rights under this policy is subject to the Georgia Tech Honor Code. The course instructor is responsible for establishing reasonable deadlines and/or make-up material for the missed work, and for clearly communicating this information to the student. Students may choose to appeal to the Student Academic and Financial Affairs Committee of the Academic Senate for formal approval of this type of absence.

Case-study report: This is one written report analyzing a case study and presenting a recommendation and an action plan. Students must write concisely and persuasively to demonstrate their mastery of the issues presented in this course. The report constitutes 35% of the course grade.

Simulation and reports: A computer simulation – The Balanced Scorecard – allows students to practice strategy execution. Students play in teams for two rounds. Each round takes place in class, one per week during two successive weeks. Students submit

a written report after each round. A rubric provides a format for written reports. Each simulation report constitutes 25% (total, 50%) of the course grade.

For the final course grade, a student's weighted-mean numerical score (comprising grades for class preparation and participation and written reports) converts to a letter grade within these brackets:

- 90.00% and higher: A
- 80.00% to 89.99%: B
- 70.00% to 79.99%: C
- 60.00% to 69.99%: D
- Below 60.00%: F

Administration

Students should consult T-Square several times each week for postings in the Announcements folder and the Gradebook folder. The Announcements folder in T-Square includes an announcement with a link to a Dropbox folder for this course, and students should consult the Dropbox folder daily for updates. The course syllabus, assignment instructions, and other necessary information reside in the Dropbox folder. Uploads of new articles, typically addressing current events and issues, can occur several times weekly, thus the importance of checking the Dropbox folder daily; arriving at class ready to discuss these readings is mandatory as they lend current, practical insight to the theory students investigate in class.

Accommodations for Students with Disabilities

If you are a student with learning needs that require special accommodation, contact the Office of Disability Services at (404)894-2563 or <http://disabilityservices.gatech.edu/>, as soon as possible, to make an appointment to discuss your special needs and to obtain an accommodations letter. Please also e-mail me as soon as possible to set up a time to discuss your learning needs.

Honesty

This course follows the guidelines established by Georgia Tech's honor code and student handbook. Students must certify that all work is their own and must appropriately acknowledge all sources. Academic dishonesty includes cheating, fabrication, falsification, multiple submissions, plagiarism, and complicity in academic dishonesty.

Office hours

Students wishing to meet during office hours should send an email presenting the topic or agenda for discussion and proposing times and dates to meet in person or, if urgent,

for a telephone call. Students should receive a response to emails within a few hours but should expect that a response may take as long as 24 hours. I am available to meet students anytime, including weekends and holidays, so long as there is no conflict with other Georgia Tech appointments already on my schedule.

Required reading

Students should immediately obtain the required readings and the simulation from Harvard Business Publishing. Note that purchasing PDF files occurs at one link, and purchasing the simulation occurs at another link.

Cases and Notes

The cases and notes are available for purchase and download from the Harvard Business Publishing web site: www.hbsp.harvard.edu

Course link: <https://cb.hbsp.harvard.edu/cbmp/access/43084286>

Course pack: Strategy and Execution (Spring 2016)

Course number: MGT 8803

Reference code: 43084286

Simulation

The simulation *The Balanced Scorecard* is available for purchase from the Harvard Business Publishing web site: www.hbsp.harvard.edu

Course link: <https://cb.hbsp.harvard.edu/cbmp/access/43084478>

Course pack: Strategy and Execution (Spring 2016): Simulation

Course number: MGT 8803

Reference code: 43084478

Students must first register on the site to create a user name unless they already have one. Once registered, students can log in to download the course materials immediately. Afterward students can get to the course again by visiting hbsp.harvard.edu, logging in, clicking My Courses, and then clicking the course name. For technical assistance, the Harvard Business Publishing Tech Help line is (800) 810-8858 and email is techhelp@hbsp.harvard.edu. Business hours are 8am to 8pm Monday through Thursday, and 8am to 7pm Friday.

