Either of the following texts will suffice for my course:


The following readings will be assigned throughout the term and will be discussed during the first chat session. Several other articles will also be assigned as we progress:


Prerequisites: Last semester of MBA/MSM/MSMkt program or permission of instructor. Non-business majors should not take this class and should contact the professor or department for other recommendations. Students not in their last term of the MBA/MSM/MSMkt program must request permission from the professor by e-mail to take this course. Such students must be in possession of an e-mail from the professor specifically granting permission to take this course (NO EXCEPTIONS). Others can expect to be administratively dropped. If you are not certain whether you should be taking this course, please contact me.

Course Description: A study of administrative processes and policy determination at the strategic management level. This course is open to business majors only and should be taken during the semester of graduation.

Electronic system to use during the course:

Our class will predominantly meet face to face on Monday evenings (6:15 PM) on campus in Commerce. The course is set up as Web-enhanced, however, so I can use the eCollege system to e-mail the group and provide documents under doc sharing. I will explain my process during our first class meeting. I will correspond with you frequently by e-mail. Please make it a habit to check it daily at a minimum (My Leo e-mail). Students are expected to participate in all elements of the course. All assignments should be e-mailed to me at john.humphreys@tamuc.edu.

COURSE OBJECTIVES
After successfully completing this course, the student will:

- understand the nature of competition and industries at an advanced level
- understand the influence that external forces--social, political/legal, economic, and technological--play in business performance
- understand the sophisticated relationships among the functional areas of business administration, including marketing, human resources, production, finance, economics, and accounting
- understand the craft of strategy research, including extensive use of the internet as a research tool
- be able to systematically apply the strategic management model to the analysis of an ongoing enterprise, including industry, environmental, and firm assessments; firm, business, and functional strategic assessments; development and evaluation of strategic alternatives; and strategic implementation and control.

Grade Evaluation | Points
--- | ---
Exams (2) | 200
<table>
<thead>
<tr>
<th></th>
<th>Strategic Audit</th>
<th>600</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Final Exam</td>
<td>400</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>1,200</td>
</tr>
</tbody>
</table>

**Grade Conversion**

- A = 1,080 or greater (90%)
- B = 960 – 1,079 (80% - 89%)
- C = 840 - 959 (70% - 79%)
- F = 839 or below

**Description of Evaluation Criteria**

**Strategic Audit** – 600 points are available based upon the quality of your strategic audit. Based upon an actual corporation, you or your team will prepare a written strategic analysis based on application of strategic management concepts. This can be an individual or a team project and the firm and industry will be negotiated once the make up of the class is established. The plan will be graded based upon timeliness, specificity, depth and breadth of analyses, and support for your recommendations. See outline at the end of the syllabus.

**Exams** – There are two (2) regular exams (100 points each). Each exam will consist of short essay questions taken from lectures, text, articles, and/or current events. The final exam is comprehensive and worth 400 points. This will be a major exercise as this individual exam will also serve as the comprehensive exam for your master’s program in business (MBA), management (MSMgt), or marketing (MSMkt) program. You must successfully pass the exam (minimum 70%) to successfully complete the course.

**STUDENTS WITH DISABILITIES:** - The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Office of Student Disability Resources and Services.

Halladay Student Services Building
Room 303 A/D
Phone (903) 886-5835
Leigh.Powell@tamuc.edu

**TENETS OF COMMON BEHAVIOR STATEMENT:** All students enrolled at the university shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment (See current Student Handbook).

**STATEMENT ON ACADEMIC INTEGRITY:** - Academic honesty is the foundation of the university community. Cheating, plagiarism, or other acts of academic dishonesty compromise
the integrity of the academic process and community and are subject to disciplinary action. For this class, plagiarism will result in automatic failure (final course grade of F).

