

DePaul University – Kellstadt Graduate School of Business

ECO 526 - Business Strategy

Spring 2025

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Important: This syllabus is a live document. As the term progresses, we may need to make some adjustments to keep the course running smoothly and in a way that is manageable for all of us.

Course Overview and Objectives

The biological definition of strategy is “an adaptation or complex of adaptations (as of behavior or structure) that serves an important function in achieving evolutionary success.” This definition captures the basic essence of strategy in this class. In business, “adaptations of behavior or structure” translate into assessing and establishing a competitive position, and formulating the firm’s business plans and policies in response to the challenges presented by the business landscape. “Achieving evolutionary success,” translates into generating, capturing, and sustaining value for the firm’s stakeholders.

Throughout the term, we will discuss various concepts and frameworks used to analyze and formulate business strategies. You will become familiar with many tools, techniques, and mental models for assessing a firm’s competitive stance and intrinsic advantages, identifying managerial and organizational problems, 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, our “toolbox” approach 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 often messy, and not as linear and deductive as other disciplines. We will be learning new tools and methods constantly - and often go back to the older ones- to answer questions that will arise as we explore additional challenges that arise in the ever changing world of business.

Methodology

Our approach will be both *Inductive* and *Socratic*. Inductive because we will take a basic set of tools, use them to analyze and understand the strategic nuances of particular cases,

and then draw lessons and principles that we can apply in a broader variety of business contexts. Socratic because we will seek to accomplish our objectives using open discussions where the exchange of ideas and arguments will be a fundamental engine of learning. Given the diverse backgrounds and experiences of our class participants, the hope is that we all learn from each other and continuously “crowdsource” knowledge and insights in our discussions.

Some additional notes about our approach:

- We do not learn about cases; we learn *from* cases.
- A well-written case offers us ‘learning sparks’ that help us draw lessons that go beyond the case itself. When reading a case always ask yourself “how is it that the case insights and takeaways apply to other situations?”
- Good cases are not straightforward. You may find this a bit frustrating when preparing for case discussions. Some case questions or challenges may not necessarily have a right answer, and most likely every answer will come with a caveat (the dreaded ‘it depends’).
- Good business strategies are always formulated with some degree of uncertainty, but the frameworks and concepts we will learn and discuss will help us identify insights and courses of action that are likely to work better than others.
- The lecture videos and slides and case readings are your primary responsibility.* The additional readings will complement the cases by providing useful models, more detailed conceptual information, additional examples, and further explanations of the central concepts.
- For a case discussion to be valuable, it is essential that you come prepared. Prior to each case discussion, I will post a set of questions that will help you organize your thoughts, and guide and focus our interactions.
- It is not relevant if a case is “old”. Cases that are set in the past, distant as it may be, provide valuable learning opportunities. What is important is that you deal with each case as it is presented. The point is to place yourself ‘in the shoes’ of the decision makers at the time the case is set.
- Unless explicitly recommended, please do not do additional research to find post-case information on the firm or industry in question, as this may spoil our discussion. If you happen to have relevant information that is outside of the case write-up, you will have the opportunity to share it at an appropriate point after the main discussion.
- Finally, to maximize your learning from a case, please refrain from discussing or receiving case notes from past students who have taken the class or studied the case before.

Course Format

We will conduct this course in an *Online Hybrid* format. This means that:

1. I will record my lectures asynchronously and post them on D2L.
2. Every Thursday we will have a required Zoom session from 5:45 to 7:30 p.m. During these sessions we will talk about current business events, review class material, have group discussions, and look at new applications of the strategic frameworks covered in class.

I will post my lectures at the latest every Friday of the previous week. You can work through each week's lecture at your own pace but keep in mind that we will reference lecture materials during the contact hours and that there will be weekly deadlines for discussion posts and case reports.

Please make sure to have the necessary technical resources to be able to access course materials and complete assignments. If you do not have access to the following resources, please let me know immediately so I can make accommodations for you:

- A computer, with a web cam, that connects to the internet.
- A working email account that you check regularly (updated in Campusconnect). All class-related communication comes through DePaul email, so make sure to check this frequently
- Access to Microsoft Office or similar software
- Ability to playback video files

Camera Use

You must keep your camera on during our Zoom sessions (including breakout rooms). This is a graduate class that will greatly benefit from interaction and exchange of ideas and insights. It will be much easier for us to feel connected as a group and build a sense of community if we can see and hear each other during our sessions. Please add an image to your Zoom profile if your camera must be temporarily off for some reason.