Here is a list of the PDF files to download and the simulation:

Cases and Notes

1. A Leader's Guide to Understanding Complex Organizations: An Expanded "7-S" Perspective
2. A Manager's Guide to Human Irrationalities
3. A Step-by-Step Guide to Smart Business Experiments
4. A Tale of Two Turnarounds at EDS: The Jordan Rules
5. Adaptability: The New Competitive Advantage

6. Amazon.com: The Brink of Bankruptcy
7. Apple, Inc. in 2012
8. Arepa
9. At Ford, Turnaround Is Job One
10. Can You Say What Your Strategy Is?
11. Charlotte Beers at Ogilvy & Mather Worldwide (A)
12. Closing the Gap Between Strategy and Execution
13. Competing on Talent Analytics
14. Countering the Biggest Risk of All
15. Delta/Signal Corp.
16. Environmental Sustainability at REI
17. Execution as Strategy
18. GE's Growth Strategy: The Immelt Initiative
19. Harley-Davidson: Preparing for the Next Century
20. Having Trouble with Your Strategy? Then Map It
21. How to Avoid Catastrophe
22. How to Design Smart Business Experiments
23. How to Implement a New Strategy Without Disrupting Your Organization
24. Howard Schultz and Starbucks Coffee Company
25. IBM's Decade of Transformation: Turnaround to Growth
26. Ice-Fili
27. IDEO Product Development
28. Ingvar Kamprad and IKEA
29. Leader's Framework for Decision Making
30. LinkedIn Corporation, 2012
31. Linking the Balanced Scorecard to Strategy
32. Management Half-Truth and Nonsense: How to Practice Evidence-Based Management
33. Managing Oneself
34. Managing Risks: A New Framework
35. Mastering the Management System
36. Peter Browning and Continental White Cap (A)
37. Power Play
38. Prepare Your Organization to Fight Fires
39. Sense and Reliability
40. Smart-Talk Trap
41. Strategic Analysis and Action
42. Strategic Deal Making at Millennium Pharmaceuticals
43. Strategy Under Uncertainty
44. Stress-Test Your Strategy: The 7 Questions to Ask
45. The Secrets to Successful Strategy Execution
46. The Walt Disney Company and Pixar, Inc.: To Acquire or Not to Acquire?
47. Trader Joe's
48. Transforming Corner-Office Strategy into Frontline Action

49. Turning Gadflies into Allies
50. Turning Great Strategy into Great Performance
51. Using the Balanced Scorecard as a Strategic Management System
52. What Executives Should Remember
53. What Is Strategy?
54. What Makes an Effective Executive?
55. Who Has the D? How Clear Decision Roles Enhance Organizational Performance
56. Why Businesses Don't Experiment
57. Why Do Good Managers Choose Poor Strategies?
- Simulation
58. Strategy Simulation: The Balanced Scorecard

Recommended reading

Students should consult the current edition of the textbook *Strategic Management* written by Frank Rothaermel. This website has more information on the book:
www.ftrstrategy.com

Suggested reading

Students will hear references to these articles and books in class and may wish to consult them. The Georgia Tech library should have these available, free of charge, in electronic or paper format.

