

**Business Strategy**  
**ECO 398**  
**Mon & Wed @ 1:30pm to 3:00pm**  
**14 E. Jackson Room 803**  
**Aaron Pagel**  
**Loop Office: DPC 6310**  
**Lincoln Park: SAC 587**  
**Winter 2020**

<https://www.linkedin.com/in/aaronpagel/>

Office Hours:

- Monday – 10:00AM-12:00PM in Loop
- Thursday – 1:00PM-3:00PM in Lincoln Park
- Or by appointment

Email: [apagel@depaul.edu](mailto:apagel@depaul.edu) (I check my email often, so you can usually receive a reply from me within a few hours.)

Course Overview and Objectives

There is strategy in everything. From games, to sports, to politics, to relationships; the list can go on. All of these situations require agents to consider the internal and external factors at play in order to make future decisions. Decision processes may appear opaque and complex to outside observers, and the outcomes are generally indicative of the decision makers' ability to choose the right path. While factors like "vision" and intuition are important to succeed in various decision making environments, mastering the discipline of, strategy will allow you to assess problems and break them down into manageable components so that you can become a stronger decision maker. This course is designed to demystify that strategic thought process from a business perspective.

Throughout the quarter, we will discuss various concepts and frameworks used to analyze and formulate business strategies. You will become familiar with a number of tools and techniques for diagnosing a firm's competitive position and internal strengths, identifying managerial and organizational issues, evaluating and formulating various plans of action, and anticipating the consequences of alternative decisions. Although the ultimate aim of the course is to help you develop and organize a framework for business strategy, the "toolbox" approach we adopt implies that this class is not as structured as other disciplines, which typically start with a set of principles, and then build their analysis and applications from simple to complex situations. Strategy is not as linear and deductive as other disciplines, and is complicated and even messy throughout. We will be learning new tools constantly (and oftentimes go back to the older ones) to answer questions that will arise as we explore additional issues.

Methodology

The approach to this material will be largely *Inductive* and partly *Socratic*. Inductive because we will take the tools presented to analyze and understand specific, nuanced specific business

cases. From there we will draw lessons and broader principles that we can apply to a wide variety of business concepts.

It will be Socratic because there is an expectation of class discussion to explore strategic options and frameworks. While there is a defined set of tools that need to be leveraged for specific types of analysis, the conclusions that come from that analysis can vary depending on perspective and experience. While this course will be mostly lecture based, student engagement is important to mastering the coursework.

### Use of Electronics

Laptops and tablets are permitted during class as long as they are being used for notes purposes. Please do not use cellphones in class.

### Readings

#### *REQUIRED Case Work:*

Mazzeo, Oyer, Schaefer (2014). Roadside MBA. Business Plus. [Available on Amazon](#)

#### *RECOMMENDED Textbook:*

Besanko, D. A., Dranove, D. S., Schaefer, M., & Shanley, M. (2013). Economics of Strategy. **(6th ed.)** John Wiley & Sons, Inc. [Available on Amazon](#)

*Lecture/Case Slides.* I will post these on D2L. Students are responsible for checking the site periodically to download these materials as well as the case discussion and preparation questions.

### Assignments and Grading

*Case Reports: 30%.* You will write a report on assigned questions in preparation for our case discussions. Each report should not exceed three typed, double (or single and a half) spaced pages, and it is due on D2L prior to the class where the case discussion will take place. Both PDF and Word formats are acceptable.

*Strategy Journal: 30%.* You will choose a (full feature) article about a firm or an industry, and then (a) summarize the article, and (b) discuss the article applying the relevant concepts covered in class. If the article is a few pages long, attach a copy of it to your submission. If it's many pages long, a link will suffice. Each of these journals should not exceed three pages (excluding the copy of the article). While the case reports are prompted by provided questions, journals are your opportunity to apply course frameworks to firms and/or industries that are more specific to your individual interests.

I will grade your submissions based on (a) the quality and relevance of the article you choose, (b) the quality of your summary, and (c) your ability to analyze/discuss your chosen article using the class frameworks. Clearly, your choice of article is very important, as it is crucial that you select one that is a good match for the assigned topic and the issues/concepts you will highlight. You may use more than one article if you wish.

**Final: 30%.** The final will be cumulative; covering material from Weeks 1-10. We will have a review session during the last week of class.

**Class Participation: 10%.** Preparation and participation are vital in this class, as in any class based on active discussion. I will not take attendance, but, obviously, you cannot participate in a live discussion if you are not present, so absences will likely lead to a reduced participation grade. Given our class format, we will maximize learning opportunities when all students actively share ideas and positions. Active engagement means not only that you have prepared the material, but also that you are paying attention to the comments of other students and seeking chances to make observations that move the discussion forward. Rest assured that if you have invested quality time to prepare, you will have something valuable to say during the course of a discussion.

