

# TCMG 595/BUCP 597 - GLOBAL BUSINESS/ TECHNOLOGY CAPSTONE University of Bridgeport Fall 2014 Semester Tuesday, August 26 - December 2, 2014 Section 6T1 - 6:15PM - 8:45PM Mandeville Hall - Room 318

**Professor Gad J. Selig, PMP, COP**; 302 Mandeville Hall; 203-576-4870; email:<u>gadselig@bridgeport.edu</u> Office Hours: Office Hours: As posted on my office door or by appointment.

**Student Honor Code:** As a UB student, I take personal responsibility for emulating the highest values and ethical norms: my work is my own and reflective of my best efforts and abilities.

#### **COURSE SYLLABUS**

<u>Course Description and Approach:</u> As the capstone course in business or technology management, this course provides an opportunity for students to apply the knowledge and skills they have learned throughout their TM or MBA course of studies with their business and technology experiences from a multi-disciplinary perspective. *The strategic management process* represents the full set of organizational policies, plans, practices, commitments, decisions, governance mechanisms and actions required for a firm to develop a vision and a compelling business plan and execute the plan to achieve strategic competitiveness, earn above-average returns and sustain growth. The course will develop and integrate knowledge of the strategic management process, frameworks and tools, including strategy development, formulation and deployment, innovation, managing change and competing more effectively.

The course will provide an opportunity to identify and analyze major business issues and opportunities involving strategy, change, innovation, growth, diversification, technology absorption and integration, management and functional skills, financial management, governance, operations, customer satisfaction and intimacy, R & D and new product development, Mergers, Acquisitions and Joint Ventures, risk assessment and globalization. Through the combination of lectures, case studies, team activities, review of current events, guest lecturers, term papers and class participation, this course introduces the student to the tools and vocabulary prerequisites for critical and effective strategic analysis, thinking, communication and actions.

#### **Course Learning Objectives:** The course learning objectives are to:

- Develop the ability to think strategically and globally so that the student is able to apply previously learned concepts in business, management, finance, operations, marketing and technology in the real world with their education.
- Gain knowledge of strategy frameworks, tools and vocabulary that will enable a student to identify
  critical issues, opportunities and priorities in business situations and cases; to analyze
  alternatives, to summarize decisions that impact future actions and develop and execute
  business plans.
- Develop conceptual and pragmatic skills in strategy analysis, development, execution and governance.
- Bridge the gap between theory and practice by developing an understanding of why, when and how to apply concepts and techniques learned in earlier courses and integrate them into real world experiences to make effective and relevant business decisions.
- Develop a business plan.



