



UNIVERSITY OF NEW YORK, TIRANA

**Mgt 98      STRATEGIC MANAGEMENT**

**FALL 2007**

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“Without a strategy the organization is like a ship without a rudder, going around in circles. It’s like a tramp; it has no place to go.”  
Joel Ross & Michael Kami

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“Business is a game of Skills, which many people play, but few play well”.

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“ It is more important to do what is strategically right than what is immediately profitable “

Philip Kotler

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## **I. Required Textbook & Readings**

1. Arthur Thompson Jr. & A. Strickland, *Strategic Management*, Latest Edition, Irwin/McGraw-Hill.
2. Annual Editions Management, 2007-2008, Duskin Publishing Co., 2007

## **II. Course Objectives and Scope:**

This capstone undergraduate course aims to teach students the concepts and tools of managing the strategy of an enterprise and to help them develop the skills necessary to apply in business through the use of cases drawn from actual business situations and the local environment.

The course also emphasizes the development of a mission and vision for the enterprise, objectives and goals set to achieve the mission and a plan for achieving the objectives. It also addresses the issues of implementation of the plan and some of the problems encountered in the implementation. The course tends to focus on strategic thinking and leadership, as well as, build an intellectual and skills ability to meet strategic business challenges of today.

## **III. Teaching Methodology:**

1. Lecture (Theory)
2. Application (Practical experience and real business examples)
3. Application to local business
4. Case Analysis and Presentation
5. Guest Speakers & Videos of related topics

## **IV. Course Requirement and Weights:**

The course grades will depend upon the following weights

1. Mid-Term Exam	25%
2. Final exam	25%
3. Case Analysis and Presentation	20%
4. Summary and Critiques of Articles	10%
4. Active student participation & attendance *	<u>20%</u>
Total	100%

## **V. Grading System**

A= 90-100	D = 60-69
B =80-89	F = x-59
C = 70-79	

(Plus and minus will be applied)

**VI. Pre-quests:** Students are required to finish the pre-quests courses prior to this course.

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## \* Students' participation:

Students' participation is very important and critical to the final grades. Even though the overall evaluation of student participation depends on the Instructor's Judgment, the following elements will be taken into account:

1. Attendance
2. Active participation in class discussion
3. Oral presentation performance
4. Positive contribution to groups' work
5. SERIOUSNESS and respecting the due dates of assignments

## Course Outline

### **I. An Overview of the course objectives, Contents and policies:**

*Reading:* Text (Part Two-C1:A Guide to Case Analysis)

- A. Course Requirements and Grading System
- B. Students Assignments
- C. Case Method (Read case note in Text: Part Two C1)
- D. Group Organization

### **II. Introduction to Strategic Management**

*Readings:* Text (chapter 1)

- A. Strategic Management and its significance
- B. Classical vs strategic thinking
- C. Important managerial skills
- D. Characteristics of good management
- E. Management orientation towards business practice
- F. Strategic management process
- G. Globalization and strategic management
- H. Internet & Strategic Management

### **III. Evolution of Management Thinking:**

*Readings:* Farouk Heiba, "Towards Make-it-Happen Thinking", AUGSBA Review, May, 1982.

- A. From the Mass Production Era to the Strategic Challenges of Today
- B. The Systems Thinking and Systems Methodology
- C. The Future of the Future

### **IV. Strategic Direction and Future Orientation (Mapping)**

*Readings:* Text (chapter 2)

- A. Strategic Vision and Business Mission
- B. Setting Objectives and Goals
- C. Strategic Fit and Cultural and Ethical/Social Issues

### **V. Environmental Analysis**

*Readings:* Text (chapters 3,4, 5 & 6)

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- A. Assessment of the Broad Environment (Mega and Task Environments)
- B. Industry Analysis
- C. Porter's Five Forces Model
- D. Internal Analysis and Competitive Advantages Model
- E. SWOT

### **VI. Today's Management Challenges**

#### **A. The Changing World of Organizations:**

- 1) Economic Challenges
- 2) Competitive challenges
- 3) Legal challenges
- 4) Workplace challenges
- 5) Security challenges

#### **B. The Globalization Movement and Trends:**

- 1) Driving forces for globalization
- 2) Management orientations towards international business practice
- 3) Globalization trap
- 4) Mega Trends

#### **C. Social Responsibility and Ethics in Management:**

- 1) Corporate culture
- 2) Ethics
- 3) A code of ethics
- 4) Milton Friedman and Free Market forces

### **VII. Strategy Formation**

*Readings:* Text (Chapter 7,8 & 9)

