



COURSE OVERVIEW NOTE

Introduction to the RC Strategy Course, Fall 2025

Purpose of the Course

Firms have rarely been challenged as they are today. Technological change, rivals competing with new business models, changes in customer preferences, and geopolitical shifts are dramatically affecting businesses. Amidst these changes, the task of company leaders is more complex than ever. How can they compete effectively against an ever-growing number of players? In which industries, or parts of the supply chain, should they play? Should they diversify or focus, outsource or integrate?

To tackle such challenging questions, CEOs and other company leaders must complement their routine day-to-day tasks with ensuring that they create and sustain performance advantages for the firms they lead. Toward this end, crafting effective strategies for their businesses is one of their most important jobs.

The RC Strategy course introduces you to the central strategic challenges facing CEOs and senior leaders. The course aims to make you proficient in tackling three central components of strategic decision-making:

- a) identifying the roots of competitive advantage;
- b) evaluating the limits to such advantage; and
- c) making decisions that create and sustain performance advantages over time.

In doing so, the course addresses several questions relevant to strategic decision making. For example, what constitutes an effective strategy for a firm—and what does not? How do firms that act strategically behave differently from those that do not? How can a “strategic perspective” guide managerial decisions in various arenas, from corporate change to business diversification?

The RC Strategy course develops your ability to craft the overall strategy of a firm. We define strategy as *an integrated set of choices that positions a firm in its industry so as to create and capture superior value over the long run*. A firm’s strategy includes two basic elements: where the firm will compete, and how it can win in those arenas over the long run.

Corresponding to these elements, effective strategists excel at three distinct jobs. First, great strategists are effective at *sizing up the external environment* in which the firm competes. In virtually any

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firm, there are individuals with expertise in specific aspects of the outside world. For instance, the chief financial officer should understand the relevant capital markets, the head of marketing should have a good sense of customers, and procurement personnel should have a superior knowledge of suppliers. An important role of the strategist, however, is to size up the firm's environment in its entirety and to understand how all these external factors interact to constrain or create opportunities for the firm.

Second, effective strategists *align all of the firm's internal choices to give the firm a competitive advantage*. In other words, they configure all choices across every part of the firm to create a whole that is greater than the sum of its parts. This is an inherently and intensely cross-functional task. Operations decisions must match both a company's marketing choices and its human resource decisions related to the hiring, training, and compensation of employees. Similarly, financing can sustain growth opportunities supported by sales and marketing. Such integration across functions is critical and central to strategy.

The strategist's third job is to *sustain a firm's advantage over time in the face of change*. Strategic moves often involve long-term commitments: billion-dollar investments in factories, the development of brands or technical capabilities, entry into new markets or regions, mergers, major investments in emerging technologies, and so forth. The dynamics of strategy unfold over years, often decades, even as the external environment shifts. When making choices, an effective strategist considers the firm's long-run performance in the face of changing circumstances. They develop a sense of what to do in the short run to ensure the health of their firm in the long run.

RC Strategy introduces concepts and tools that help make you more effective at these three jobs.

But who is the strategist? Although an obvious answer is the CEO, the strategist's skills and tools are needed in many roles. Entrepreneurs must have strategies to navigate the twists and turns of their companies' external and internal environments while maintaining a clear vision of how their ventures will evolve over time. A general manager of a division within a multi-business firm must develop a strategic path that leads the division to success. A country manager in a global company must develop and implement a strategic plan to succeed in their country. Executives in companies or partners in professional service firms must ensure that they invest their time and efforts in a way that is consistent with their organization's strategy. Market analysts pore over earnings calls to evaluate the soundness and success of a business's chosen strategy. Private equity executives seek to understand the existing strategy, and develop a value-creating potential strategy, for their target companies. Investment bankers who understand their clients' strategies can offer meaningful counsel on value-creating transactions. Strategy consultants support company executives by understanding and contributing to the development of their company's strategy.

The Architecture of the Course

The Strategy course is structured to prepare you for each of the strategist's three jobs. An introductory session identifies the elements of a strategy and develops three corresponding tests of a good strategy: external consistency, internal consistency, and dynamic consistency. These tests recur throughout the course.

After the introduction, six modules follow that address the strategist's three jobs.

1. *Industry Attractiveness*

This module prepares you to analyze a firm's external environment. Firms operate in a landscape traditionally labeled an industry and, more recently, an ecosystem. Industries differ dramatically in the level of profitability the typical firm achieves in the long run.