#### Required Course Textbook and Supplementary Materials:

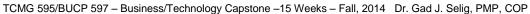
- Michael A. Hitt, R. Duane Ireland, and Robert E. Hoskisson, <u>Strategic Management:</u> <u>Competitiveness and Globalization – Concepts & Cases</u>, 10th Edition, South-Western – Cengage Publishing, 2015. ISBN-10:1-285-18207-3
- Handouts should be downloaded from Canvas at: <a href="https://bridgeport.instructure.com">https://bridgeport.instructure.com</a>. The handouts must be downloaded and brought to the first class in paper form or electronically on your laptop. A three-ring loose-leaf binder is advisable to hold the materials.
- 3. Additional material on Business Strategy will be found on a free web site, <a href="www.quickmba.com">www.quickmba.com</a> under the heading, "Strategic Management" and other topics.
- 4. Some useful websites and/or sources for market, financial and company information:
  - www.census.gov provides latest census information for the United States. Look at "Business" subheading and explore the "economic census," "foreign trade" and "more business topics" links.
  - <a href="https://www.census.gov/epcd/www/econ97.html">www.census.gov/epcd/www/econ97.html</a> provides economic information about cities and regions in the United States. Just type in the zip code and information is provided for various industries in terms of sales and many other factors.
  - www.odci.gov/cia/publications/factbook/index.html
  - <u>www.state.gov/www/issues/economic/trade\_reports/index.html</u> provides information to help U.S. companies wanting to do business overseas with information about every nation in the world
  - www.hoover.com provides financial information on companies
  - <u>www.sec.gov/edgar.shtml</u> provides financial information for all SEC (Securities and Exchange Commission) registered companies.
  - <u>www.annualreportservice.com</u> contains free annual financial reports of public companies.
  - <a href="http://finance.yahoo.com-">http://finance.yahoo.com-</a> contains article on companies, economy, investing ideas, financial news and research.
  - http://www.nasdag.com- provides information on the stock market
  - http://www.forbes.com –contains Business news and financial news by Forbes.com.
  - http://www.euromoney.com- provides information on market analysis and research.
  - <a href="http://baldrige.nist.gov/PDF\_files/2007\_Business\_Nonprofit\_Criteria.pdf">http://baldrige.nist.gov/PDF\_files/2007\_Business\_Nonprofit\_Criteria.pdf</a> provides an 84-page overview of The Baldrige Quality Program
  - <a href="http://www.netadvantage.standradpoors.com">http://www.netadvantage.standradpoors.com</a> Standard & Poor's Corporation, Standard Corporation Descriptions
  - D&B Million Dollar Directory
  - Ward's Business Directory of Largest U.S. Companies
  - America's Corporate Families and International Affiliates
  - Ward's Directory
  - Who Owns Whom
  - Mergent's Industry Review
  - Standard & Poor's Analyst's Handbook
  - Standard and Poor Industry Surveys (2 volumes)
  - U.S. Department of Commerce, U.S. Industrial Outlook
  - Dun & Bradstreet, Industry Norms and Key business Ratios
  - Bureau of Economic Analysis, U.S. Department of Commerce, Survey of Current Business
  - American customer satisfaction index (2013). *Benchmarks By Company*. Retrieved from <a href="http://www.theasci.org/index.php?option=com">http://www.theasci.org/index.php?option=com</a> content&view=article&id=149&catid=&Itemid=214&c=all&sort=Y2013

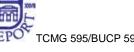


 "Customer Satisfaction Index". University of Michigan. Web. 29 April 2014. http://www.theasci.org/national-econmic-indicator

## 5. Recommended Sources for Reports:

- Blank, Steve & Dorf, Bob (2012). <u>The Startup Owner's Manual.</u> California. K & S Ranch Publishers.
- Burtonshaw-Gunn, S. (2008). <u>The Essential Management Toolbox</u>. West Sussex, England: John Wiley & Sons Ltd.
- Collins, J., & Porras, J. (1994). Built to Last. New York: HarperCollins Publishers Inc.
- Cooper, A. (2004). *The Inmates are running the Asylum*. Indianapolis, IN: Sams Publishing.
- Christensen, C. (1997). *The Innovator's Dilemma*. Boston: Harvard Business School Press.
- Davenport, T., & Prusak, L. (2000). <u>Working Knowledge: How Organizations Know What</u> <u>They Know</u>. Cambridge, MA: Harvard Business School Press.
- Davis, S., & Meyer, C. (1998). *Blur. Reading*, MA: Addison-Wesley.
- Drucker, P. (2002). Managing the Next Society. New York: St. Martin's Press.
- Evans, J., & Dean, J. (2000). <u>Total Quality Management, Organization, and Strategy</u> (2nd ed). Cincinnati, OH: South-Western College Publishing.
- Friedman, T. (2005) <u>The World is Flat: A Brief History of the Twenty-First Century</u>.
   Farrar, Straus, & Giroux.
- Hamel, G., & Prahalad, C. (1994). <u>Competing for the Future</u>. Boston: Harvard Business School Press.
- Hammer, M., & Champy, J. (2003). <u>Reengineering the Corporation: A Manifesto for</u> <u>Business Revolution</u>. New York: HarperCollins Publishers Inc.
- Holbeche, L. (2005). <u>The High Performance Organization: Creating Dynamic Stability</u> and Sustainable Success. Boston: Butterworth-Heinemann.
- Kaplan, R., & Norton, D. (1996). <u>The Balanced Scorecard</u>. Boston: Harvard Business School Press.
- Kim, W., & Mauborgne, R. (2005). <u>Blue Ocean Strategy: How to Create Uncontested</u> <u>Market Space and Make Competition Irrelevant</u>. Boston: Harvard Business School Publishing Corporation.
- Knoke, W. (1996). **Bold New World**. New York: Kodansha International.
- McElroy, M. (2001). <u>Second-Generation Knowledge Management</u>. Macroinnovation Associates LLC. Retrieved on January 14, 2004, from www.macroinnovation.com
- Osterwalder, Alexander & Pigneur, Yves (2010). <u>Business Model Generation</u>. John Wiley & Sons. Inc.
- Porter, M. (1998). <u>Competitive Strategy</u>. Free Press.
- Ries, Eric (2011). <u>The Lean Startup: How Today's Entrepreneurs Use Continuous</u> <u>Innovation to Create Radically Successful Businesses</u>. Crown Business Publisher.
- Senge, P. (1990). <u>The Fifth Discipline: The Art & Science of the Learning Organization</u>.
   NY: Doubleday.
- Sveiby, K. (1997). <u>The New Organizational Wealth</u>. San Francisco, CA: Berrett-Koehler Publishers Inc.
- Teich, A. (2002). Technology and the Future (9th ed.). Boston: Wadsworth Publishing.
- Tzu, S., Griffith, S., (1971). *The Art of War*. Oxford University Press
- Volti, R. (2001). Society and Technological Change (4th ed.). New York: Worth Publishers.
- Wetherbe, J. (2005). <u>Information Technology for Management: Transforming</u>
   <u>Organizations in the Digital Economy</u>. Wiley & Sons Publishing.
- Wolcott, R., & Lippitz, M., (2010). Grow from Within Mastering Corporate





