



MARTIN TUCHMAN SCHOOL OF MANAGEMENT

Business Policy Spring 2024

COURSE NUMBER: MGMT 492-002 & HM2

Instructor: Dr. Xi Zhang

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Class timings: Monday/Wednesday 1:00 pm to 2:20 pm

Class location: CAB3052

Office Hours: Thursday 2:30 pm to 4:30 pm

Available on Webex - Personal Meeting Room: <https://njit.webex.com/meet/xz262njit.edu>

Course Overview

Business Policy is a senior level capstone Course. A capstone course integrates material that you have learned from other functional area courses such as Marketing, Finance, Accounting, Management Science, and Management thus far in the curriculum. The course takes the perspective of upper administrators or strategic managers within the organization and teaches you how to make decisions by evaluating conceptual tools and processes that managers use companies.

Analyses of cases should reflect the integration of managerial principles and functional disciplines. Cases are based on a wide variety of firms ranging from small businesses to large multinationals. In addition, the course uses CAPSIM a simulation game that will offer students a hands-on experience of making strategic decisions and realizing the impact of decisions in a competitive marketplace. The decisions are evaluated weekly, and feedback is provided in real time, so students can use market and competitive information in formulating and implementing their strategy.

This course requires that students spend at least 2-3 hours outside of class to complete the group work required of them. The course requires not just knowledge of the material covered in the class, but also critical and creative thought regarding applying this knowledge within specific situations.

Outcomes: Upon completion of this course students should:

Analytical Skills

- (1) Be able use analytical tools like the Five Forces Analysis, Value Chain Analysis, SWOT analysis, BCG matrix and other strategy implementation models to analyze companies and create models to make better decisions.
- (2) Be able to understand ethical issues and how they apply to strategic decision making within a company
- (3) Be experienced in solving life-like business problems through a global business simulation game.

Communication Skills

- (1) Be able to make oral presentations using visual aids and answer questions pertaining to the presentations.
- (2) To develop skills to provide opinions in case solutions in an effective manner.

Interpersonal and Team Dynamics

- (1) Be able to work in groups for the simulation game and for the case presentation.
- (2) To build relationships with team members that foster cooperation and accomplishment of group goals
- (3) Be able to objectively evaluate the performance of other group members.

Ethics

- (1) To develop a sense of ethical and professional behavior
- (2) To be aware of ethical issues which as they occur within the organization.

Technology Skills

- (1) Understand and use the **CAPSIM** Simulation Game effectively
- (2) Be able to use and understand Excel Spread sheets

Globalization

- (1) To understand the impact of globalization on decision making and firm operations.
- (2) To have the knowledge to assess the needs of standardization versus local adaptation of products, practices, and systems.
- (3) To understand the cultural, social, legal, and ethical aspects of globalization

TEXTS

Strategic Management: Frank Rothaermel. 5th Edition.

Capsim Simulation: Capsim.com

Recommended Reading

Newspapers: Wall Street Journal, New York Times

Magazines: Fortune, Business Week, Forbes

Course Content

It is a course about "strategy" and about "managing for success in a competitive environment." This course is centered on the theme that a company achieves continued competitive success when (a) managers have an astute and timely strategic plan for running the company and (b) implement and execute their plan proficiently.

The course has many interesting elements, and student participation in lectures and case discussions is essential. A computer simulation game is used to provide hands-on experience about concepts that we have discussed in class. The class will be divided into groups of three to four students. These groups will work on the computer game together and present cases during class time. The cases for presentation will be assigned prior to class. All students are expected to read and prepare all cases prior to the discussion.

Articles from recent issues of popular business magazines and academic journals may be used to supplement the text. This material will be assigned prior to the class. You will be required to read the material for the class.

CAPSIM Simulation

This is a web-based simulation exercise that gives players hands-on experience in crafting strategies and making business decisions and being responsible for financial performance.

You will learn an enormous amount working with numbers, exploring options, and trying to unite operations, marketing, finance and product design and development into a coherent strategy.

You will need to spend about 1-2 hours every week doing the analysis and calculations needed to win the competitive battle.

