

# Business Strategy

## - Course program –

This course focuses on selected theories, concepts and tools of strategic management. Typically, the term "strategic" management refers to seeing the company and its environment and considering long-run decisions that affect the company as a whole. It is concerned with the totality of what a company is trying to achieve and it helps us to understand why some companies thrive while other companies struggle to survive.

The central tasks of strategic management are formulation and implementation of strategies, both at business and corporate level. At business level, the notion of competitive advantage is a central issue; at corporate level, the challenge of contributing value to businesses is crucial. The course "business strategy" addresses the business level of strategy making.

The course uses a combination of lecture sessions and case study sessions in order to provide the analytic and conceptual foundations for making strategic decisions.

- The case study sessions are designed to introduce typical strategic challenges that companies face. Selected case studies are discussed in smaller groups in order to understand the company situation and to develop solutions for the respective strategic challenges.
- In the lecture sessions theories, concepts and tools of business strategy are discussed – both, with regard to the case studies as well as in a broader, more general context of business strategy.

Students will learn from each other in discussions and in the group situations and they will learn from the lecturer's input and comments in the interactive plenary sessions.

For the lecture sessions, all students join one class at the same time (Wednesday at 11.30 – 13.00 in H5). For the case study sessions, the class will be split into two separate groups. One group meets on Monday at 09.45 – 11.15 in H3, the other group meets on Monday at 15.00 – 16.30 in H2. You must select one of the case study groups on StudOn.

The following course schedule illustrates scheduling and content of lecture sessions and case study sessions as well as the assigned readings.

**Session 1:**  
October 22  
11.30 - 13.00

**Lecture**

Content: *Fundamentals of strategic management*

Introduction  
Concept of strategy and strategic management

Introduction to working with cases

Readings: Dess/Lumpkin/Eisner (2008) pp. 4 – 17  
Grant (2010) pp. 3 – 30  
Hungenberg (2014) pp. 3 – 25, 75 – 86

**Session 2:**  
October 22  
15.00 - 16.30

**Lecture**

Content: *Strategy formulation*

Nature and sources of competitive advantages  
Premium strategies – performance advantages and differentiation

Readings: Dess/Lumpkin/Eisner (2008) pp. 153 – 176  
Grant (2010) pp. 209 – 265  
Hungenberg (2014) pp. 194 – 252  
Porter (1980)

**Session 3:**  
October 27  
9.45 - 11.15 (gr. 1)  
15.00 - 16.30 (gr. 2)

**Case study "Aldi: The Dark Horse Discounter"**

Content: *Nature and sources of competitive advantage*

Readings: Aldi: The Dark Horse Discounter (case study)

In preparing the case, focus on the following questions:  
Should Wal-Mart be worried about Aldi? Should Aldi be worried about Wal-Mart? What is Aldi's strategy? What is Aldi's value proposition in short? How should Wal-Mart react?

**Session 4:**  
October 29  
11.30 - 13.00

**Lecture**

Content: *Sustainability as differentiation*

CSR and sustainability: changing logics

Readings: Dess/Lumpkin/Eisner (2008) pp. 36 – 67, 75 - 100  
Grant (2010) pp. 62 – 93 , 120 - 149  
Hungenberg (2014) pp. 87 – 125, 142 - 163  
Porter (1980)  
Porter and Kramer (2011)

**Session 5:**  
November 5  
11.30 - 13.00

**Lecture**

Content: *Strategy formulation*

No-frills strategies – cost and price advantages

Readings: Dess/Lumpkin/Eisner (2008) pp. 153 – 176  
Grant (2010) pp. 209 – 265  
Hungenberg (2014) pp. 194 – 252  
Porter (1980)

**Session 6:**  
November 12  
11.30 - 13.00

**Lecture**

Content: *Strategy formulation*

Strategies for two-sided / multi-sided markets (part 1)

Using innovative strategies / business model innovations  
to create competitive advantages (part 1)

Handling disruptive innovations (part 1)

Readings: Christensen (2001), pp. 105 - 109  
Dess/Lumpkin/Eisner (2008) pp. 285 – 295  
Hungenberg (2014) pp. 133 – 142  
Kim/Mauborgne (2005) pp. 105 – 121

**Session 7:**

**Case study "Ferrero Group: Achieving Sustainability through Supply Chain Integration"**

November 17  
9.45 - 11.15 (gr. 1)  
15.00 - 16.30 (gr. 2)

Content: *Strategy and sustainability, competitive advantages*

Readings: Ferrero Group: Achieving Sustainability through Supply  
Chain Integration (case study)

In preparing the case, focus on the following questions:  
What are strengths and success factors of Ferrero? How  
would you describe Ferrero's competitive strategy? What  
are challenges that Ferrero is facing within the industry?  
How does Ferrero integrate CSR activities and sustainability  
issues?