#### **Entrepreneurship and Innovation**. NY: McGraw Hill Publishing

Note: You are encouraged to ask the Reference Librarian at Wahlstrom Library for any other research information you may need regarding your project.

The UB book distribution system is for you to order the books on line at <a href="http://www.bkstr.com">http://www.bkstr.com</a> or at the UB Bookstore on the main campus.

#### **Course Requirements:**

1. Class Attendance, Participation, Punctuality, Cheating and Plagiarism: Attendance at each class session is expected. Class lectures complement, but do not duplicate, textbook information. Together the students and instructor will be creating a learning organization. Students are expected to be on time for class. A significant portion of your learning will accrue through the constructive and respectful exchange of each other's ideas (including mine!) and search for alternative solutions. You must be actively engaged in class discussions to improve your thinking and communication skills. Cheating and plagiarism is absolutely unacceptable in any guise. If I catch you cheating or plagiarizing, I will warn you once. The second offense will result in an "F" for the course. Cheating and plagiarizing means using the work of others as your own. Copying homework, using papers from the Internet, any talking or looking around during exams and allowing others to look at your exam papers are examples of cheating.

Be certain that your travel arrangements do NOT conflict with any of your team or individual presentations.

As a UB policy, it is expected that each student that attends one hour of classroom instruction will require a minimum of two hours of out of class student work each week for approximately fifteen weeks for one semester.

- 2. <u>Preparation, Deadlines and Late Policy:</u> Late assignments will be penalized 20% for each class day past the deadline. No excuses will be accepted. Don't wait until the last minute to print out your assignment. Do not email me late homework assignments. Please put late assignments in my mailbox (Room 105 Mandeville).
- **3.** <u>Homework:</u> The syllabus identifies both the oral and written homework assignments. Each assignment that states "written" should be **typed** and only one or two pages long. It will be collected at the *end* of class so that you may refer to them during class discussions. Homework is important and represents a key component of your grade.
- 4. <u>Current News: Each student</u> will be required to bring in and orally review news articles relating to the topic assigned for the class meeting. These will be collected. Suggested sources include: Wall Street Journal, New York Times, Business Week, the Economist, Harvard Business Review, Sloan Management Review, Newsweek, Time, Fortune, Inc, Forbes, Financial Times, the Internet and other relevant sources.
- 5. <u>Cases:</u> All students will complete six (6) written cases (as per class schedule below). For each assigned case, prepare a 1-2 page typed double-spaced (12 point font) response. Each case study will require you to:
  - Summary -Summarize the key issues and facts of the case
  - **Questions** Answer the questions associated with the case available on the course (Canvas) site.
  - Recommendations Make recommendations based on the facts and your experience
  - Lessons Learned Identify lessons learned
  - Identify one question on the case that you would like to have discussed in class



**Important:** Make sure case format covers all five points above in separate headlines and each question is answered separately!