Office Hours

I will conduct office hours in two ways:

- Every Thursday during the synchronous sessions we will have time to address questions related to class content and administration.
- By appointment at a mutually convenient date and time. Please email me to make an appointment. I am responsive to email and will do my best to reply quickly.

Readings

Business Strategy Essentials, by Sonia Marciano, NYU Stern School of Business, 2017, available at:

<https://studylib.net/doc/26320939/strategy-essentials>

You can find the 2010 edition at:

<http://www.scribd.com/doc/38572769/Stern-Strategy-Essentials>

A *HBSP Course Packet*, containing business cases and other readings. Please sign-in (or sign-up) and purchase using this link:

<https://hbsp.harvard.edu/import/1280619>

Lecture and Video Slides and Additional Readings I will post on D2L. You are responsible for checking the site periodically to access these materials as well as the case discussion and preparation questions.

My lecture slides and videos are extensive, and they are the primary source for the class. Please study these before you read the cases or any other readings.

***I am not requiring that you read the additional readings I will post. I am providing you with a carefully curated reading list as a resource to learn and succeed in the class, but it is up to you to decide how much time and effort you put (as a general rule, the more you put into a class the more you get from it). The additional readings will be useful for enhancing your knowledge and understanding of our class topics and will also help you when working on your assignments. My experience is that students who include (and cite) insights from at least some of the supplemental readings in their case reports and final papers produce better quality work**.*

Grading

I will determine your grade using the following components and weights:

Case reports (group)	25%
Case presentation (individual/group)	10%
Synchronous Participation (individual)	15%
Discussion Boards (individual)	25%
Final Project (group)	25%

The grading scale is:

A	93% and above	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% and below
C+	77-79%		

Case Reports (group): You will (in groups of two or three) write a report on an assigned question (or two) about five of the cases we will discuss this quarter. Each report should not exceed three typed, double (or single and a half) space pages and it is due on D2L -in PDF format- based on the schedule below. The grading scale is on a maximum of 10 points. The case timetable is:

Performance Indicator – April 17 (report due at 5:00 p.m.)
Crown – April 24 (report due at 5:00 p.m.)

Lemonade – May 1 (report due at 5:00 p.m.)
[No case on May 8]
De Beers – May 15 (report due at 5:00 p.m.)
Enterprise – May 22 (report due at 5:00 p.m.)
OpenAI – May 29 (report due at 5:00 p.m.)
Disney and Pixar – June 5 (**optional** report due at 5:00 p.m.)
Guest speaker (TBA) - June 12

Per the above table, **there are five required group case reports** (you are exempted when you present) and an optional one (presenters of the optional case can pick what case to skip). Working in small groups is realistic to the state of work in the real world and will also allow you to learn more from exchanging ideas when discussing the cases. Each member may glean different insights and find different connections between the course content, individual experience, and the case questions and challenges. You can use the optional case to replace a previous report grade or make up for a missed report, and you may work on the optional report alone if your partners prefer not to do it.

Case reports will be graded on a 10-point scale based on content, organization, and writing:

Content

- Applies concepts and frameworks from class to the case without reteaching class material
- Does not quote or cut/paste extensively from the case
- Assessments are thoughtful and use critical thinking
- Is backed up by theory and/or evidence, and not on unsubstantiated claims
- Analysis is positive, not normative, opinionated, or emotional

Organization and Writing

- Addresses the specific question(s)
- Is logically organized and easy to follow
- Uses primarily active voice
- Does not use flowery or convoluted language
- Uses accurate spelling, punctuation, and grammar
- Properly cites and attributes sources outside of the case and lectures

Case Presentation (individual/group) - To facilitate our case discussions, I will merge two groups to present and lead discussions of each of the cases. I will communicate with the discussion leaders in advance to set the expectations for each presentation. **I expect each presentation/discussion to last somewhere in the vicinity of 45-50 minutes, including Q&A. Please manage your time well and make sure that all presenters get comparable airtime (this will be part of the grading criteria).** If you are scheduled to lead a discussion, prepare a slide deck, and e-mail it to me for comments at least 24 hours before the session. Groups leading a discussion will be exempted from writing a case report.

