

## NJIT - SCHOOL OF MANAGEMENT

**Business Policy**  
**COURSE NUMBER: BUS 492-001**

**Fall 2016**  
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|                       |         |                 |
|-----------------------|---------|-----------------|
| <b>Class Timings:</b> | Tuesday | 4:00 to 5:25 pm |
|                       | Friday  | 4:00 to 5:25 pm |

|                      |         |                 |
|----------------------|---------|-----------------|
| <b>Office Hours:</b> | Tuesday | 2:00 to 3:30 pm |
|                      | Friday  | 2:00 to 3:30 pm |

### 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 evaluate conceptual tools and processes that managers use in making decisions in their 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 a computer simulation game that will offer students a hands-on experience of making strategic decisions and realizing the impact of decisions in a competitive market place. 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 for decision making and to analyze companies in operation.
- (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 case presentations.
- (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) Learn to use Power points for presentation
- (2) Understand and use the Mikes Bikes Simulation Game effectively
- (3) 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.
- (4) To understand the cultural, social, legal and ethical aspects of globalization

### **TEXTS**

Strategic Management: Planning for Domestic and Global Competition.  
Pearce & Robinson.  
Fourteenth Edition. McGraw Hill. ISBN: 978-1-308-64381-6

Smartsims (MikesBikes Simulation) Website: <http://www.smartsims.com>  
Website Login: stunjit Password: 492001

### **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 absolutely 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 also 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.

### **Mikes Bikes 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 firm financial performance.

You will learn an enormous amount working with numbers, exploring decision options, and trying to synchronize operations, marketing, finance and product design and development decisions 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. It is imperative that the team works together and improvises a cohesive strategy.

### **Performance Evaluation**

|                                  |   |
|----------------------------------|---|
| Attendance and Participation     | 25 (Bonus)  |
| Single Player Mikes Bikes        | 25 (Bonus)  |
| 3 Examinations                   | 300 (Individual)  |
| Case summaries                   | 100 (Individual)  |
| Group Case presentation          | 150 (Individual and Group)  |
| Board of Directors (SWOT)        | 100 (Group)   |
| In class assignments             | 100 (Group)   |
| Mikes Bikes Report               | 75 (Group)  |
| Mikes Bikes Project Presentation | 75(Individual)  |
| Mike Bikes Performance           | 100 (Group)   |
| <b>Total</b>                     | <b>1050 (Approximately 50% of the grade from group assignments and 50% from individual assignments)</b> |

**More than 3 absences or – 0 for attendance.**  
**All assignments need to be turned in on the due date.**

### **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 or make-up assignments or exams will be given.

### **Attendance, Class Participation**

Students are required to be in class for all classes and participate in the group meetings for the computer simulation game. When students are absent from class, adequate explanation needs to be provided to the instructor. **Students absent for 5 classes will not get a grade for the course.**

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 class. You are required to be present and prepared to participate. Participation in class requires that you are able to 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 in class and closed book. The third exam will be in lieu of the final examination. **There will be no make up 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 brief should be at least 2-3 pages double -spaced. Even if you choose not to do a case brief, 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 (Written and Oral)**

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. In addition to an oral presentation, you will be required to submit a written report on the day of the 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 3 in class assignments during the course of 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. In class assignments are meant to be done during class time with the group members present.

## **Mikes Bikes Simulation Game**

Students will be required to spend a couple of hours every week in their assigned groups working on the Mikes Bikes Simulation. Students will play 1 week of the Single Player Mikes Bikes and 2 weeks trial of the Multi Player Mikes Bikes. The grades will be determined by the comparative standing of the groups in the Multi-Player Mike Bikes at the end semester as determined by shareholder value. In addition to playing the game, the teams will be required to produce the following:

- (a) Annual Report to its Shareholders (8-10 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 mid – late September, when we play the Multi-Player Mikes Bikes, the decisions will be rolled over at 10:30 p.m. every Monday. **Your decisions need to in by 10:00 p.m.**

The first two sets of decisions will be trial decisions. If your decisions are not in, the industry will be rolled over without taking into consideration your decisions.

Each team will consist of 3-4 students and each student will start with one of the following titles:

Chief Officer – Finance and New Product Development

Chief Officer – Marketing and Public Relations

Chief Officer – Information

Chief Officer – Operations

In 3 person teams, the finance, product development and operations functions will be combined .

## **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. Ideally I would like to work with 10 to 12 teams of three members each.

Specific articles from Business Week, Fortune, and New York Times will be assigned prior to class for discussion.

