



**College of Commerce
Division of Economic and Financial Studies
Business Department**

**BUS301:
BUSINESS POLICY**

***UNIT OUTLINE
First Semester 2005***

Mondays, 1-4pm, W6B 282

Unit Convenor: Associate Professor Marc Jones

Prerequisites: Enrolment in BIntB or BeBus; 40cp

Students in this unit should read the Unit Outline carefully at the beginning of the Semester. It contains important information about the unit. If anything in it is unclear, please consult the Unit Convenor.



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LECTURER:

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FORMAL CLASS ATTENDANCE:

ONE SEMESTER, 1.5 HOURS LECTURE
1.5 HOURS TUTORIAL PER WEEK)

TEXT BOOK:

Strategic Management: Competitiveness and
Globalisation, Pacific Rim Second edition
Sydney, Thomson. Hanson, D., Dowling, P.J.,
Hitt, M.A., Ireland, D.
& Hoskisson, R.E. (2005)

ASSESSMENT:

Assignment 1	20%
Assignment 2	20%
Assignment 3	10%
Final Exam	50%
TOTAL	100%

1. BRIEF DESCRIPTION OF THE UNIT:

An Organisation's performance is a function of its policies and strategies. Its policies guide the decision making processes and are based upon the organisation's values and its view of ethical responses to internal and external opportunities and threats. Business Policy is the study of the functions and responsibilities of senior management, the crucial problems that effect success in the total enterprise and the decisions that determine the direction of the organization and shape its future. Business Policy decisions have to do with the choice of purposes, the moulding of organizational identity and character and the mobilization of resources. This unit will explore business policy by illustrating both process and issues by using contemporary application case study sessions. Case analysis requires students to practise important managerial skills- diagnosing, making decisions, observing, listening and persuading-while preparing for a case discussion. Cases require students to relate analysis and action, to develop realistic and concrete actions despite the complexity and partial knowledge characterizing the situation being studied.

2. RATIONALE:

The strategic management process is critical to organizational success. Strategic competitiveness is achieved when a firm develops and exploits a sustained competitive advantage. Attaining such an advantage results in the earning of above- average returns-that is, returns that exceed those an investor could expect from other investments with similar amounts of risk.

In recent years, with the greater levels of competition that have arisen globally, it has become increasingly important for businesses to develop their competitive advantage over their rivals. This realisation has resulted in companies turning even more to address the issues that will be crucial, if they are to develop a competitive advantage.

A sound background knowledge and understanding of strategic tools is there fore required if they are to be used successfully. This unit addresses some of the major issues involved in the development of a strategic plan for a business, as well as the tools, which can be used to address these issues. This unit is designed to logically progress through the processes of strategy analysis, strategy formulation, and strategy implementation. A strong emphasis is placed on the application of strategic tools and techniques for strategic analysis and decision-making

3. OBJECTIVES:

At the completion of this unit students will be able to:

- Understand the strategic management process in a global economy
- Analyze a firm's internal and external environment
- Understand the importance of strategic competitiveness
- Apply appropriate strategic models in strategic models in strategic analysis.
- Explain the resource, human and risk factors involved in strategic decision making
- Develop suitable organization strategies to address these issues.
- Identify the impact that globalisation has had on management practices.
- Assess methods of evaluating strategic performance
- Identify key merging strategic issues.

4. SUGGESTED STUDY TIMETABLE

WEEK/ DATES	TOPIC	CASE
1/28.2.05	Strategic Management & Strategic Competitiveness	Case Analysis Process
2/7.3.05	The external environment: Opportunities, threats, industry competition and competitor analysis	Resene Paints
3/14.3.05	The internal environment: Resources, capabilities and core competencies	Sony Corporation
4/21.3.05	Business-level strategy	The Australian retail wars: Coles Myer and Woolworths battle for brand value
5/28.3.05	EASTER HOLIDAY	
6/4.4.05	Competitive dynamics Acquisition and restructuring strategies	EBay.com: Profitable managing growth from start-up to 2000
7/11.4.05	MID-TERM EXAM	
8/18.4.05 & 9/25.4.05	MID SEMESTER BREAK	
10/2.5.05	International strategy	Cochlear: An Australian high technology leader
11/9.5.05	Cooperative strategy	Monsanto: Better living through genetic engineering?
12/16.5.05	Corporate governance	Gillette and the men's wet shaving market
13/23.5.05	Organisational structure and controls	Nucor Corporation and the US steel industry
14/30.5.05	Individual Presentations	Given topics for the presentation
15/6.6.05	Individual Presentations and Review of the Unit	Given topics for the presentations

5. ASSIGNMENTS

Assignment 1 (Individual assignment)

E-Bay.com: Case No 3 of your text Hanson, D., Dowling, P.J., Hitt, M.A., Ireland, D. & Hoskisson, R.E. (2005) Strategic Management: Competitiveness and Globalisation, Pacific Rim Second edition Sydney, Thomson.

In the first assignment you are to identify the strengths, weaknesses, opportunities and threats facing the firm using "Porters five forces, PESTE (the macro environment), and the firms core competencies.

You will analyse this SWOT by integrating individual issues into coherent factors, understanding the key relationships between the factors, and prioritizing the factors to produce a clear result to the analysis.

You will then develop a business strategy using at least the following frameworks: Porter's generic strategies, Ansoff's product-market matrix, and the Mckinsey portfolio model. You will also address the issue of implementation and change. You will research and draw on the literature from the references list provided. Your references will refer to the relevant sources refereed to in this outline. You may also refer to refereed journal articles and publications.