Group formation: There is a class roster available on D2L under Classlist. If you know people in the class and would like to work with them, please contact them using the D2L Classlist feature. I will open group self-registration during week 1 and give you until Wednesday, April 9 to form your group. If you do not know anyone in the class or are

reluctant to reach out to others to form a group, let me know and I will match you up with other students in the same situation. The first case report is due on April 17 at 5 p.m.

Synchronous Participation (individual): Preparation and participation are vital in this class. We will spend a non-trivial fraction of our Zoom sessions discussing cases and class material, and I expect you to actively participate in these discussions. Frequent absences will likely result in a reduced participation grade, so try to make it a point to be there for our Tuesday sessions. What follows is a standard spiel that you may have seen or heard elsewhere: *“Learning opportunities are maximized when all students are actively engaged in class discussion. 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 opportunities to make comments that move the class discussion forward. Discussions take a non-trivial fraction of class time, so there will be ample opportunity for everyone to participate, especially in a relatively small group like this. To increase opportunities for effective participation, I may occasionally cold call students during a discussion. Rest assured that if you have invested quality time to prepare, you will have something valuable to say during the discussion.”*

Discussion Board Posts (individual): Participation in the discussion boards is also vital in this class. Given our class goals and approach, we will maximize learning opportunities when we all our share ideas and perspectives, and also when we pay attention to the comments of others and thoughtfully respond to them. Each week, there will be one discussion board, where you are required to either (a) start your own thread, or (b) respond to a classmate’s thread. **That is one minimum required post per week** (feel free to exceed this minimum as you please). The topic of each thread relates to the material covered in class or complement the case discussed that week.

Discussion Post Standards and Etiquette

- a. Posts demonstrate knowledge of the class concepts and are linked to evidence and/or course material.
- b. **Timely** -adhere to the time window set aside for each discussion, not posted at the last minute. Timely posting leads to productive discussions, in that it allows class members to respond to each other’s comments. Posts will be marked down if they are consistently entered during the last hours the board is open.
- c. If your post is related to an existing thread, you must reply to the existing thread, not create a new one.
- d. Respectful -even when there is disagreement.
- e. Stimulate thinking. Do not be afraid to challenge existing comments.
- f. Encourage others to provide evidence and/or refer to course concepts to support their arguments.
- g. Move the class understanding forward.
- h. Stay away from emotional or unsupported arguments.
- i. Posts must add value. Stating “I agree”, “I was going to say the same thing”, or repackaging what a classmate said, will not be credited as discussion posts.
- j. Do not ramble or post just for the sake of meeting the requirement.
- k. Do not write in all CAPS. If you want to emphasize a word or phrase you may write it in bold, italics, underline it, or put an asterisk before and after the word or phrase.

I will monitor the discussion boards and participate when I see fit. I will keep track of the posting requirements and the quality of your comments.

I may also open some optional discussion boards throughout the quarter, where we will talk about current issues in business and strategy in general.

Required Discussion Boards will close on Thursdays at noon.

Final Project (group): You will work in groups of two or three (same as in the case reports on a 15 or so page paper featuring a strategic analysis of a strategic situation (at the firm or industry level), or a business proposal. **The project will be due on the D2L Submissions Box -in PDF form- on June 13 at 11:59 p.m.** The grading scale is on a maximum of 100 points. I will grade your submissions based on: (a) your topic choice (there must be a meaningful strategic question or challenge associated with the firm or industry you choose); (b) your ability to analyze and discuss your chosen topic using the class material and additional readings, and (c) the clarity and relevance of your analysis and conclusions and recommendations. **A project proposal will be due on May 23.** I will post detailed project guidelines on D2L.

Academic Integrity

All work completed for this course must adhere to the University Academic Integrity Policy which you can review at <http://academicintegrity.depaul.edu>.

I may use plagiarism detection technology, such as *Turnitin*, for all written work submitted for this class to ensure the work is the student's own creation and is not in violation of DePaul University's Academic Integrity Policy. Submission of work for this course constitutes (i) a pledge that the work is the student's own original work and (ii) consent to have the work submitted to verify that fact.

You are welcome to use outside sources for exams, discussion posts, and case reports. If you use any materials beyond the text and lecture videos, you must cite them properly. Proper citation includes using quotation marks if you paraphrase.

Generative AI is considered an outside source for purposes of this class, and thus it must be cited properly.

