

**Business Strategy**  
**ECO 398**  
**Mon @ 11:50am to 1:20pm CST**  
**Zoom (See D2L for Link)**  
**Aaron Pagel**  
**Winter 2021**

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Office Hours:

- TBD – Please fill out survey on D2L by 1/8/21 @11:59pm CST
- Or by appointment

Cell Phone Number: 509-539-7983

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**

This is an online course, so use of electronics is expected. However, please DO NOT multitask when participating in live discussions or when listening to recorded lectures. For the recorded lectures, I attempt to break up the videos into related topics, so please focus on 1 thing at a time to maximize your retention.

### **Asking Questions**

*Live Discussions:* Please use the “raise hand” function in Zoom when you have a question. I will pause often to ask if there are any questions, but I will address raised hands when they appear.

*Online:* General questions about the class should be placed on the appropriate discussion board. I will do my best to answer them quickly, but please feel free as a student group to answer a question if you know the answer. With that in mind, please check the discussion board for your question first before posting it. You may also ask questions during live discussions, but please remember that D2L is the best resource for answers outside of class.

Please only email me questions if they are of a personal nature. The reason for this distinction is to make sure I'm not answering the same question repeatedly via email.

### **Readings**

*REQUIRED Case book:*

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](#)

*OPTIONAL:*

Weston, A (2008). A Rulebook for Arguments. (4<sup>th</sup> ed.). Hackett Student Handbooks. [Available on Amazon](#)

### **Course Cadence**

You should work through this material in this order:

1. Read the assigned chapter
2. Attend live discussion on Monday
3. Watch all additional lecture videos
4. Turn in weekly assignment
5. Repeat

## **D2L**

All course material will be accessible through D2L. You are responsible for checking the D2L site daily for important announcements.

## **Lecture – Live & Recorded**

This is a hybrid online course, meaning there will be synchronous and asynchronous lectures. However, all lectures will be recorded and placed online. This is not an excuse to miss live lectures since your attendance directly affects your participation grade.

Recordings of live lectures will be made available ASAP. There will be additional lecture videos that continue with a week's topic that will be made available on Tuesdays. It is possible we will cover some of those additional topics in our live lectures on Monday. I will attempt to indicate where the recorded lectures pick up from the live lectures.

Additionally, all lecture videos will be made available on a weekly basis rather than immediately. This is done for two reasons:

1. Cramming all of this material into short period of time will not result in retention or adequate application. Anything related to economics needs to be approached in a methodical way.
2. Each topic builds upon itself, so you will not be able to jump into a random week and expect to succeed. Watching the subsequent material is important.

NOTE: I have the ability to see how long you view a topic, so it is easy for me to assess if you've spent the time to watch a video in its entirety or simply fast forwarded.

## **Assignments and Grading**

**Group Case Reports: 30%**. In groups of 2, 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 when the case discussion will take place. Only PDF and WORD formats are accepted. NOTE: I strongly recommend you do not take a "divide and conquer" strategy. These cases are foundational to the following strategy journals, so discussing the nuances of the cases will help improve your journal grades.

**Individual 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. Only PDF and WORD formats are accepted.

***Individual 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.

While I prefer engagement during our live discussions, I recognize technology can sometimes make that hard. You also have the option of providing material for “watercooler” discussions on D2L that will contribute to your participation grade. Directions are in the description of the Watercooler discussion board.

***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). I will accept late submissions for Journals, but you will receive a 1-point deduction for every week it is late. Late submissions for Cases will be accepted with a 1-point deduction until the live lecture begins on Monday but will not be accepted after class begins. I will not accept late submissions for the Final.

***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. No other formats will be accepted.

*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.

### **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

## Topic Outline

This is a target list of topics by week. This class moves quickly quite quickly, so please do not fall behind as it is very difficult to catch up. I will begin teaching immediately on the first day of class so those of you so inclined should read Week 1's material before day one.

- Week 1:** Basic Economics  
DUE
- Nothing
- TEXTBOOK
- p.1-31, Start of Chapter 1 until “Game Theory”
- Week 2:** Value Creation & Capture  
DUE
- Nothing
- TEXTBOOK
- p. 294 – 305, Start of Chapter 9 until “Value Creation, Resources, and Capabilities
  - p. 172 – 180, Chapter 5 at “Market Structure & Competition” until “Oligopoly”
- Week 3:** Industry Analysis - Porter’s Industry Forces  
DUE on 1/17/21
- Case 1 - Value Creation & Capture
    - Silk Espresso
    - Chapter 1, 3<sup>rd</sup> business
- TEXTBOOK
- p. 258 – 280, Start of Chapter 8 until “Professional Search Firms”
- Week 4:** Competitive Advantage  
DUE on 1/24/21
- Journal 1 (Value Creation & Capture)
- TEXTBOOK
- p. 363 – 388, Start of Chapter 11 until “Innovation and the Market for Ideas”
- Week 5:** Competitive Advantage & Game Theory  
DUE on 1/31/21
- Case 2 - Industry Analysis/Competitive Advantage
    - Mugshots Grill and Bar
    - Chapter 1, 4<sup>th</sup> business
- TEXTBOOK
- p.31-35, Chapter 1 starting at “Game Theory” till the end of the chapter

- Week 6:** Game Theory & Coopetition  
DUE on 2/7/21
- Journal 2 (Industry Analysis/Competitive Advantage)
- TEXTBOOK
- p.226-244, Start of Chapter 7 until “Price Sensitivity of Buyers and the Sustainability of Cooperative Pricing”
- Week 7:** Differentiation & Strategic Positioning  
DUE on 2/14/21
- Journal 3 (Game Theory & Coopetition)
- TEXTBOOK
- p. 305 – 327, Chapter 9 starting at “Value Creation, Resources, and Capabilities” until the end of the chapter
- Week 8:** Growth, Dynamics, & Sustainability  
DUE on 2/21/21
- Case 3 - Differentiation/Strategic Positioning
    - Bank of Montana & Community 1st Bank
    - Chapter 3, 2<sup>nd</sup> & 3<sup>rd</sup> businesses
- TEXTBOOK
- (Optional) Reread p. 363 - 388 from Week 4
- Week 9:** Organization and Boundaries of the Firm  
DUE on 2/28/21
- Journal 4 (Differentiation and Strategic Positioning/Sustainable)
- TEXTBOOK
- p.83-126, Chapter 2 starting at “Diversification” through the end of Chapter 3
- Week 10:** REVIEW  
DUE on 3/7/21
- Case 4 - Boundaries of the Firm
    - Braces by Burris
    - Chapter 1, 1<sup>st</sup> business
- Week 11:** FINAL  
DUE on 3/21/21
- Journal 5 (Boundaries of the Firm) (optional)
  - FINAL TEST