6. <u>Strategic Business Plan Project Team Presentation</u>: (PowerPoint presentation only, no paper is due). The team project provides an opportunity to integrate the major concepts studied this semester by developing a strategic business plan for a new business. The purpose of the business plan is to obtain funds from banks or venture capitalists or other investors for this initiative.

The final report should be a complete business plan using the guideline that appears in **Appendix A** in the syllabus as a guideline. During the first class session, teams will be formed. Each team will be responsible for developing a business plan (in **PowerPoint format only) for a new product or service**. In addition, the team will orally present this plan to the class. Two presentations are required; together with a hardcopy of only the final business plan presentation in PowerPoint (see part 2 below) for the instructor prior to the team making the oral presentation. Based on the feedback from the instructor and the class participants, the final presentation may propose a totally different business plan from the originally proposed, or may simply extend the ideas presented in the first presentation. Depending on the quality of the plan, selected teams may be asked to **submit** their final Business Plan to the State of Connecticut Business Plan Competition and be eligible to win money and other prizes in different categories. The teams that enter the competition will also receive extra credit.

Part 1 (the first presentation, which is not graded) must address Items 2 - 5 below. Part 2 (the final presentation – which is graded) must cover all of the Items 1-11 listed below. All assumptions must be supported by facts that are clearly referenced. A more detailed outline is provided later in the syllabus and select handouts.

Suggested sections of the Business Plan include:

- Executive Summary (Business Proposition, Market Need Being Met, Product/Service Value Proposition of Product or Service or Business, Major Competitors, Investment Being Requested, ROI over a 4 year life of the business)
- 2. Company Vision and Product or Service Description (Business Proposition and Need)
- 3. Major Industry Characteristics and Trends (e.g. Regulated/Deregulated, Consolidations, Mergers/Acquisitions, Technology Driven, etc.)
- 4. Market Need, Opportunity and Sales/Distribution Plan (e.g. Market Segments, Market Size and Direction (Growth, Decline in %), What creates demand? Value Proposition; Customer/Prospect Characteristics (e.g. Number of Customers/Prospects, Market Positioning, Competition, Promotion, Distribution, Alliance Partners, Customer Service, USP, Explain how the market is and/or will grow, etc.); Use the 6P's and 5C's of Marketing, where appropriate.
- 5. Barriers to Entry (Competition) e.g. Intellectual Property, Control of Raw Materials, High Capital Requirements, etc. Barriers make it more difficult for potential competitors from competing against your company
- 6. Organizational Design, Management Team and Policies & Operating Principles
- 7. Product/Service Development (e.g. in-sourcing, outsourcing, development milestones)
- 8. Risk Analysis Major Business, Financial, Operational, Competitive and Other Risks
- 9. Projected Financials (4 years of Profit and Loss Statements and 1 year of Sources and Uses of Funds), Return on Investment (4 year average return), etc.;
- 10. Requested Funding (How much capital are you seeking and from whom?
- 11. Exit Strategy



7. Individual Term Paper – Industry and Company Strategic Audit Review and Recommendations:

Each student will select a unique industry from Business Week industry categories (see Appendix B) in the syllabus) used for the quarterly report on corporate performance. Each industry category is limited to selection by only one student (order of selection will be random). The student will thoroughly analyze the chosen industry and describe it in terms of Porter's five forces industry analysis model – suppliers, buyers, competitive rivalry among firms in the industry, product substitutes and potential entrants into the industry) as well as evaluate the current and future performance of two companies to be selected in the assigned industry based on the Balanced Scorecard model and metrics.