1. Amabile, T. M. 1998. How to Kill Creativity. *Harvard Business Review*, 76, 76-87.
2. Amit, R. & Schoemaker, P. J. H. 1993. Strategic Assets and Organizational Rent. *Strategic Management Journal*, 14, 33-46.
3. Argyris, C. & Schon, D. A. 1978. *Organizational Learning: A Theory of Action Perspective*, Reading, Mass., Addison-Wesley.
4. Augier, M. & Teece, D. J. 2006. Understanding Complex Organization: The Role of Know-How, Internal Structure, And Human Behavior in The Evolution of Capabilities. *Industrial and Corporate Change*, 15, 395-416.
5. Baer, M., Dirks, K. T. & Nickerson, J. A. 2012. Microfoundations of Strategic Problem Formulation. *Strategic Management Journal*.
6. Barney, J. B. & Clifford, T. G. 2010. *What I Didn't Learn in Business School: How Strategy Works in The Real World*, Boston, Mass., Harvard Business Review Press.
7. Barney, J. B., Ketchen, D. J. & Wright, M. 2011. The Future of Resource-Based Theory. *Journal of Management*, 37, 1299-1315.
8. Bourgeois, L. J. & Brodwin, D. R. 1984. Strategic Implementation: Five Approaches to an Elusive Phenomenon. *Strategic Management Journal*, 5, 241-264.
9. Cohen, W. M. & Levinthal, D. A. 1990. Absorptive Capacity. A New Perspective On Learning and Innovation. *Administrative Science Quarterly*, 35.
10. Crilly, D. & Sloan, P. 2012. Enterprise Logic: Explaining Corporate Attention to Stakeholders from The 'Inside-Out'. *Strategic Management Journal*.

11. Freeman, R. E. 2011. *Strategic Management: A Stakeholder Approach*, Cambridge, Cambridge University Press.
12. Giere, R. N. 2006. *Scientific Perspectivism*, Chicago, Ill., University of Chicago Press.
13. Govindarajan, V. & Trimble, C. 2010. *The Other Side of Innovation: Solving The Execution Challenge*, Boston, Mass., Harvard Business School Publishing.
14. Grant, R. M. 1996. Toward A Knowledge-Based Theory of the Firm. *Strategic Management Journal*, 17, 109-122.
15. Guth, W. D. & Macmillan, I. C. 1986. Strategy Implementation Versus Middle Management Self-Interest. *Strategic Management Journal*, 7, 313-327.
16. Heath, C. & Tversky, A. 1991. Preference and Belief: Ambiguity and Competence in Choice Under Uncertainty. *Journal of Risk and Uncertainty*, 4, 5-28.
17. Jacobides, M. G. 2006. The Architecture and Design of Organizational Capabilities. *Industrial and Corporate Change*, 15, 151-171.
18. Kaplan, R. S. & Norton, D. P. 2004. *Strategy Maps*, Boston, Mass., Harvard Business School Press.
19. Kaplan, R. S. & Norton, D. P. 2008. *The Execution Premium: Linking Strategy to Operations for Competitive Advantage*, Boston, Mass., Harvard Business Press.
20. Khanna, T., Palepu, K. G. & Bullock, R. J. 2010. *Winning in Emerging Markets: A Road Map for Strategy and Execution*, Boston, Mass., Harvard Business Press.
21. Kor, Y. Y. & Mesko, A. 2012. Dynamic Managerial Capabilities: Configuration and Orchestration of Top Executives' Capabilities and The Firm's Dominant Logic. *Strategic Management Journal*.
22. Kotter, J. P. 2007. *Leading Change*, Boston, Mass., Harvard Business School Press.
23. Levitt, B. & March, J. G. 1988. Organizational Learning. *Annual Review of Sociology*, 319-340.
24. March, J. G. 1991. Exploration and Exploitation in Organizational Learning. *Organization Science*, 2, 71-87.
25. March, J. G., Sproull, L. S. & Tamuz, M. 1991. Learning from Samples of One or Fewer. *Organization Science*, 1-13.
26. Mauboussin, M. J. 2012. *The Success Equation: Untangling Skill and Luck in Business, Sports, And Investing*, Boston, Mass., Harvard Business Review Press.
27. Mintzberg, H. 2007. *Managing*, New York, Financial Times Prentice Hall.
28. Ormerod, P. 2005. *Why Most Things Fail: Evolution, Extinction and Economics*, New York, Pantheon Books.
29. Pfeffer, J. 2015. *Leadership BS: Fixing Workplaces and Careers One Truth at A Time*, New York, Harper Business, an imprint of HarperCollins Publishers.
30. Pfeffer, J. & Sutton, R. I. 2000. *The Knowing-Doing Gap: How Smart Companies Turn Knowledge into Action*, Boston, Mass., Harvard Business School Press.
31. Polanyi, M. 1950. Scientific Beliefs. *Ethics*, 61, 27-37.
32. Polanyi, M. 1952. The Stability of Beliefs. *British Journal for The Philosophy of Science*, Iii, 217-232.
33. Polanyi, M. 1958. *Personal Knowledge: Towards A Post-Critical Philosophy*, Chicago, Ill., University of Chicago Press.