## **Outline for the Mikes Bikes Report (Presentation and Written report to be submitted)**

The Mikes Bikes 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.**

Analysis of profitability with respect to competition, ratio analysis and a brief explanation of the Financials of the company. 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 course of the term and students will be informed in advance about the change.

## CLASS SCHEDULE

### Week 1

Discussion of the syllabus, course requirements  
Ice Breaker Exercise

**Lecture:** Pearce & Robinson (P&R) Chapter 1  
Strategic Management  
*Business Week 1*

### Week 2

**Lecture:** P & R Chapter 2 – Company Mission  
Discussion - Guide to Strategic Management Case Analysis

**Case 1: A 'World's Top Company' Southern New Hampshire University.**

**In Class Assignment 1**  
**Introduction to Mikes Bikes Game**

### Week 3

**Lecture:** Chapter 3 – Corporate social responsibility and Business Ethics

*Business Week 2: The Pros and Cons of CSR – Baylor Business Review 2015*

**Hand in Single Player Mikes Bikes and Single Player assignment**

**Lecture:** P & R Chapter 4. The External Environment

**Introduction to Multi Player Mikes Bikes**

### Week 4

**Complete Chapter 4**

**Comprehensive Case 2 (Case 26-1) The Movie Exhibition Industry- 2013 (Written case analysis due)**

**Multi-Player Mikes Bikes (Trial Week 1)**

**Comprehensive Case 3: Of Orangutans and Chainsaws: Cargill Inc. Confronts the Rainforest Action Network Advocacy (17-1) Groups 1 and 2**

### Week 5

**Lecture:** P & R Chapter 5  
The Global Environment

*Business Week 3: Huawei finds favor in Canada*

<http://www.businessweek.com/articles/2014-08-07/chinahuawei-finds-favor-in-canada-amid-u-dot-s-dot-rejection>

*Business Week 4: Turning Ethiopia into China's China*  
<http://www.businessweek.com/articles/2014-07-24/ethiopia-vies-for-chinas-vanishing-factory-jobs>

**In Class Assignment 2**  
**Trial Round (Multi Player Trial Week 2)**

**Exam Chapters 1, 2, 3 and 4**

**Week 6**

**Lecture**, Chapter 6. Internal Analysis  
*Business Week 5: Whole Foods Half Off. February 2015*

**Comprehensive Case 4: Blue Nile Inc: Stuck in the Middle of the Diamond Engagement Ring market (Groups 3 and 4)**

**Mikes Bikes (Real Week 1)**

**Lecture. Chapter 7.** Long term Objectives and Grand Strategies  
**MB (Week 2)**

*Business Week 6: Can DuPont Spin Off its Liabilities. July 6<sup>th</sup> 2015.*

**Week 7**

**Lecture. Chapter 14.** Innovation and Entrepreneurship  
**MB Week 3**

*Business Week 7: Finland's Supercell with Mega Profits*  
<http://www.businessweek.com/articles/2013-05-02/finlands-supercell-mobile-games-with-megaprofits>

*Business Week 8: How much should a Miracle Drug Cost? Gilead Sciences. June 4<sup>th</sup> 2015*

**In Class Assignment 3**

**Week 8**

**Lecture** Chapter 8. Business Strategy  
**Comprehensive Case 6: A Strategic Pivot of Mythic Proportion Case 28-1**  
**MB Week 4**

**Comprehensive Case 5: Netflix Inc (A) the rebranding/price increase debacle Case 27-1 (Groups 5 and 6)**  
**Mikes Bikes Decisions (Week 5)**

**Week 9**

**Exam 5, 6, 7, 8 and 14**

**Lecture.** Chapter 9. Multi-business Strategy

**Week 10**

**Lecture Ch. 10:** Strategy Implementation

**Lecture Ch. 11:** Organizational Structure  
**In class assignment 5**

**Week 11**

*Comprehensive Case 7: Amazon.com: Retailing Giant to High Tech player Case 10-1 (Groups 7 and 8)*

**Mikes Bikes Decisions (Week 6)**

**Week 12**

**Lecture Ch 12. Leadership and Culture**

*Business Week 8: Dov Charney's Sleazy Struggle for the control of American Apparel*

*<http://www.businessweek.com/articles/2014-07-09/american-apparel-dov-charneys-sleazy-struggle-for-control>*

**Week 13**

**Lecture Ch 13. Strategic Control**  
**Mikes Bikes (Week 7)**

*Case 8: Volvo and Geely 29-1 (Groups 9 and 10)*

**Week 14**

**Thanksgiving Break**

**Week 15**

**Presentation of Annual reports - Groups 5, 6, 7 and 8**  
**Presentation of Annual Reports – Groups 1, 2, 3 and 4**

**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.