The student should select two firms from those listed in a current quarterly Business Week Scoreboard (when applicable) focusing on the industry category chosen. One firm should come from the top 10% in revenue, profit or growth; the other from the bottom 10% on the same criterion. The competitive and strategic positioning of each of these two firms within the industry is to be thoroughly analyzed. The Balanced Scorecard Card as well as other strategic performance frameworks, tools and concepts developed by Michael Porter, Michael Tracey, Gary Hamel, the Boston Consulting Group, GE and others should be used to analyze the historic/projected future performance of the companies as well as develop recommendations to improve future performance and growth.

At a minimum, the following topics must be covered in each of the company's analyzed:

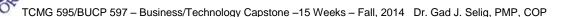
- Industry dynamics Major characteristics of and trends impacting the industry, including
  industry size, extent of regulations/de-regulations, recent mergers, acquisitions and joint
  ventures, vertical versus horizontal versus holding company attributes, use of technology,
  economics and profitability, degree of competition, and other trends. (Use Porter's five forces
  model)
- Company Summary Use the Balanced Scorecard to analyze the historic and predict future performance and metrics using criteria such as financials, financial rations, customer and employee satisfaction, process effectiveness, innovation, learning and growth and related criteria.
- Identify and Address Major Issues and Opportunities for Each Company Identify Sustaining Growth, Competition, Regulations, Customers, Suppliers, Employee Development, New Revenue Sources, M & A, JV, Expansion, Profitability, Technology Utilization, R & D and Innovation, Globalization, Cultural Transformation, Alliances, Constraints, Obstacles, Managing Change, Leadership, etc.
- Develop Your Recommendations for addressing the major performance issues, opportunities, constraints and critical success factors for growth for the Next Few Years for both companies.

Library references should be used for Dunn & Bradstreet Industry Norms and Key Business Ratios for the industry chosen. The McGraw-Hill US Industry and Trade Outlook as well as Standard & Poor Industry Structure descriptions can also be referenced for relevant information and comparative data. Information from any of these sources must be references at the end of the paper.

Each paper will be **typed doubled-spaced** in 12-point font and is expected to range between 14 to 16 pages long. All papers must have a table of contents. Please spell check and page number your work. Each student is required to orally summarize his/her term paper in 5 - 6 minutes (4 PowerPoint or overhead slides).

The paper and oral summary will be due on the last class day of the term.

Factors on which the term paper will be graded:



- A well-organized *Table of Contents* that is followed throughout the analysis, including page numbers, is required.
- A comprehensive <u>bibliography</u> of <u>sources</u> (<u>references</u>) <u>used</u> must be appended at the end of the paper. It is anticipated that the length of the bibliography will correlate with the grade assigned. A web site used as a reference must contain the source document name of the author, title of the article or book or other source and date created.
- The student should thoroughly analyze the chosen industry and describe it in terms of Porter's five forces industry analysis model – suppliers, buyers, competitive rivalry among firms in the industry, product substitutes and potential entrants into the industry) as well as evaluate the current and future performance of two companies to be selected by each student based on the Balanced Scorecard model and metrics.
- The relevance of functional strategy at the marketing, financial, human resources, operations, technology manufacturing and R&D levels should be clearly identified and woven into the company evaluation wherever appropriate. It is important to demonstrate your understanding and use of the Balanced Score Card technique for the companies you are analyzed.
- Recommendations for improving the strategic direction and potential performance of the two companies should be made and justified (Why, What and How?).

### 8. Course Grading:

| Class Participation, Attendance & Current Events (News) | 10%  |
|---|------|
| 7 Case Analysis and Homework                            | 20%  |
| Team Project & Presentation                             | 25%  |
| Written Term Paper & Oral Summary                       | 25%  |
| Exam  | 20%  |
| Total   | 100% |

| Letter Grade | Percentage  |
|--------------|-------------|
| Α            | 94.9 – 100% |
| A-           | 90 – 94.8%  |
| B+           | 87 – 89.9%  |
| В            | 83 - 86.9%  |
| B-           | 80 - 82.9%  |
| C+           | 77 – 79.9%  |
| C            | 73 – 76.9%  |
| C-           | 70 – 72.9%  |
| D+           | 67 – 69.9%  |
| D            | 63 – 66.9%  |
| D-           | 60 – 62.9%  |
| F            | Below 60%   |