## Term Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Week</th>
<th>Lectures, Chapter Readings, &amp; Exams</th>
<th>Individual – Group Assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/21</td>
<td>M</td>
<td>2</td>
<td><strong>Holiday</strong></td>
<td></td>
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<tr>
<td>1/28</td>
<td>M</td>
<td>3</td>
<td>Chapter 4 - The External or Broad Environment</td>
<td>Read Humphreys (2005, 2007b)</td>
</tr>
<tr>
<td>2/04</td>
<td>M</td>
<td>4</td>
<td>Chapter 3 - The Operating or Task Environment</td>
<td>Read Humphreys &amp; Langford (2008)</td>
</tr>
<tr>
<td>2/11</td>
<td>M</td>
<td>5</td>
<td><strong>Exam 1</strong></td>
<td></td>
</tr>
<tr>
<td>2/18</td>
<td>M</td>
<td>6</td>
<td>Exam discussion&lt;br&gt;Chapters 5 &amp; 9 – The organization and internal analysis</td>
<td>Read Humphreys (2007a)&lt;br&gt;Read Humphreys (2003)</td>
</tr>
<tr>
<td>2/25</td>
<td>M</td>
<td>7</td>
<td>Chapters 6, 7, &amp; 8 – Corporate Level, Business Level, and Functional Strategies</td>
<td>Read Caruth &amp; Humphreys (2008)</td>
</tr>
<tr>
<td>3/04</td>
<td>M</td>
<td>8</td>
<td>Chapter 12 – Strategic Control</td>
<td>Read Pryor et al. (2007)</td>
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<tr>
<td>3/11</td>
<td>M</td>
<td>9</td>
<td><strong>Spring Break</strong></td>
<td></td>
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<tr>
<td>3/18</td>
<td>M</td>
<td>10</td>
<td><strong>Exam 2</strong></td>
<td></td>
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<tr>
<td>3/25</td>
<td>M</td>
<td>11</td>
<td>Exam discussion&lt;br&gt;Chapters 10 and 11 – Strategy Execution</td>
<td>Assign Strategic Audit</td>
</tr>
<tr>
<td>4/01</td>
<td>M</td>
<td>12</td>
<td><strong>Final Comprehensive Exam</strong></td>
<td></td>
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<tr>
<td>4/08</td>
<td>M</td>
<td>13</td>
<td>Exam Discussion and Class Wrap Up</td>
<td></td>
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<tr>
<td>4/15</td>
<td>M</td>
<td>14</td>
<td>Strategic Audit preparation</td>
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<tr>
<td>4/22</td>
<td>M</td>
<td>15</td>
<td>Strategic Audit preparation</td>
<td></td>
</tr>
<tr>
<td>Strategic Audit Criteria</td>
<td>Exceeds Standards</td>
<td>Meets Minimum Standards</td>
<td>Fails to Meet Standards</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------</td>
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</tr>
<tr>
<td><strong>Introduction to the Organization (I) - History of the Company &amp; Current Status (30 points)</strong></td>
<td>Includes essential material in this section. Any additional material is in an appendix. 27 - 30 points</td>
<td>Includes essential material in this section. Any additional material is in an appendix. 21 - 26 points</td>
<td>Essential material not included. 0 to 20 points</td>
<td></td>
</tr>
<tr>
<td><strong>Identification of Industry &amp; competitors (II) (30 points)</strong></td>
<td>Lists and briefly discusses industry(ies) in which organization competes &amp; its competitors – 27 - 30 points</td>
<td>Lists and briefly discusses industry(ies) in which organization competes &amp; its competitors – 21 - 26 points</td>
<td>Fails to address industry(ies) in which organization competes and/or its competition. 0 to 20 points</td>
<td></td>
</tr>
<tr>
<td><strong>Analysis of the Industry (III) Strategic group, Porter’s 5 Forces, Industry CSF’s, &amp; Successful &amp; Failed Organizations (60 points)</strong></td>
<td>Analyzes organization’s strategic group(s), critical success factors for industry, &amp; lists successful &amp; failed organizations. Discusses Porter’s 5 Forces &amp; provides an in-depth analysis for industry &amp; organization- 54-60 pts</td>
<td>Meets the basic criteria for this Outline Item, but fails to demonstrate knowledge of theories needed to address some of the requirements. – 42 - 53 points</td>
<td>Meets some of the basic criteria for this Outline Item, but fails to demonstrate knowledge of theories needed to address most of the requirements. – 0 to 41 points</td>
<td></td>
</tr>
<tr>
<td><strong>Analysis of Macro-Environment (IV) (Political, Economic, Social, and Technological forces – Threats &amp; Opportunities facing the organization (120 points))</strong></td>
<td>Demonstrates knowledge of, &amp; capability to apply, theories and tools in the analysis of Macro-Environment (e.g., Political, Economic, Social, and Technological forces). Also identifies the threats and opportunities facing the organization. 108 – 120 points</td>
<td>Meets basic criteria for this Outline Item. Fails to demonstrate knowledge of, or ability to use, theories &amp; tools needed to analyze Macro-Environment. May not identify some threats and/or opportunities facing the organization. – 84 - 107 points</td>
<td>Meets some of the basic criteria for this Outline Item, but fails to demonstrate knowledge of theories needed to address most of the requirements – 0 – 83 points</td>
<td></td>
</tr>
<tr>
<td><strong>Analysis of Organization - Measurement and control system (V) - Current financial position - Use financial analysis tools - Compare with competitors and standards. List KPI’s (Key Performance Indicators) (60 points)</strong></td>
<td>Applies financial analysis theories and tools to determine organization’s current financial position &amp; compares it with competitors and standards. Discusses its measurement and control system &amp; KPI’s – 54 - 60 points.</td>
<td>Meets basic criteria for this Outline Item. Fails to demonstrate knowledge of, and/or capability to apply, financial analysis theories &amp; tools and/or fails to compare it with competitors and standards – 42 - 53 points.</td>
<td>Meets some of the basic criteria for this Outline Item, but fails to demonstrate knowledge of, or capability to apply, theories &amp; tools needed to address most of the requirements – 0 – 41 points</td>
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</table>