Topics and Due Dates (Subject to Possible Changes)

**** You are not required to read all the readings. Your primary responsibility is to study the posted lecture materials (videos and slides). The *Business Strategy Essentials* document and additional readings nicely supplement our lecture materials, and we will discuss some of these during the Zoom sessions and possibly on the D2L discussion boards.****

Weeks 1 and 2
(April 3 and April 10)

Topic: Introduction, Basic Economics of Strategy, and Value Creation and Capture

Supplemental Readings: Marciano Ch. 2

M. Porter. "What Is Strategy?," *Harvard Business Review* 74, 1996.

D. Collis and M. Rukstad, "Can You Say What Your Strategy Is?," *Harvard Business Review* 86, 2008.

F. Scott Morton. "Why Economics Has Been Fruitful for Strategy," *Financial Times*, Mastering Strategy Series 4, 1999.

E. Jorgenson, "Why Value Capture is the Most Important Business Idea You Haven't Read Enough About," *Evergreen Business Fortnightly*, 2015.

P. Verdin and K. Tackx, "Are You Creating or Capturing Value? A Dynamic Framework for Sustainable Strategy," *M-RCBG Associates Working Paper Series*, 2015.

****Introduction Post (due April 10 at 11:59 p.m.) – See Description on D2L****

Case to prepare: K. Corts, "Performance Indicator," Case 9-702-480, *Harvard Business School Publishing*, May 2003.

Week 3
(April 17)

****Performance Indicator case report due April 17 at 5:00 p.m.****

Topic: Industry Analysis

Supplemental Readings: Marciano Ch. 3-4

M. Porter. "The Five Competitive Forces that Shape Strategy." *Harvard Business Review* 86, 2008.

S. Bajaj. "The Five Forces: Competing for Profits, by Joan Magretta." Retrieved from <https://sameerbajaj.com/Porter/>, 3/26/2023.

R. P. McAfee, "Industry Analysis," in *Competitive Solutions*, Princeton University Press, 2002.

T. Grundy, "Rethinking and Reinventing Michael Porter's Five Forces Model," *Strategic Change* 15, 2006.

Dalken, "Are Porter's Five Forces Still Applicable?". University of Twente, Faculty of Management and Governance, 2014.

Case to prepare: S. Bradley, and S. Cavanaugh, "Crown Cork & Seal in 1989," Case 9-793-035, *Harvard Business School Publishing*, December 2011.

Week 4
(April 24)

****Crown Cork and Seal case report due April 24 at 5:00 p.m.****

Topic: Competitive Advantage

Supplemental Readings: Marciano Ch. 6

D. Collis and C. Montgomery, "Competing on Resources," *Harvard Business Review* 73, 1995.

P. Ghemawat, "Sustainable Advantage," *Harvard Business Review* 64, 1986.

M. Peteraf, "The Cornerstones of Competitive Advantage: A Resource-Based View," *Strategic Management Journal* 14, 1993.

J. Barney, "Looking Inside for Competitive Advantage," *The Academy of Management Executive* 9, 1995.

Madhani, "Resource Based View of Competitive Advantage: An Overview," *ICFAI University Press*, 2015.

J. Barney et, al., "Resource-Based Theory and the Value Creation Framework," *Journal of Management* 47, 2021.

Case to prepare: E. Okek and D. Golan, "Lemonade: Disrupting Insurance with Instant Everything, Killer Prices, and a Big Heart," Case 9-120-020, *Harvard Business School Publishing*, Revised March 2022.

Weeks 5 and 6
(May 1 and May 8)

****Lemonade case report due May 1 at 5:00 p.m.****

Topic: Game Theory and Coopetition

Supplemental Readings: A. Brandenburger and B. Nalebuff, "The Right Game: Use Game Theory to Shape Strategy," *Harvard Business Review* 74, 1995.

B. Greenwald, and J. Khan, "Cooperation. The Do's and Don't's," in *Competition Demystified*, Portfolio, 2005.

H. Lindstadt and J. Muller, "Making Game Theory Work for Managers," *McKinsey Quarterly*, 2010.

H. Courtney, "Games Managers Should Play," *McKinsey Quarterly*, 2000.

M. Bengtson and F. Kock, "Coopetition' in Business Networks—to Cooperate and Compete Simultaneously," *Industrial Marketing Management* 29, 2000.