## TCMG 595/BUCP 597 – Business/Technology Capstone - Schedule – Fall 2014 – 15 Weeks

| #  | Date     | Assignment  |
|--|----------|---|
| 1  | 8/26/14  | Overview of Strategic Management:   |
|  |          | Read Text - Chapter 1 – Strategy Management;                                      |
|  |          | Read handouts - #3 – The Entrepreneurial/Intrapreneurial Checklist                |
|  |          | Form Project Teams;   |
| 2 9/2/14   |          | Strategic Organizational Performance Analysis                                     |
|  |          | Read handouts - # 4 - Using the Strategic Audit to Evaluate Corporate             |
|  |          | Performance'; # 5 – Principles and Practices for Strategy Formulation – PP. 5-18; |
|  |          | # 12 – Xerox; Read Text 1 – (Pages iv – xii) – Preparing an Effective Case        |
|  |          | Analysis, Sources of Industry and Competitor Analysis and Key Financial Ratios;   |
|  |          | Written Homework Due: (1) Describe why Strategy Formulation is critical for       |
|  |          | organizations and identify and describe three key external environmental factors  |
|  |          | for a firm and how they impact strategy development;                              |
| _  | -1-1-1   | News (Bring in & review a News article on a relevant topic)                       |
| 3  | 9/9/14   | External Environmental Analysis and Factors                                       |
|  |          | Read Chapter 2 – External Environment; Read handouts- # 5 – Principles and        |
|  |          | Practices for Strategy Formulation – PP. 19-53; # 2 – Presenting Your Company     |
|  |          | for an Investment Opportunity;  |
| 4  | 0/40/44  | Homework Due: Case 1 – Ally Bank (Written); News                                  |
| 4  | 9/16/14  | Internal Environmental Analysis, Organization and Core Competencies               |
|  |          | Read Chapter 3 – Internal Environment; Read handouts - # 5 – Principles and       |
|  |          | Practices for Strategy Formulation – PP. 54-61 (Balanced Scorecard);              |
| Homework Due: Case 20 – AstraZeneca (Written); News 5 9/23/14 The Components of Strategy Formulation and Competitive I |          | The Components of Strategy Formulation and Competitive Dynamics:                  |
| 5  | 9/23/14  | Read Chapters 4 & 5; Read handouts - # 5 – Principles and Practices for Strategy  |
|  |          | Formulation – PP. 62-82 (BCG; PIMS; Porter); # 11 - Competitive Intelligence; #   |
|  |          | 13 – New Product Development Framework; # 7 – Overview of Financial               |
|  |          | Statements;   |
|  |          | Homework Due: Case 10 – Campbell (Written); News                                  |
| 6  | 9/30/14  | Part 1 – Interim Team Business Plan Presentations – Cover Items 2 – 5 in          |
| Ü  | 0/00/11  | Section 6 of Syllabus. Each team will elect one spokesperson to make the          |
|  |          | presentation for Part 1   |
| 7  | 10/7/14  | Going Global and International Strategy   |
|  |          | Read Chapter 8 – International Strategy; Read Chapter 9 – Cooperative Strategy;   |
|  |          | Strategic Alliances and JV's; # 8 -Strategic Alliances and Going Global           |
|  |          | Homework Due: Case 22 – Facebook (Written); News; Exam                            |
| 8 & 9  | 10/14/14 | The Basis for Strategy Execution, Corporate Governance and Control:               |
|  | &        | Read Chapters 6 – Corporate Level Strategy; 10 – Corporate Governance & 11 –      |
|  | 10/21/14 | Organizational Structure and Controls; Handout # 5 – Principles and Practices for |
|  |          | Strategy Formulation – PP. 90-102; Read handouts # 16 – Corporate Governance      |
|  |          | & the Balanced Scorecard; # 18 – Eighteen Keys to Strategy Implementation;        |
|  |          | Homework Due: Case 24 – Lockheed Martin(Written); Team Project                    |
|  |          | Presentations; News   |