<table>
<thead>
<tr>
<th>General Strategic Audit Grading Rubric</th>
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<tbody>
<tr>
<td><strong>Strategic Audit Criteria</strong></td>
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<tr>
<td><strong>Introduction to the Organization (I) - History of the Company &amp; Current Status (30 points)</strong></td>
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</tr>
<tr>
<td>Analysis of Organization (VI) – Mission, Vision, Core Values, Operating Guidelines, Core Competencies, Goals (60 points)</td>
</tr>
<tr>
<td>Analysis of Organization (VII) – Current Strategies, Alignment with goals. Compares with competition. Completes SWOT analysis and Gap analysis for organization. Suggest strategies. Evaluates strategies (120 points)</td>
</tr>
<tr>
<td>Analysis of Organization (VIII) – Functional Strategies (60 points) Marketing, Finance, Operations, Purchasing, Human Resources, Information Systems Strategies and their alignment – 54 - 60 pts.</td>
</tr>
<tr>
<td>Analysis organization’s improvement initiatives &amp; standards (IX) (60 points) Analyzes current &amp; previous improvement initiatives &amp; standards &amp; impact – 54 - 60 pts.</td>
</tr>
</tbody>
</table>

**Scoring Key:**

Far Exceeds Standards = 540 – 600
Exceeds Standards = 480 – 539
Meets Standards = 420 - 479
Fails to Meet Standards = < 419
Strategic Audit Outline

I. Introduction to the Organization - History of the Company & Current Status
   A. When was the organization founded, why and by whom?
   B. Discuss unusual history associated with the organization.
   C. Is it privately or publicly held?
   D. Other information?
   E. 

II. Analysis of the Macro-Environment
   A. What political/legal forces affect the industry?
   B. What economic forces affect the industry?
   C. What social forces affect the industry?
   D. What technological forces affect the industry?
   E. What are the threats and opportunities facing the organization?

III. Identification of the Industry and the Competitors -- Industry definition is necessary so that competitors can be identified; macro-environmental forces that affect the organization and its industry can be assessed, and the organization’s relative strengths and weaknesses can be compared to other organizations within the industry.

IV. Analysis of the Industry
   A. Strategic Group(s) in which the company exists and competitors in it/them.
   B. Intensity of rivalry among existing competitors (Use Porters 5 Forces for B,C,D,E, & F)
   C. Threat of new competitors entering the industry
   D. Threat of substitute products or services
   E. Bargaining power of buyers
   F. Bargaining power of suppliers
   G. Potential Profitability of the Industry - What organizations have succeeded and failed in the industry and why?
   H. What are the Critical Success Factors for the industry?

V. What is the organization’s measurement and control system?
   A. Current financial position - Is the organization financially sound?
   B. Compare with competitors and standards.
   C. Use financial analysis tools.
   D. What are the organization’s Key Performance Indicators (KPI’s)?

VI. Analysis of the Organization (Mission, Vision, Core Values, Operating Guidelines, Core Competencies, Goals)
   A. What is the mission of the organization? Has the mission changed over time?
   B. What is the vision of the organization? Has the vision changed over time?
   C. What are the organizations core values and operating guidelines?
   D. What are the organization’s core competencies? How are they unique?
   E. What are the organization’s broad and specific goals?

VII. Analysis of the Organization – Organization-Level and Business Unit Strategies
   A. What are the current organization-level strategies? Business unit strategies?
   B. How are the strategies aligned with the goals?
   C. Compare this organization’s strategies with those of competitors.
   D. Use SWOT analysis and Gap analysis to suggest strategies.
   E. Evaluate strategies (advantages & disadvantages of each strategy).
   F. Key performance indicators (KPI’s)

VIII. Analysis of the Organization – Functional Strategies
    B. How well are the functional strategies aligned?
IX. Analyze organization’s improvement/change initiatives (e.g., Six Sigma, SQM, TQM, Lean Manufacturing, etc.)
   A. Previous & current impact/success of improvement initiatives.
   B. Alignment of improvement initiatives and integration into strategic management of the organization.
   C. Comparison of improvement initiatives with other organizations within and outside the industry.

X. Conclusion and Future of Organization
   A. Comment about the organization’s profile for future competitiveness and success.
   B. What does the organization have to do right to succeed (organization’s Critical Success Factors)?
   C. What are the expected results in terms of short-and long-term profitability and survival?