

NJIT - SCHOOL OF MANAGEMENT

Business Policy
COURSE NUMBER: BUS 492-002

Spring 2019
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Class Timings	Monday	1:00 pm to 2:25 pm
	Wednesday	1:00 pm to 2:25 pm

Office Hours:	Monday	2:45 pm to 4:15 pm
	Wednesday	4:00 pm to 5:30 pm

Also available on email or Telephone.

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 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 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 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) Learn to use Powerpoints 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>

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 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.

Performance Evaluation

Attendance and Participation	20 (Bonus)
Single Player Mikes Bikes	30 (Bonus)
3 Examinations	300 (Individual)
Case summaries (2)	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)

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

More than 3 absences or – 0 for attendance.

Grading Policy

- 910 and over A
- 850-909 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. I will be implementing this policy strictly. Please think about the consequences before you decide to miss classes.**

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 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 (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.

Mikes Bikes Simulation Game

Students will be required to spend about 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 MikesBikes 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 SmartSims. In addition 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 February, when we play the Multi-Player MikesBikes, the decisions will be rolled over at 10:45p.m. every Tuesday . **Your decisions need to in by 10.30 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 8 to 10 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

Jan 21 -27

Discussion of the syllabus, course requirements
Ice Breaker Exercise

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

*Business Week 1: Is Emirates Airline running out of the sky?
January 5, 2017*

<https://www.bloomberg.com/news/features/2017-01-05/is-emirates-airline-running-out-of-sky>

Jan 28 - Feb 3

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

Comprehensive Case 1: A ‘World’s Top Company’ Southern New Hampshire University

In Class Assignment 1

Business Week 2: Can Spotify save itself?

Business Week 2a: Spotify Part II

Feb 4 to Feb 10

Introduction to Mikes Bikes

Work on Single Player Mikes Bikes (Introduction)

Lecture: Chapter 3 – Corporate social responsibility and Business Ethics

Business Week 3: The Greening of the Textile Business

Feb 11 to Feb 17

Lecture: P & R Chapter 4. The External Environment

In Class Assignment 2

Hand in Single Player Mikes Bikes and Single Player assignment

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

Business week 4: The Millennial Cord Cutting

<https://www.bloomberg.com/news/features/2017-02-28/youtube-bets-it-can-convince-youngs-to-pay-for-tv>

Introduction to Multi Player Mikes Bikes

Feb 18 to Feb 24

Lecture: P & R Chapter 5
The Global Environment
MB Trial Week1

Business Week 5: The HOG of Tomorrow
Business Week 6: Ethiopia- From Farm to Fashion

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

In Class Assignment 3

Feb 25 to March 3

Lecture: Chapter 6. Internal Analysis
Lecture: How to do a Financial Analysis

Business Week 7: Dominos - Delivering a \$9 Billion Empire
Mikes Bikes (Real Week 1)

Exam Chapters 1, 2, 3 and 4

MB Trial Week 2

March 4 to March 10

Comprehensive Case 4: Blue Nile Inc: Stuck in the Middle (Groups 3 and 4)

Lecture. Chapter 7. Long term Objectives and Grand Strategies

Business Week 8: CVS brings one stop shopping to Healthcare
<https://www.bloomberg.com/news/articles/2017-12-07/cvs-s-68-billion-bid-to-bring-one-stop-shopping-to-health-care>

Business Week 9: Xiaomi: From ruin to IPO

MB Real Decisions - Week 1

March 11 to March 17

Lecture Chapter 14. Innovation and Entrepreneurship

Business Week 10: Hype Hype Radical Innovation

In Class Assignment 4

MB Real Decisions - Week 2

March 18 to Mar 24

Spring Break

March 25 to March 31

Lecture. Chapter 8. Business Strategy

Comprehensive Case 5: Netflix Inc (A) the rebranding/price increase debacle Case 27-1

Comprehensive Case 6: A Strategic Pivot of Mythic Proportion Case 28-1 (Groups 5 and 6)

MB Decisions Week 3

April 1 to April 7

Lecture. Chapter 9. Multi-business Strategy

Exam 2. Chapters 5, 6, 7, 8 and 13

MB Decisions Week 4

April 8 to April 14

Lecture Ch. 10: Strategy Implementation

Comprehensive Case 6: Bristol Myers Squibb's Growth through Addition, Subtraction and Sharing.

In Class Assignment 5

MB Decisions Week 5

April 15 to April 21

Comprehensive Case 7: Yahoo Inc: Marissa Meyer's Challenge (Group 7)

Lecture Ch. 11: Organizational Structure

Mikes Bikes (Week 6)

April 22 to April 28

Lecture Ch 12. Leadership and Culture

Business Week 12: Microsoft and Satya Nadella

Case 8: Volvo & Geely (Group 8)

In class Assignment 6

April 29 to May 5

Lecture Ch 13. Strategic Control

Presentations of Mikes Bikes Reports Groups 1, 2, 3 and 4

May 6 to May 12

Presentation of Mikes Bikes Reports- Groups 5, 6, 7 and 8

On Scheduled Exam Day

Exam 3 Chapters 9, 10, 11, 12 and 13

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.