| 10 | 10/28/14 | Entrepreneurship and Corporate Ventures   |
|----|----------|---|
|    |          | Read Chapter 13 – Entrepreneurship; Read Handouts - # 9 – The   |
|    |          | Entrepreneurial Process & # 10 – CSFs for Entrepreneurship;   |
|    |          | Homework Due: Case 16 – TATA Motors (Written); Team Project   |
|    |          | Presentations; News   |
| 11 | 11/4/14  | Mergers, Acquisitions and Restructuring   |
|    |          | Read Chapter 7 – Acquisitions and Restructuring; Read Handouts # 6 – A  |
|    |          | Framework for Managing Change and Sustaining Innovation – PP. 1-41; # 21 – Mergers & Acquisitions Frameworks; |
|    |          | Homework Due: Identify two companies who have merged. Discuss the   |
|    |          | merger and address the following questions: Why do you think the  |
|    |          | companies merged? What were the benefits and risks to both companies?   |
|    |          | What do you think worked well and not well in the merger? Was it  |
|    |          | successful? (Written); Team Project Presentations; News   |
| 12 | 11/11/14 | Strategic Leadership, Managing Proactive Change and Innovation:   |
|    |          | Read Chapter 12 – Strategic Leadership; Read Handouts; # 15 – Leadership; #                                   |
|    |          | 17 – Management by Leadership – Jack Welch; # 20 – S. Covey; # 14 – People                                    |
|    |          | and Performance Mgt;  |
|    |          | Homework Due: Pick one world class leader and describe his/her background,                                    |
|    |          | career and key leadership characteristics (two pages); Describe how your or a                                 |
|    |          | firm encourages innovation? (one page); How do you cope with accelerating                                     |
|    |          | change? (one page); News  |
| 13 | 11/18/14 | The Future of Strategy – Summary and Lessons Learned  |
| 14 | 11/25/14 | Individual Term Papers Due with Oral Presentations  |

#### Appendix A - SUGGESTED BUSINESS PLAN FORMAT FOR STARTING YOUR OWN COMPANY

- **I. Title Page:** The title page of your business plan provides the name, address, date and phone number of the company, the CEO and the name of the owners One page.
- **II. Table of Contents:** The Table of Contests includes a sequential listing and page numbers of the sections of your business plan. Put "Supporting Documents/Appendix" last One page.
- **III.** Executive Summary: The Executive Summary summarizes the highlights of the business plan (Sections IV-X below). After reading this summary, the investor should be convinced that you and your idea are credible and there is a solid possibility that the investor will realize good returns on his/her investment. If poorly written, the investor will not read the rest of your plan. Length One page.
- **IV. General Company Description Vision and Mission:** This is a snapshot of where your business is going (vision), and the goals and objectives on how to get there. Subsections: (1) *Vision* [broad statement] and *Mission* [concise description of how business will accomplish vision] and (2) *Objectives* [specific expected outcomes regarding product/market/sales/finance]. This section also provides basic information about your company: its structure, management, staffing and strategic alliances. Subsections: (1) *Legal Business Description* [Company Name, Legal Form (i.e., sole proprietorship, partnership, "C or S" corporation, LLC, etc.)], (2) *Management Team* [Who will be the managers? What roles will they assume? What are your staffing needs?]; Length One to two pages.