34. Porter, M. E. 1985. Competitive Advantage: Creating and Sustaining Superior Performance, New York, Free Press.
35. Prahalad, C. K. & Hamel, G. 1990. The Core Competence of the Corporation. Harvard Business Review, 68, 79-91.
36. Rumelt, R. P. 1997. Towards A Strategic Theory of the Firm. In: Foss, N. J. (Ed.) Resources, Firms, And Strategies: A Reader in The Resource-Based Perspective. Oxford: Oxford University Press.
37. Sull, D. & Eisenhardt, K.M. 2015. Simple Rules: How to Thrive in a Complex World, Boston, Houghton Mifflin Harcourt.
38. Teece, D. J. 1999. Design Issues for Innovative Firms: Bureaucracy, Incentives and Industrial Structure. In: Chandler, A. D., Hagström, P. & Sölvell, Ö. (Eds.) The Dynamic Firm: The Role of Technology, Strategy, Organization and Regions. New York: Oxford University Press.
39. Tsoukas, H. 2009. A Dialogical Approach to The Creation of New Knowledge in Organizations. Organization Science, 20.
40. Weick, K. E. 1993. The Collapse of Sensemaking in Organizations: The Mann Gulch Disaster. Administrative Science Quarterly, 38.
41. Weick, K. E. 1993. Collective Mind in Organizations: Heedful Interrelating On Flight Decks. Administrative Science Quarterly, 38, 357.
42. Weick, K. E. 2005. Organizing and The Process of Sensemaking. Organization Science, 16, 409.

The weekly schedule begins on the next page.

Schedule

| Week | Date | Lecture and other activity | Preparation for this week |
|------|--------|------------------------------------|---|
| 1 | 14 Jan | Overview Of Strategy And Execution | <p>Notes</p> <ol style="list-style-type: none"> 1. What Is Strategy? 2. The Secrets to Successful Strategy Execution 3. Using The Balanced Scorecard as A Strategic Management System 4. Turning Great Strategy into Great Performance |
| 2 | 21 Jan | Strategy Analysis And Design | <p>Notes</p> <ol style="list-style-type: none"> 1. Stress-Test Your Strategy: The 7 Questions to Ask 2. Can You Say What Your Strategy Is? 3. Strategic Analysis and Action 4. Execution as Strategy <p>Cases</p> <ol style="list-style-type: none"> 5. Apple, Inc. in 2012 6. Trader Joe's |
| 3 | 28 Jan | Processes Of Strategy Execution | <p>Notes</p> <ol style="list-style-type: none"> 1. A Leader's Guide to Understanding Complex Organizations: An Expanded "7-S" Perspective 2. Transforming Corner-Office Strategy into Frontline Action 3. Why Do Good Managers Choose Poor Strategies? 4. Adaptability: The New Competitive Advantage <p>Cases</p> <ol style="list-style-type: none"> 5. Environmental Sustainability at REI 6. Harley-Davidson: Preparing for The Next Century |