**Session 08:**  
November 19  
11.30 - 13.00

**Guest Lecture**

**Session 9:**  
November 26  
11.30 - 13.00

**Lecture**

Content: *Strategy formulation*

Strategies for two-sided / multi-sided markets (part 2)

Using innovative strategies / business model innovations to create competitive advantages (part 2)

Handling disruptive innovations (part 2)

Readings: Christensen (2001), pp. 105 - 109  
Dess/Lumpkin/Eisner (2008) pp. 285 – 295  
Hungenberg (2014) pp. 133 – 142  
Kim/Mauborgne (2005) pp. 105 – 121

**Session 10:**  
December 03  
11.30 - 13.00

**Lecture**

Content: *Strategy formulation*

Understanding industry dynamics

Instruments to master dynamic business environments

Readings: D'Aveni (1994)  
Dess/Lumpkin/Eisner (2008) pp. 37 – 44  
Hungenberg (2014) pp. 181 – 193, 262 – 284  
Kim/Mauborgne (2005) pp. 105 – 121

**Session 11:**  
December 8  
9.45 - 11.15 (gr. 1)  
15.00 - 16.30 (gr. 2)

**Case study "Beyond Meat: On the route to profitability?"**

Content: *Understanding industry and market position*

Readings: Beyond Meat: On the route to profitability? (case study)

In preparing the case, focus on the following questions:  
Did Beyond Meat enter an attractive industry? Which activities of the value chain are most valuable? Which activities are major cost drivers for the company? Is Beyond Meat's valuation reasonable?

**Session 12:**  
December 10  
11.30 - 13.00

**Lecture**

Content: *Strategy analysis*

Understanding industry and market position

Readings: Dess/Lumpkin/Eisner (2008) pp. 36 – 67, 75 - 100  
Grant (2010) pp. 62 – 93, 120 - 149  
Hungenberg (2014) pp. 87 – 125, 142 - 163  
Porter (1980)

**Session 13:**  
December 15

**Case study "Glas AG (part 1)"**

9.45 - 11.15 (gr. 1)  
15.00 - 16.30 (gr. 2)

Content: *Evaluation of strategic options*

Readings: Glas AG (case study)

In preparing the case, focus on the following questions:  
How can we reach decisions on different strategic options?  
How can we use financial information to substantiate our decisions? Which is the appropriate financial instrument to support management in this context?

**Session 14:**  
December 17  
11.30 - 13.00

**Lecture**

Content: *Strategy analysis*

Understanding industry and market position

Readings: Dess/Lumpkin/Eisner (2008) pp. 36 – 67, 75 - 100  
Grant (2010) pp. 62 – 93, 120 - 149  
Hungenberg (2014) pp. 87 – 125, 142 - 163  
Porter (1980)

**Session 15:**  
January 07  
11.30 - 13.00

**Lecture**

Content: *Strategy analysis*

Understanding industry and market position

Readings: Dess/Lumpkin/Eisner (2008) pp. 36 – 67, 75 - 100  
Grant (2010) pp. 62 – 93, 120 - 149  
Hungenberg (2014) pp. 87 – 125, 142 - 163  
Porter (1980)

**Session 16: Case study "Glas AG (part 2)"**

January 12

9.45 - 11.15 (gr. 1)

15.00 - 16.30 (gr. 2)

Content: *Evaluation of strategic options*

Readings: Glas AG (case study)

In preparing the case, focus on the following questions:  
What are the respective shareholder values for both strategic options? Which strategic option would you choose? Do you have enough information to make your decision?

**Session 17: Lecture**

January 14

11.30 - 13.00

Content: *Strategic choice*  
*Practical strategy development*

Financial evaluation of business strategies  
Evaluation of risk and flexibility

Readings: Copeland/Koller/Murren (2000) pp. 3 – 15, 131 – 155  
Hungenberg (2014) pp. 284 – 317

**Session 18: Lecture**

January 21

11.30 - 13.00

Content: *Wrap up*

Q&A  
Exam Preparation

**Session 19: Guest Lecture**

January 28

11.30 - 13.00

**Session 20: Exam for Exchange Students**

February 4

11.30 - 13.00

Only for students who take the course on a non-degree basis  
(e.g. Erasmus students, exchange students)

**Textbooks**

Dess, G., Lumpkin, G., Eisner, A.: Strategic Management, 4. Ed., Boston 2008.

Grant, R.: Contemporary Strategy Analysis, 7. Ed., Malden 2010.

Hungenberg, H.: Strategisches Management in Unternehmen, 8. Ed., Wiesbaden 2014.

**Additional books and articles**

Christensen, C.: The Past and Future of Competitive Advantage, in: Sloan Management Review, Vol. 42, 2001, Winter, pp. 105 - 109.

Copeland, T., Koller, T., Murren, J.: Valuation, 3. Ed., New York 2000.

D'Aveni, R.: Hypercompetition, New York 1994.

Kim, W., Mauborgne, R.: Blue Ocean Strategy: From Theory to Practice, in: California Management Review, Vol. 47, 2005, No. 3, pp. 105 – 121.

Porter, M.: Competitive Strategy, New York 1980

*Further readings will be announced in class.*