In the first part of the module, we introduce fundamental economic concepts such as marginal cost, variable cost, fixed cost, average non-sunk cost, and sunk cost. We construct industry supply curves and use demand and supply analysis to forecast prices, enabling you to project whether large capital investments, such as a new plant, are likely to be profitable.

In the second part, we introduce a framework for understanding the competitive and complementary forces that distinguish more profitable industries from less attractive ones. The framework encompasses the customers, rivals, and suppliers in an industry, as well as potential entrants and the providers of substitute and complementary goods. We explore how these forces impact the profitability of an industry and how industry players can respond to and influence these forces.

2. *Competitive Advantage*

Whereas the industry analysis module focuses on what determines the profitability of an average firm in an industry, the competitive advantage module examines how a firm can achieve higher-than-average profitability in its industry.

First, successful firms create a wider wedge than competitors between the willingness to pay they generate among customers and the costs they incur to serve those customers. Second, they draw strength from reinforcing decisions in each function. Third, they offer customers a mix of product and service attributes that is distinct from those offered by competitors. Fourth, they leverage favorable external forces and neutralize inimical external forces in the environment. This module trains you to understand how well a company is positioned against competitive forces; to spot matches and mismatches among choices; to plot the attributes delivered by a firm and its rivals; and to analyze, quantitatively and qualitatively, the relative cost and willingness-to-pay positions of competitors. We develop these skills in settings that range from discount stores to expedition cruises, opera companies, and power tools.

The module asks two interrelated questions: How should a firm choose the industries in which to operate, and how can the firm establish a competitive advantage in those industries?

3. *Strategic Interaction*

This module takes a deep dive into the competitive dynamics that shape outcomes within an industry. Having explored how firms build advantage through their own positioning and choices, we now turn to the strategic moves and countermoves that arise when firms interact.

Here, we learn to analyze rivals: how they think, what they want, and how they are likely to behave. We draw on economic logic ("What lies in the rational self-interest of each player?") as well as behavioral insight ("How rationally will each player act in the heat of competition?"). We introduce a qualitative framework to understand competitor behavior, as well as quantitative tools such as game theory to model scenarios in which your outcomes depend not only on what you do, but on how your competitors respond.

At the heart of this module is the challenge of managing competitive rivalries in a way that strengthens your position over time. We explore how to anticipate moves, shape expectations,

and influence the rules of the game. The goal is to become more effective at navigating interdependence, recognizing that strategy often unfolds in a world of strategic interaction.

This module lays essential groundwork for the upcoming module on *Strategy Across the S-Curve*, where we will look beyond the competitive arena to consider how industries themselves change over time and how strategy must adapt in response.

4. *Crafting Strategy*

In this module, we explore the central challenge of strategy making: how to choose among bundles of interconnected decisions that together determine a firm's long-term direction. Strategic choices differ from tactical decisions in three fundamental ways: They tend to affect multiple parts of the business, shape the firm's position in the marketplace, and endure over time. As you advance in your career, your role will increasingly involve making these kinds of complex, consequential choices. To prepare you for this shift, this module introduces an *options-led approach* to strategy: a method that emphasizes generating multiple, coherent alternatives; defining what would need to be true for each to succeed; and gathering focused evidence to inform a final judgment.

Throughout the module, you will learn how to explore creative strategic possibilities, evaluate them rigorously, and align your organization around the chosen path. This approach encourages a shift in mindset, from asking "What should we do?" to "What might we do?"; from seeking the "right answer" to identifying the essential questions; and from declaring a vision to building shared ownership through participation in choice-making. The goal is to equip you not only with tools, but with the habits of thought needed to craft strategy effectively and lead with clarity in moments of high-stakes decision-making.

5. *Corporate Strategy*

This module shifts the focus from strategy within a single business to strategy across multiple businesses within a corporation. It explores the principles that govern effective corporate strategy and asks a central question: How can operating in multiple industries enhance or dilute a firm's competitive advantage in each of its businesses?

We examine how corporate scope shapes strategic outcomes. Participation in several businesses affects the competitive forces a firm faces, alters the sources of advantage it can leverage, and influences how those advantages evolve over time. For example, how does operating in theme parks, film production, consumer products, and live entertainment make Disney stronger or potentially weaker in each arena?

The module introduces a framework for making strategic decisions in the multi-business context, helping you assess how to create value through diversification. A recurring theme is the importance of alignment: how corporate-level choices regarding resource allocation, structure, and coordination can support or hinder business-level success. Ultimately, this module equips you to evaluate when and how corporate strategy can be a source of sustained competitive advantage.