- **V. Product/Service Strategy:** This section reviews your product or service; what makes it unique and competitive? What is its value proposition? and how it will be produced or sourced? Subsections: (1) *Product/Service* [Description of product and its useful features/benefits]; (2) *Production* [Production costs, facilities]; (3) *Distribution* [How will product get from your firm to the customer? What are the distribution costs?]. (4) Intellectual Property/Barriers to entry strategy. Length One to three pages.
- VI. Market/ Industry/ Competitive Plan and Analysis: This section helps you define your market, the demographics and demands of your target customers, and business and environmental factors and risks. Subsections: (1) External Environment [Customer demographics, economic trends in industry, political/legal trends, socio-cultural trends, country analysis, technological trends, global trends, regulatory trends, etc.], (2) Industry Analysis [barriers to entry, bargaining power of suppliers, bargaining power of buyers, threat of substitute products, intensity of rivalry among competitors]; (3) SWOT Summary [This should include information from Company Overview and Product Strategy]. (4) Competitor Analysis: This section helps you define your competition. Who are your major competitors? How much market share do they have? What are they doing in the market? (5) Marketing Plan: This section describes your marketing and sales strategy, advertising, promotion, public relations and distribution/service. Subsections: (i) Marketing/Sales Strategy [Positioning, Pricing, Profit/Sales Goals, Selling Methods]; (ii) Advertising & Promotion [Strategy, Budget]; (iii) Public Relations [Publicity Efforts]; (iv) Distribution / Service Strategy. Length Three to four pages.
- VII. Operational Plan: This section describes how the organization will be run on a daily basis. This should include a description of how the product or service will be manufactured (sourced, etc.), which should include any and all regulatory factors, supporting systems, such as inventory control, back office functions such as payroll and accounts payable, and policies related to any operational functions and relationships. Assume the company is privately held. Length Two to three pages.
- **VIII. Management and Organization**: This section identifies the management team and background, describes the organizational Design, and outlines the organization's policies, principles and governance structure. This section should include the role of an advisory board (assumes company is privately held) and any access the organization has to external expertise. Length two pages.
- **IX. Financial Plan:** This section describes and analyzes your company's capital requirements and profit potential. Subsections: (1) *Projected (next 4 years) Financial Statements* [Sales, Gross Profit, Operating Income, Net Income, etc.]; (2) *Break-Even Analysis* [when expected?]; (3) *Capital Requirements* [How much money is needed to do what and when?]; (4) Cash Flow and Cum. Cash Flow. (Sources and uses of funds, including start-up expenses- you do not want to run out of money before you start. Calculating burn rate is useful). Length Two to four pages.
- **X. Exit Strategy:** Identify the exit strategy for (IPO, sell it, merge it, etc.)
- XI. Appendices or Exhibits: Supporting Documentation, tables, assumptions and calculations.

REFLECTION ISSUE: Would you lend someone capital to do what is contained in this Business Plan?

# Appendix B – Business Week's "Corporate Scoreboard" Industry Categories

| 1A Auto Components                          | 1B Automobiles                           |
|---|--|
| 2A Household Durables                       | 2B Leisure Equipment and Products        |
| 2C Textiles, Apparel and Luxury Goods       | 3A Hotels, Restaurants and Leisure       |
| 4A Media                                    | 5A Retailing Distributors                |
| 5B Internet and Catalog Retail              | 5C Multi-line Retail                     |
| 5D Specialty Retail                         | 6A Food and Drug Retailing               |
| 7A Beverages                                | 7B Food Products                         |
| 7C Tobacco                                  | 8A Household Products                    |
| 8B Personal Products                        | 9A Energy Equipment and Products         |
| 9B Oil and Gas                              | 10A Banks                                |
| 11A Diversified Financials                  | 12A Insurance                            |
| 13A Real Estate                             | 14A Health Care Equipment and Supplies   |
| 14B Health Care Providers and Services      | 15A Biotechnology                        |
| 15B Pharmaceuticals                         | 16A Aerospace and Defense                |
| 16B Building Products                       | 16C Construction & Engineering           |
| 16D Electrical Equipment                    | 16E Industrial Conglomerates             |
| 16F Machinery                               | 16G Trading Companies and Distributors   |
| 17A Commercial Services and Supplies        | 18A Air Freight and Logistics Transport  |
| 18B Airlines                                | 18C Marine Transport                     |
| 18D Road and Rail Transport                 | 19A Internet Software and Services       |
| 19B Consulting Services                     | 19C Software                             |
| 20A Communications Equipment                | 20B Computers and Peripherals            |
| 20C Electronic Equipment & Instruments      | 20D Office Electronics                   |
| 20E Semiconductor Equipment & Products      | 21A Chemicals                            |
| 21B Construction Materials                  | 21C Containers and Packaging             |
| 21D Metals & Mining                         | 21E Paper and Forest Products            |
| 22A Diversified Telecommunications Products | 22B Wireless Telecommunications Services |
| 23A Electric Utilities                      | 23B Gas Utilities                        |
| 23C Multi-Utilities and Unregulated Power   | 23D Water Utilities                      |

06/05/14