To Enroll for the CAPSIM competition: Industry ID will be provided in class

Instructions for online payment provided separately

Performance Evaluation

Participation Top Performer	20 (Bonus)
Footrace Top Performer	10-30 (Bonus)
CAPSIM Training	50 (points)
3 Examinations	300 (Individual)
Case summaries (2)	100 (Individual)
Group Case presentation	150 (Individual and Group)
Board of Directors (SWOT)	75+25 (Group)
In-class assignments	100 (Group)
Capsim Report	100 (Group)

Capsim Performance

100 (Group)

Total

1050 (Approximately 50% of the grade from group assignments and 50% from individual assignments)

Grading Policy

▶ 900 and over	A
▶ 850-899	B+
▶ 800-849	B
▶ 750-799	C+
▶ 700-749	C
▶ 650-699	D
▶ Below 650	F

Note: Grades, once assigned, will not be changed under any circumstances unless there is a computational error. No additional make-up assignments or exams will be given.

Attendance, Class Participation

You are required to read the cases and assigned material prior to class. Do not hesitate to ask questions about material that does not seem clear to you. Please feel free to discuss any course-related material outside of class. You are required to be present and prepared to participate. Participation in class requires that you answer questions about the case asked in class. **IT IS IMPERATIVE THAT YOU ARE PREPARED FOR THE CASES.**

Examinations

You will do three exams during the semester. The exams are non-cumulative. The exams will consist of multiple-choice questions, short answers, and short essays. All exams will be Online and closed book. The third exam will be in lieu of the final examination. **There will be no makeup examinations administered.**

Case Summaries

You should be able to identify key issues, problems and opportunities facing the central protagonists, articulate and evaluate alternative approaches to problems, and select the best alternative and provide reasons for your selection. In doing your case report, you should stay try and answer all the questions raised in your syllabus under each case. Your recommendations should be feasible given the firm's resources, including their cash and their ability to raise money. Case data including financial and other quantitative data should be used wherever possible.

You are to submit two briefs during the semester. These case briefs should be submitted before the beginning of the class that we are scheduled to discuss a case. Preparation questions will be given to you before the beginning of the class. Each case summary should be at least 4-5 pages double-spaced. Even if you choose not to do a case summary, you should still read the case and come prepared to discuss the case in class. **All cases are due on or before the class time that the case is discussed.**

Group Case Presentation

Students will be assigned to groups. Each group will be required to make one case presentation to the class. This case will be a different one from the two case summaries that you have to do. Questions will be provided to guide your presentation. Your answers to the case questions should include the theory covered in the articles assigned to you and the facts and figures provided in the case. In general, do not restate the information in the case. Use the information to analyze issues and recommend a course of action. Use industry information and current data from released press reports and financial statements to strengthen your recommendation. It is an oral presentation; however, you will be required to submit your slides before the day of your presentation.

Students will be required to update the cases with current information from the library databases, internet, and current magazine and newspaper articles. All case presentations need to be made with transparencies. Students will need to be prepared to answer questions posed by the instructor and other students at the end of the presentation.

Board of Directors Report (SWOT)

Each group will be required to be Board members and quiz another group when they are presenting the case. In addition, the group that is the Board also needs to prepare a detailed SWOT analysis where they identify key problems and using the SWOT analysis provide solutions to the problems identified.

In Class Assignments

Groups will be required to do in class assignments based on the Business Week Readings assigned for the class. You will do 2 to 4 in class assignments during the Semester. These assignments need to be done in class time. If you are not present, you will get a "0" for the assignment. No make up assignments will be given.

Capsim Simulation Game

Students will be required to spend about a couple of hours every week in their assigned groups working on the Capsim Simulation. Students will play 1 week of the Capsim Footrace and 3 weeks trial of the Capsim Game. The grades will be determined by the comparative standing of the groups in the Capsim at the end semester. In addition, teams will be required to produce the following:

- (a) Annual Report to its Shareholders (10-12 pages plus graphs, pictures) detailing and explaining current trends, conditions and future orientation.
- (b) Team's presentation of the Annual Report to its shareholders during the Annual meeting.
- (c) A Brief Report on the team's results from the latest Rollover.

Starting Week 7, (Feb 26 to Mar 3) we play the Capsim Competition. **Your decisions need to in by Wednesday 11.59 p.m.** No decisions are due on the Spring Break week.

Each team will consist of 5-6 students, and each student will start with one of the following titles:

Chief Officer – CEO

Chief Officer – Information and Operation

Chief Officer – New Product Development

Chief Officer – Marketing and Public Relations

Chief Officer – Manufacture

Chief Officer – Accounting and Finance

Alternatively, the team members can be in charge of one of the products. The Capsim game currently has five product groups.