Schedule (continued)

| Week | Date | Lecture and other activity | Preparation for this week |
|------|--------|---------------------------------|--|
| 4 | 4 Feb | Sensemaking And Decision-Making | <p>Notes</p> <ol style="list-style-type: none"> 1. Prepare Your Organization to Fight Fires 2. Sense and Reliability 3. Who Has the D? How Clear Decision Roles Enhance Organizational Performance 4. Leader's Framework for Decision Making <p>Cases</p> <ol style="list-style-type: none"> 5. Charlotte Beers at Ogilvy & Mather Worldwide (A) 6. Peter Browning and Continental White Cap (A) |
| 5 | 11 Feb | Risk, Uncertainty, And Luck | <p>Notes</p> <ol style="list-style-type: none"> 1. Managing Risks: A New Framework 2. Countering The Biggest Risk of All 3. Strategy Under Uncertainty 4. How to Avoid Catastrophe <p>Cases</p> <ol style="list-style-type: none"> 5. GE's Growth Strategy: The Immelt Initiative 6. The Walt Disney Company and Pixar Inc.: To Acquire or Not to Acquire? |
| 6 | 18 Feb | Knowing And Doing | <p>Notes</p> <ol style="list-style-type: none"> 1. The Smart-Talk Trap 2. Closing The Gap Between Strategy and Execution 3. Management Half-Truth and Nonsense: How to Practice Evidence-Based Management 4. What Makes an Effective Executive <p>Cases</p> <ol style="list-style-type: none"> 5. Ingvar Kamprad and IKEA 6. Howard Schultz and Starbucks Coffee Company |

Schedule (continued)

| Week | Date | Lecture and other activity | Preparation for this week |
|------|--------|--|--|
| 7 | 25 Feb | Strategy Execution in Turnarounds | Notes 1. Managing Oneself 2. What Executives Should Remember Cases 3. A Tale of Two Turnarounds at EDS: The Jordan Rules 4. At Ford, Turnaround Is Job One |
| 8 | 3 Mar | Strategic Alliances and Strategy Execution | Notes 1. Turning Gadflies into Allies 2. Power Play Cases 3. Arepa 4. Strategic Deal Making at Millennium Pharmaceuticals Begin writing the case-study report on LinkedIn, 2012 |
| 9 | 10 Mar | Planning, Controlling, Monitoring, And Iterating | Notes 1. Mastering The Management System 2. Competing On Talent Analytics Cases 3. Amazon.Com: The Brink of Bankruptcy 4. IBM's Decade of Transformation: Turnaround to Growth |
| 10 | 17 Mar | Experimenting, Integrating, And Coordinating | Notes 1. A Step-By-Step Guide to Smart Business Experiments 2. How to Design Smart Business Experiments 3. Why Businesses Don't Experiment 4. A Manager's Guide to Human Irrationalities Cases 5. IDEO Product Development 6. Ice-Fili (АЙС-Оили) |

Schedule (continued)

| Week | Date | Lecture and other activity | Preparation for this week |
|------|--------|---|---|
| 11 | 24 Mar | Spring Holiday | |
| 12 | 31 Mar | Case-Study Report: LinkedIn, 2012 Introduction to the Simulation: The Balanced Scorecard | Notes <ol style="list-style-type: none"> 1. Using The Balanced Scorecard as A Strategic Management System (from week 1) 2. Linking the Balanced Scorecard to Strategy 3. Having Trouble with Your Strategy? Then Map It 4. How to Implement a New Strategy Without Disrupting Your Organization Case <ol style="list-style-type: none"> 5. LinkedIn, 2012 Complete and submit the case-study report on LinkedIn, 2012 |
| 13 | 7 Apr | Simulation: - Discussion - 1 st Round - Debrief | Notes <ol style="list-style-type: none"> 1. All preparatory articles, instructions, and other resources for the simulation Case <ol style="list-style-type: none"> 2. Delta/Signal Corp. Meet and practice with your simulation team. |
| 14 | 14 Apr | Simulation: - Discussion - 2 nd Round - Debrief | Submit your write-up from the 1st round of the simulation. NB: one write-up per student, not one write-up per team |
| 15 | 21 Apr | What Have We Learned About Strategy and Execution? How Do We Put What We've Learned into Action? | Submit your write-up from the 2nd round of the simulation. NB: one write-up per student, not one write-up per team Review Notes, Cases, and Reports |