#### **A. Corporate Strategy: The Grand (Master) Strategy:**

##### **1. Growth Strategy**

- a) Intensive Growth Strategy:
  - i) market penetration
  - ii) market development
  - iii) product development
- b) Integrative Growth Strategy
  - i) Backward integration
  - ii) Forward integration
  - iii) Horizontal integration
  - iiii) Vertical integration
- c) Diversification Growth Strategy
  - i) Concentric diversification
  - ii) Horizontal diversification
  - iii) Conglomerate diversification
  - “cannibalization”

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### **2. Generic Strategies:**

- a) Overall cost of leadership
- b) Differentiation
- c) Focus

### **3. Portfolio Strategy**

- a) Stars
- b) Cash cows
- c) Question marks
- d) Dogs

### **4. Strategic Alliance strategy**

### **5. Strategy of Attack**

- a) Frontal attack
- b) Flanking
- c) Encirclement
- d) Bypass
- e) Guerrilla Warfare

### **6. Strategy of Defense**

- a) Position defense
- b) Mobil
- c) Pre-emptive
- d) Flank positioning defense
- e) Counter offensive

### **6. Strategy of Withdraw**

### **7. Stability Strategy**

### **9. Parenting strategy**

## **B. Functional Strategy and Strategic Choice:**

- 1. Marketing Strategy
- 2. Financial Strategy
- 3. Human Resource Management (HRM) Strategy
- 4. Global Strategy
- 5. R & D Strategy
- 6. Operations and logistics
- 7. Information systems
- 8. Strategic Choice: selection of the best strategy

## **VIII. Strategy Implementation**

*Readings:* Text (Chapter 11 & 12)

- A. Organizing for Action
- B. Staffing and Directing

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- C. Building a Capable Organization
- D. Important Factors for Successful and Effective Implementation

### **IX. Evaluation and Control**

*Readings:* Text (Chapter 10)

- A. Measuring performance
- B. Strategic Information System
- C. Problems in Measuring a Performance
- D. Guidelines for Proper Control
- E. Designing a Strategic Control System
- F. Strategic Incentive Management

### **X. Strategic Issues**

*Readings:* Text (Chapter 13 & related materials distributed in class)

- A. Managing Technology and Innovation
- B. Strategic Models for the Internet Economy
- C. Cross Cultural Strategic Management & Leadership

### **XI. Strategic Management in the Twenty-First Century and Future Management Challenges**

### **XII. Summary and Conclusion**

### **XIII. Case Studies Analysis and Research**

*Readings:* Text (Part Two C1: A guide to Case Analysis)

***Good Luck and Best Wishes for Success***

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## Heiba's Case Study Analysis Methodology

### **I. Current Situation**

- A. Past Corporate Performance Indexes
- B. Strategic Postures (Factors):
  - 1. Current Mission and Vision
  - 2. Current Objectives
  - 3. Current Strategies
  - 4. Current Policies

### **II. Environmental Study and Industry Analysis**

#### II.1. Internal Environment Analysis; Strengths & Weakness

- A. Corporate Structure
- B. Corporate Culture
- C. Strengths (S) & Weakness (W)
- C. The Competitive Advantages Model

#### II.2. External Environment Analysis: Opportunities and Threats:

##### **A. Mega Environment**

- 1. Economic
- 2. Technological
- 3. Political
- 4. Socio-cultural
- 5. International

##### **A. Task Environment**

- 6. Customers
- 7. Competitors
- 8. Partners
- 9. Supplies
- 5. Regulators

##### **B. Opportunities (O) & Threats (T)**

##### **C. Porter's Model**

### **III. Corporate Resources:**

- A. Marketing
- B. Finance
- C. R&D
- D. Human Resources
- E. Operations & Logistics
- F. Information Systems
- G. International

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## IV- The actual Position and the corporation now

## V. Alternatives & Recommendations

- A. Strategic Alternatives
- B. Recommended Strategy

## VI- Implementation (Programs, Budgets & Procedures)

## VIII- Evaluation and Control

## Summary and Conclusion

### Case Study Organization

#### I. The Group

1. Each group takes 45 minutes for oral presentation
2. Fifteen ( 5) minutes for discussion, questions and answers
3. Fifteen (15) minutes for student evaluation.

#### II. The Class: Before Each Case Presentation

Each student must submit one written page which includes:

- a. A brief summary of the current case presented
- b. Key problems and issues in the case
- c. Three five (3-5) critical questions to be asked for the group

#### III. Group Evaluation

After each presentation the other members meet to evaluate (in writing) the case presentation based on the following criteria:

1. Preparation 20 points
2. Depth analysis (see case study format outside research conclusion, questions and answer handling)

50 points

3. Presentation (group dress, look and organization)

30 points