6. *Strategy Across the S-Curve*

This module builds on the insights from *Strategic Interaction*, shifting our focus from managing rivalry to managing change at the industry level. While competitive dynamics play out between firms, many of the most profound strategic challenges arise from shifts in the

external environment: technological discontinuities, changing customer expectations, and evolving industry structures due, for example, to regulatory change.

We introduce a framework grounded in the concept of industry lifecycles, a progression from early ferment, through rapid takeoff and maturity, to eventual discontinuity. In each phase, firms face different strategic imperatives. What works in a young, uncertain industry rarely works in a mature one. And firms that succeed at scale often struggle to adapt when the ground shifts beneath them.

This module explores how firms can continue to succeed by adjusting their strategy as their industry evolves. It also explores the internal barriers that often delay or derail adaptation, including failures of perception, motivation, imagination, and coordination. We examine what it takes to build organizations capable of strategic renewal: simultaneously investing in what works today and preparing for what's coming next.

Spanning the modules are three features, each involving a balance. First, we will couple backward-looking analysis with forward-looking decision-making, emphasizing analyses that serve decision-making. Second, we will blend qualitative and quantitative analyses. We will “run the numbers,” but we will also use judgment to interpret those numbers. Third, we will endeavor to embrace qualities of both the head (rigorous thinking) and the heart (empathy and understanding of the actors, essential for strategic leadership).

As we begin the course, we will emphasize two related facets of strategic leadership. First, leaders must make strategic choices in light of what their company can realistically achieve. Strategy is not a chess game with wooden pieces; the flesh-and-blood people who carry out a strategy have limited capabilities, capacity, energy, and willingness to act. A leader's choices must reflect an assessment of how well a strategy will be carried out, not just how powerful it appears in abstraction. Second, strategic leadership relies on the personal qualities of the strategist. You will come across many strategists during the course—in cases, video clips, and personal visits. As you meet these individuals, we urge you to try to understand what distinguishes effective strategists from ineffective ones. To some degree, the difference lies in their command, explicit or implicit, of the technical aspects of strategy. To a great extent, however, the difference lies in their personal traits and habits. We encourage you to ask yourself throughout the course, “What are the personal characteristics of great strategists, and how might I develop those characteristics myself?”

Course Administration

Grading and Feedback Grades in RC Strategy are determined by three elements: two quizzes (20%), a final exam (40%), and class engagement (40%).

The two quizzes will be spaced out over the course of the semester. The first one will be on October 15, 2025, and the second will be on November 6, 2025. The quizzes will be one hour in length and multiple choice in format. The objective of the quizzes is to provide you with the opportunity to check your understanding of key concepts that we are building towards over the course of the semester, enabling you to get further guidance on any topics that you have not yet fully grasped.

The Strategy exam will be administered on December 10, 2025. You will be provided with a case to analyze using a subset of the concepts from the course. Prior to the exam, we will provide samples from previous years. There will be an optional review session.

For the class engagement portion of your grade, please actively participate enough that your instructor can assess the quality of your contribution. Beyond a minimum threshold of quantity, your grade is based on quality, as well as your overall contribution to a positive learning environment by following course norms and actively listening to the discussion. Approximately midway through the course, your instructor will share with you an assessment of your class engagement up to that point.

Several of the cases we examine feature prominent companies. Occasionally, you will know what happens to the company after the case ends or even know how the management team resolved the major issues in the case. We urge you to analyze the case without relying on your knowledge of subsequent events; you will learn more if you depend on your own thinking, and it is dangerous to assume that the management team “got it right” (or wrong).

More generally, we ask you to reason from data contained in the case and not introduce information into the class discussion that comes from outside the case, unless your instructor invites you to do so. Comments such as “The company later did [this]” or “The competitors later did [that]” are rarely helpful to the discussion. If you have special knowledge about a case due to past experience, please let your instructor know before class. They can then work with you to explore whether and how your experience can be used in class to help others learn.

Beyond the broad feedback provided by quiz grades and midterm participation letters, we are happy to provide additional feedback to those who seek it. Please note that our feedback during the term will be more developmental than evaluative; it will focus more on how you can do better, and less on where you stand in terms of grading. We believe that your personal development is more important than your relative rank in the section. Thus, although we keep a running record of your class participation, we will compare you to the rest of the section only at the mid-term and the end of the term.