**Due Dates:** All due dates are listed on D2L. Journal and Cases are due at 11:59pm on the Sunday of the week outlined at the end of the syllabus (i.e. just before class on Monday). Late submissions will be accepted but will receive an automatic deduction of 1 full letter grade. The Final will be in-class and you will be allowed notes.

**Grading Scales:** The scale for Cases and Journals will be 10 (outstanding), 9 (very good), 8 (good), 7 (adequate), 6 (fair), 5 or less (substandard to poor), and I will also use fractions. The Final and Participation will be graded on a scale of 100 points.

#### **Final grade scale**

The final grade for this course is

A	93-100	C	73-76
A-	90-92	C-	70-72
B+	87-89	D+	67-69
B	83-86	D	60-66
B-	80-82	F	≤59
C+	77-79		

**Submission Formats:** All files should be submitted as Word or PDF files on D2L before the due date listed.

**Extra Credit: There are no extra credit opportunities.** You do have 1 optional journal at the end of the course that you can do to replace one of your lowest case or journal grades.

## Topics & Dates

### Week 1 - Basic Economics

**DUE**

N/a

**READING**

Textbook (p.1-31)

### Week 2 - Value Creation & Capture

**DUE**

N/a

**READING**

Textbook (p. 294 - 305 & p. 172 - 180)

### Week 3 - Industry Analysis - Porter's Industry Forces

**DUE (01/19/20)**

Case 1 - Silk Espresso (Value Creation)

**READING**

Textbook (p. 258 - 280)

### Week 4 - Competitive Advantage

**DUE (01/26/20)**

Journal 1 (Value Creation & Capture)

**READING**

Textbook (p. 363 - 388)

### Week 5 - Competitive Advantage & Game Theory

**DUE (02/02/20)**

Case 2 - Mugshots Grill and Bar (Industry Analysis/Competitive Advantage)

**READING**

Textbook (p.31-35)

### Week 6 - Game Theory & Competition

**DUE (02/09/20)**

Journal 2 (Industry Analysis/Competitive Advantage)

**READING**

Textbook (p.226-244)

### Week 7 - Differentiation & Strategic Positioning

**DUE (02/16/20)**

Journal 3 (Game Theory & Competition)

**READING**

Textbook (p. 305 - 327)

Week 8 - Growth, Dynamics, & Sustainability

**DUE (02/23/20)**

Case 3 - Bank of Montana & Community 1st Bank (Differentiation/Strategic Positioning)

**READING**

(Optional) Reread Textbook (p. 363 - 388)

Week 9 - Organization and Boundaries of the Firm

**DUE (03/01/20)**

Journal 4 (Differentiation and Strategic Positioning/Sustainable)

**READING**

Textbook (p.83-126)

Week 10 - REVIEW

**DUE (03/08/20)**

Case 4 - Braces by Burris (Boundaries of the Firm)

Week 11 - FINAL

**DUE (03/15/20)**

Journal 5 (Boundaries of the Firm) (optional)

TEST INFORMATION

Date: 3/18/2020

Time: 11:30AM – 1:45PM

Location: Normal Classroom

### Dean of Students

The Dean of Students Office (DOS) helps students in navigating the university, particularly during difficult situations, such as personal, financial, medical, and/or family crises. DOS assists students with Absence Notifications to faculty, Late Withdrawals, and Community Resource Referrals. They also have resources and programs to support health and wellness, violence prevention, substance abuse and drug prevention, and LGBTQ student services. You may contact DOS at <http://studentaffairs.depaul.edu/dos/>.

### Special Needs

Students who feel they may need an accommodation based on the impact of a disability should contact me privately to discuss their specific needs. All discussions will remain confidential. To insure that you receive the most appropriate accommodation based on your needs, contact me as soon as possible in the quarter (preferably the first week of class) and make sure that you have contacted one of the Center for Students with Disabilities Offices for support and additional service: Lincoln Park: Student Center 370, (773)325-1677; Loop: Lewis Center 1420. (312)362-8002.

### Academic Integrity

I adhere to the Academic Integrity Policy of DePaul University. Please refer to your student handbook for details regarding this policy and the consequences for any violations.

### Liberal Studies

Student work in this course will fulfill the ***Social Cultural and Behavioral Inquiry*** Learning Outcomes and Writing Expectations of DePaul's Liberal Studies Program. Students will be able to:

- Analyze and reflect upon arguments about the contemporary world using relevant theory, methods, and/or empirical evidence.
- Analyze interdependent relationships between contemporary society and individuals.

There will be written homework during the quarter, which will result in at least 10 pages of writing outside of class. In addition, exams will have written questions.