Peer evaluation

Students will be required to do a peer evaluation of their team members. Final scores for the game, in class assignments and case discussions will be given only after taking into consideration the peer evaluations. The peer evaluations will be done two times during the semester.

Picking your team

Good management necessitates working in teams and getting work done with others. I recommend that you pick team members that have the same grade objective as you have and are willing to put the same amount of work for the course. Specific articles from Business Week, Fortune, and New York Times will be assigned prior to class for discussion.

Outline for the CAPSIM Report (Written report to be submitted)

The CAPSIM Report should consist of Seven Sections. Please refer to the Annual Report of Yahoo and Amazon. Use pictures of the management team, products and Customer groups and competition to make the presentation lively, and interesting.

Section 1- Letter to the Shareholders

Identify the current situation and immediate past for the company and steps that the management is going to take to position the company in the next 3-5 years.

Section 2 – Management Analysis

Analysis of the products and the key markets where the company competes in. You have to examine the overall profitability, market growth, competition, and product strengths and weaknesses and key strengths and weaknesses overall for the firm. Key Opportunities and Threats. Outline the industry, issues in the industry and how management addressed these issues.

Section 3 – Management Mission -Ethics and Social Responsibility

Management position on ethics and corporate social responsibility. Steps that the company has taken and will take to improve its corporate social responsibility.

Section 4 – Analysis of Income Statement – All financials should be done for at least 4 years.

You have to analyze of profitability with respect to competition; do ratio analysis and a brief explanation of the Financials of the company. Use trend analysis and Benchmarking. You should have charts of the financials and do a ratio analysis of key ratios to position your company relative to competition.

Section 5 – Analysis of Cash Flow Statements

Brief explanation of the cash receipts and disbursements and key issues that were managed with respect to cash flows over the last 4 -5 years.

Section 6 – Analysis of Balance Sheet

Key changes in the Balance sheet and what it means to the company. Analysis of debt, Equity, and dividend structure.

Section 7 – Plans for the future and overall goals of the management in the near term and long term.

NJIT Honor Code: Students are expected to comply with the University Honor Code. Any violations to the Honor code will be brought to the immediate attention to the Dean of Students. The University Honor Code can be accessed at: <http://www.njit.edu/academics/honorcode.php>

Caveat: The instructor reserves the right to change or revise the syllabus during the term and students will be informed in advance about the change.

Tentative Class Schedule

Week 1 (Jan 16 to Jan 21)

Discussion of the syllabus, course requirements
Ice Breaker Exercise
Lecture: Chapter 1: What is Strategy
Can Spotify Save Itself Business Week April 2018

Week 2 (Jan 22 to Jan 28)

Lecture: Chapter 2: Strategic Leadership and Managing the Strategy Process
Discussion - Guide to Strategic Management Case Analysis

Case 1: Yahoo: From Internet Darling to Fire Sale

In-Class Assignment 1

Week 3 (Jan 29 to Feb 4)

Introduction to CAPSIM Game

Work on CAPSIM Training and Footrace (Groups to be formed by Feb 1)

Week 4 (Feb 5 to Feb 11)

Lecture: Chapter 3 – External Analysis: Industry Structure
Competitive Forces, and Strategic Groups.

Lecture: Chapter 4- Internal Analysis, Capabilities and Core Competencies

Capsim Trial Decision 1

Presentation Group 1: Apple What's Next?

In Class Assignment 2

Week 5 (Feb 12 to Feb 18)

Lecture: Chapter 5: Competitive Advantage, Firm Performance and Business Models.

Lecture 6: Business Strategy: Differentiation, Cost, Leadership

Presentation - Group 2: Starbucks CEO Kevin Johnson: "I am no Howard Schultz."

Lecture: How to do a Financial Analysis

Capsim Trial Decision 2

Week 6 (Feb 19 to Feb 25)

Exam Chapters 1, 2, 3 and 4

Capsim Trial Decision 3

Week 7 (Feb 26 to Mar 3)

Lecture: Chapters 7. Business Strategy: Innovation, Entrepreneurship and Platforms.