In return for the feedback we provide, we will ask for your feedback. As soon as your section elects its Educational Representative, your instructor will establish close contact with that individual as a natural and crucial conduit for feedback to us. In addition, you should not hesitate to reach out to your instructor directly. At the end of the semester, we will seek your detailed feedback on the course. We take your feedback seriously and use it to guide course development.

Course Materials, Syllabus, Canvas, and Polls Course materials will be distributed at the beginning of the semester. In some instances, separate distributions may also be made. The material will be available through the MBA Distribution Office. We will post an announcement on Canvas when material is available for distribution.

Canvas will serve as the definitive source for course information. Assignments for all classes will be posted on Canvas. Occasionally, it may be necessary to make changes to the syllabus, and those changes will be made on Canvas. Of course, instructors will do our best to announce any changes during class or, in emergencies, alert you by email.

Canvas will occasionally include pre-class polls. Because the poll results help instructors to prepare for and guide class discussions, participation in the polls will count towards the class participation portion of your grade. Polls will close at 7:30 am Eastern Time on the morning of the class session. Please check the assignment on Canvas to see whether a session includes a pre-class poll.

Optional Sessions Some of the concepts, tools, and techniques employed in the course will be unfamiliar to many students. We have organized two optional review sessions to reinforce your

understanding of this material. In addition, Teaching Fellow Johnson Elugbadebo will hold weekly office hours to review materials covered in class.

The review sessions and office hours are **optional**. Attendance is not required, and discussions in these sessions will not be evaluated for class participation.

You can also schedule one-on-one meetings with your instructors during their office hours.

Further Study If you are intrigued by the Required Curriculum course on Strategy and would like to delve deeper into the subject, we encourage you to take elective courses in Strategy during your EC year. In addition, Strategy faculty are open to guiding you in field studies or independent research projects focused on the field of strategy.

We look forward to working with you.

Josh Baron
Ramon Casadesus-Masanell
Henrique Castro-Pires
Carolyn Fu
Quan Le
John Mulliken
Ashish Nanda
Jan Rivkin

Johnson Elugbadebo, Teaching Fellow
Karen Elterman, Senior Researcher
Jenny Li, Course Coordinator
Niren Chaudhary, Executive Fellow

Exhibit 1 Module and Session Outline of the RC Strategy Course, Fall 2025

Module	Session	Date	Reading Type	Reading Title
Introduction	1.	September 2	Strategy Note Case	Introduction to Strategy On (A)
Industry Attractiveness	2.	September 3	Case	Yanhai Aluminum Co.: A Question of Costs
	3.	September 8	Strategy Note Case	Supply and Demand for Strategists Cola Wars Continue: Coke and Pepsi in 2010 (Abridged)
	4.	September 9	Strategy Note Case	Industry Analysis AI Wars in 2025
Competitive Advantage	5.	September 16	Case	Walmart USA - Searching for Growth
	6.	September 17	Strategy Note Case	Competitive Advantage Royal Opera House: Setting the Stage for the Future
	7.	September 22	Case	Hurtigruten: Sailing into Warm Water?
	8.	September 23	Case	Hilti (A): Fleet Management?
Strategic Interaction	9.	September 29	Case	Ryanair: Dogfight Over Europe (A)
	10.	September 30	Strategy Note Case	Game On: Strategic Thinking, Competition, and Cooperation Preparing for Growth in the Fiber Optics Industry
	11.	October 6	Case	Keroche (A): Fighting for Share in the Kenyan Alcoholic Drinks Market
Crafting Strategy	12.	October 7	Strategy Note Case	Making Strategic Choices LEGO (A): The Crisis
	13.	October 14	Case	KITEA (A): Democratizing Furniture in Morocco
	14.	October 20	Case	P.F. Chang's
	15.	October 21	Strategy Note Case	Corporate Strategy Disney (A): From Mouse House to Corporate Kingdom
Corporate Strategy	16.	October 27	Case	The Walt Disney Company and Pixar Inc.: To Acquire or Not to Acquire?
	17.	November 3	Case	Thinx, Inc. - Breaking Barriers in Feminine Care (Abridged)
	18.	November 4	Strategy Note Case	Strategy Across the S Curve Tesla in 2024: Holding On to the EV Lead?
	19.	November 10	Case	Netflix in 2024
Conclusion	20.	November 12	Case	Instructor's Choice
	21.	November 18	n/a	Concluding Class

Source: Note authors.

Note: Some readings are due after the session date and some are due before. Detailed instructions will be posted on Canvas prior to each session.