P. Ghemawat and P. Del Sol, "Commitment versus Flexibility?," *California Management Review* 40, 1998.

D. Yoffie and M. Kwak, "Judo Strategy: Ten Techniques for Beating a Stronger Opponent," *Business Strategy Review* 13, 2002.

A. Brandenburger and H. Stewart. "Value-Based Business Strategy," *Journal of Economics and Management Strategy* 5, 1996.

Case to prepare: S. Marciano, M. Porter, and A. Warhurst, "De Beers: Addressing the New Competitiveness Challenges," Case 7-06-501, *Harvard Business School Publishing*, May 2009.

De Beers supplemental articles.

Week 7
(May 15)

****De Beers case report due May 15 at 5:00 p.m.****

Topic: Differentiation and Strategic Positioning

Supplemental Readings: Marciano Ch. 5

M. Porter, "Industry Segmentation and Competitive Advantage," in *Competitive Advantage*, New York: The Free Press, 1985.

D. Evans and K. Webster, "Designing the Right Product Offerings," *Sloan Management Review*, 2007.

A. Levie, "Competing Against the Big Guys," *Tech Crunch*, 2011.

M. de Jong and M. van Dijk, "Disrupting Beliefs: A New Approach to Business Model Innovation," *McKinsey Quarterly*, 2015.

R.D. Banker et. al., "Does a Differentiation Strategy Lead to More Sustainable Financial Performance Than a Cost Leadership Strategy?," *Management Decision* 52, 2014.

Case to prepare: M. Busse, and J. Swinkels, "Enterprise Rent-A-Car in the U.S.," Case KE1300, *Kellogg Graduate School of Management*, January 2024.

Week 8
(May 22)

****Enterprise Rent-A-Car in the U.S. case report due May 22 at 5:00 p.m.****

****Project proposal due May 23 at 11:59 p.m.****

Topic: Growth, Dynamics, and Sustainability

Supplemental Readings: Marciano Ch. 8

W. Brian Arthur, "Increasing Returns and the New World of Business," *Harvard Business Review*, 1996.

H. Halaburda and F. Oberholzer-Gee, "The Limits of Scale." *Harvard Business Review*, 2014.

O. Bossert and D. Desmert, "The Platform Play: How to Operate like Tech Company," *McKinsey Digital*, 2019.

A. Salazar, "Platform Competition: A Research Framework and Synthesis of Game-Theoretic Studies," Manchester Metropolitan University, 2015.

T. Einsenman et.al., "Platform Envelopment," *Strategic Management Journal* 32, 2010.

Van Alstyne et. al., "Pipelines, Platforms, and the New Rules of Strategy," *Harvard Business Review*, April 2018.

H. Shelanski et.al., "Network Effects and Efficiencies in Multisided Markets," *OECD Unclassified Report*, November 2017.

J. List, "List, "Why is it so Hard to Scale a Great Idea?", *Harvard Business Review*, 2022.

Case to prepare: S. Samila and P. Berrone, "OpenAI and the Large Language Model Market," Case IES941, *Harvard Business School Publishing*, May 2023.

Week 9
(May 29)

****OpenAI case report due May 29 at 5:00 p.m.****

Topic: Organization and the Boundaries of the Firm

Supplemental Readings: Marciano Ch. 9

Piskorski, M., "Note on Corporate Strategy," Harvard Business School Background Note 705-449, 2006.

T. Hubbard, "Integration Strategies and the Scope of the Firm," In *Mastering Strategy*, Prentice Hall, 2000.

R. Grant, "Vertical Integration and the Scope of the Firm," in *Contemporary Strategy Analysis*, 2013.

C, Christensen et.al., "The New M&A Playbook," *Harvard Business Review*, March 2011.

Sull et.al. "Four Logics of Corporate Strategy", *Sloan Management Review*, 2017

Case to prepare: J. Alcacer, D. Collis, and M. Furey, "The Walt Disney Company and Pixar Inc.: To Acquire or Not to Acquire?", Case 9-709-462, *Harvard Business School Publishing*, January 2010.

Discussion only, report is optional.

Week 10
(June 5)

****Disney and Pixar optional case report Due June 5 at 5:00 p.m.****

Week 11
(June 12)

Guest Speaker (TBA)

****Final Paper Due on June 13 at 11:59 p.m.****