In Class Assignment 3

Capsim Competition Week 1

Week 8 (Mar 4 to Mar 9)

Lecture: Chapter 8: Corporate Strategy: Vertical Integration and Diversification

Presentation Groups 3: Business Model Innovation: How the Dollar Shave Club disrupted Gillette

Capsim Competition Week 2

MARCH 10 to MARCH 16 SPRING BREAK

Week 9 (Mar 18 to Mar 24)

Capsim Competition Week 3

Exam 2. Chapters 5, 6, 7 and 8

Week 10 (Mar25 to Mar31)

Lecture. Chapter 9: Corporate Strategy: Strategic Alliances, Mergers and Acquisitions

Presentation Group 4: Platform Strategy: How Paypalsolved the Chicken and Egg Problem

Capsim Competition Week 4

Week 11 (Apr 1 to Apr 7)

Lecture Chapter 10: Global Strategy Competing around the world

Presentation Group 5: GE Corporate Strategy gone wrong

Capsim Competition Week 5

In Class Assignment 4

Week 12 (Apr 8 to Apr 14)

Lecture Chapter 11: Organizational Design: Structure, Culture and Control

Presentation Group 6: Case: Disney building Billion Dollar Franchises

Capsim Competition Week 6

Week 13 (Apr 15 to Apr 21)

Lecture Chapter 12 Corporate Governance and Business Ethics.

Presentation Group 7 Uber: Ethically Challenged Company

Capsim Competition Week 7

Week 14 (Apr 22 to Apr 28)

Exam 3 Chapters 9, 10, 11, and 12.

Capsim Competition Week 8

Week 15 (Apr 29)

Final CAPSIM Reports Due

Good luck. Work hard and enjoy the course. Feel free to drop in and talk during office hours. There will be no make-up quizzes or exams given. **Class participation is crucial for this course.** Make sure that you read current business news. Any changes in schedule will be announced in class. The third and final exam will be on the scheduled exam day.

CAPSIM DECISIONS due Wednesdays at 11:59 pm

For Honor Students

Project: Strategic Analysis and Recommendations for a Real-world Company

Objective:

Apply theoretical concepts of business strategy to analyze a publicly traded company.
Enhance critical thinking, analytical skills, and the ability to develop strategic recommendations.

Instructions:

Each student chooses a publicly traded company from the list or independently selected. This list provides a starting point, but you can also explore other publicly traded companies with my approval. Ensure that the chosen companies have sufficient publicly available information for a comprehensive analysis.

Technology:

Apple Inc. (AAPL)
Microsoft Corporation (MSFT)
Alphabet Inc. (GOOGL)

Automotive:

Tesla, Inc. (TSLA)
General Motors Company (GM)
Toyota Motor Corporation (TM)

Retail:

Amazon.com, Inc. (AMZN)
Walmart Inc. (WMT)
The Home Depot, Inc. (HD)

Healthcare:

Johnson & Johnson (JNJ)
Pfizer Inc. (PFE)
Novartis AG (NVS)

Finance:

JPMorgan Chase & Co. (JPM)
Bank of America Corporation (BAC)
Visa Inc. (V)

Energy:

Exxon Mobil Corporation (XOM)
Chevron Corporation (CVX)
NextEra Energy, Inc. (NEE)

Telecommunications:

Verizon Communications Inc. (VZ)
AT&T Inc. (T)
T-Mobile US, Inc. (TMUS)

Consumer Goods:

Procter & Gamble Company (PG)
The Coca-Cola Company (KO)
Unilever PLC (UL)

Entertainment:

The Walt Disney Company (DIS)

Netflix, Inc. (NFLX)

Electronic Arts Inc. (EA)

Aerospace and Defense:

The Boeing Company (BA)

Lockheed Martin Corporation (LMT)

Northrop Grumman Corporation (NOC)

Strategic Analysis:

External Environment Analysis (PESTEL, Porter's Five Forces).

Internal Analysis (SWOT, Value Chain).

Current Business Strategies.

Competitor Comparison:

Compare the chosen company's strategies with key competitors.

Strategic Recommendations:

Develop recommendations based on analysis.

Address challenges, opportunities, and areas for improvement.

Presentation:

Students present findings and recommendations in a 15-minute presentation.

Assessment Criteria:

Analysis (50%)

Recommendations (30%)

Presentation Skills (20%)

Submission Details:

Deadline for Company Selection: Feb 28th

Deadline for Project Submission: The day of presentation

Presentation Dates: Allocated during regular class sessions. Details will be provided in class.

Grading:

The project contributes 7.5% to the overall course grade.