Due Date: 23.5.05

Value: 20%

Length: 2000 words

Assignment 2 (Group assignment)

Due Date: 30.5.05 & 6.6.05 (Presentations of groups will be scheduled on these 2 days)

Value: 20%

Length: 1000 words

Topics: Please select one topic

1. Strategic Management in Virtual Organisations and Business Policy:

The virtual organization poses many issues for the future of the management of organizations. Your assignment here is to write a report on the virtual organization. In the first section you will discuss the general management issues that the virtual workplace presents for all organizations. In the second half you will consider how such developments will impact on the business policy and strategic management of the organization.

OR

2. Analysis of the Strategic Plan of an Organisation:

Identify an organization of your choice, develop contacts with the CEO or departmental managers for interviews and visits and discuss their Strategic Plans and Business Policy. Your write should not exceed more than 10 pages.

Assignment 3 (Group Case Analysis-Presentation)

Due Date: Every week

Value: 10%

The class will be divided into 4 groups and each group will discuss and present the week's case study in a time period of 10-15 minutes in class. Each group will be given a mark out of 10 in each of the 8 case studies, which will then be averaged in the end.

Students are supposed to read the week's case study and be ready to discuss, defend and question other groups before coming to class.

Marking:

The following marking criteria will be used for the Assignments:

Content -Originality - Creative thought process- Presentation style- Reference material

Your assignments should be submitted in a professional Business Report format.

The assignment should succinctly convey all key points, analyses and conclusions and demonstration of your understanding of all the central theories and models. Key issues should be identified and include analysis that condenses, identifies relationships and prioritizes and conclude with recommendations that demonstrably result from the analysis you have conducted.

IMPORTANT: You must acknowledge the work of other authors accurately, consistently and completely, both in the body of the essay and in the bibliography. References should be formatted properly, using standard Harvard referencing system. Please refer to the recommended references in this document.

6. FINAL EXAMINATION (CLOSED BOOK)

Date: Examination Period

Value: 50%

Length: 3 hours

The final exam will test your practical application skills, through, critical analysis, case studies and short questions.

7. TEXT & REFERENCES:

TEXT: **Strategic Management: Competitiveness and Globalisation, Pacific Rim**
Second edition, Sydney, Thomson. Hanson, D., Dowling, P.J., Hitt, M.A.,
Ireland, D. & Hoskisson, R.E. (2005)

Andrews, K.R. (1980). *The Concept of Corporate Strategy*, Rev edn, Homewood, IL: Irwin, Chapters 2, 3.

Ansoff, H.I. (1965). *Corporate Strategy*. New York: McGraw-Hill.

Argenti, J. (1989). *Practical Corporate Planning*. London: George Allen & Unwin.

Barney, J.B. (1995). 'Looking inside for competitive advantage', *Academy of management Review*, 19(4) pp.49-61.

Bourgeois III, L.J. (1996). *Strategic Management from Concept to Implementations*. For Worth, TX: Dryden Press.

Buzzell, R.D. & Gale, B.T. (1987). *The PIMS Principles*. New York: Free Press.

Hitt, M.A., Duane, I.R. & Hoskinson, R.E. (1999). *Strategic Management*. Cincinnati, OH: Southwestern College Publishing.

Dundas, K (2003). *Processes of Management*.

Johnson, G. & Scholes, K. (1997). *Exploring Corporate Strategy*. London: Prentice Hall.

Kermally, S. (1996). *Total Management Thinking*. Oxford: Butterworth Heinemann, Chapter 6.

Kotter, J.P. (1995). 'Leading change: Why transformation efforts fail', *Harvard Business Review*, March-April, pp. 59-67.

Mintzberg, H. & Lamprel, J. (1999). 'Reflecting on the Strategy Process', *Sloan Management Review*, 40(3) pp. 21-30.

Mintzberg, H. & Quinn, J.B. (1996). *The strategy Process: Concepts, Contexts, Cases 3rd edn*. Upper Saddle River, N.J.: Prentice Hall.

Mintzberg, H. & Quinn, J.B. (1991). *The strategy Process: Concepts, Contexts, Cases, and 2nd edn*. Englewood Cliffs, N.J.: Prentice Hall.

Pearce II, J.A. & Robinson Jr, R.B. (1994). *Strategic Management: Formulation, Implementation and Control*, 5th edn. Burr Ridge, IL: Irwin.

Porter, M.E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: Free press.

Porter, M.E. (1987). 'From competitive advantage to corporate strategy', *Harvard Business Review*, May-June, p.43.

Ritchie, B. (2003) Strategic Management in the Global context

Rummler G.A. & Brache A.P. (1995). Improving Performance, 2nd edn. San Francisco, CA: Jossey-Bass.

Savage, C.M. (1990). Fifth Generation Management: Integrating Enterprises through Human Networking. Bedford: Digital Press.

Senge, P.M. (1992). The fifth Discipline: The Art and Practice of the Learning Organisation. London: Century Business.

Thompson, A.A. & Strickland, A.J. (1999). Strategic Management Concepts and Cases. Boston, MA: McGraw Hill.

EXAMINATIONS

The University examination period in First Half Year 2005 is from 15 June to 29 June.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

<http://www.timetables.mq.edu.au/exam>

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at

<http://www.reg.mq.edu.au/Forms/APSCons.pdf>

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is the final day of the official examination period.

PLAGIARISM

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

UNIVERSITY POLICY ON GRADING

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results.

It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit. In fact it does something like the opposite, in requiring examiners to explain their actions if more than 20% of students fail in a unit.

The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark.

For an explanation of the policy see

<http://www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.doc> or

<http://www.mq.edu.au/senate/MQUonly/Issues/detailedguidelines.doc>.

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>.