OVERVIEW

Corporate strategy addresses the questions: In what businesses should the firm compete, and how should resources be allocated across these businesses? Many objectives which could be met within the boundaries of the firm can also be achieved through cooperative behavior across firms. Thus, corporate and cooperative strategy are closely related. This course is built on two assumptions:

1. The importance of foundational theory in strategy: Due to the applied nature of the field of strategic management, students must learn to appreciate the interplay between foundational literature from core disciplines and strategy applications (both in theoretical developments and empirical research).

2. The importance of depth in key areas of research in the field: In other seminars, you will be exposed to a broad range of ideas and their potential applications. This seminar, however, focuses on one of the foremost areas of investigation in the field, that of corporate strategy. My goal is for you to become conversant with how research has developed with regard to the set of phenomena which together comprise this area of investigation, and to help you identify fruitful areas for future research.

COURSE REQUIREMENTS

The course will be conducted as a seminar with emphasis on informed and thoughtful discussion of the assigned reading material. Accordingly, you are expected to read and have THOUGHT ABOUT the assigned materials, attend all class sessions, and participate actively. Various assignments as described below will assist you to meet the requirements of the class and to build your analytical, conceptual, and writing skills.

Preparation

You should follow whatever study methods you find most effective, but it is useful to make reading notes as a permanent reference: make notes in margins, highlight cited references for further reading, write a few questions or implications of the article at the end of each article or in a log, or write a one-page summary. You should be able to describe the theoretical statements of each author, relate those statements to prior readings in this or other seminars, and discuss assumptions made by the authors. As you build your knowledge, it is also important to evaluate the contributions made by the authors, and to compare the contributions made by different authors. Finally, it is critical that you try to identify interesting and important research questions which build on the work of each author, and think about approaches you could use to find answers to these questions. Read ALL required articles each week.
Presentations and Summaries

Each student will be assigned an approximately equal number of required readings to present to the class. You may be assigned 1 or 2 papers in a given week, to facilitate comparison. The presentation may start with a brief summary of the article(s), but the purpose is to introduce critique of the article(s) and questions to explore further research on the topic. Give your own views on the subject. Incorporate the readings for the section to support the position you are taking or identify important issues and ideas relative to the topic. Experiment with alternative ways to organize the material. You may present from the front of the classroom, using PowerPoint or the whiteboard, and may be asked to give the initial response to questions about the article from the professor. For each presentation, submit a 1-2 page written summary and a copy of any PowerPoint slides via Blackboard prior to class for access by the professor and other students. The summary can be in outline format and include the following:

a. The research question
b. The theoretical basis for the argument
c. The principal hypotheses
d. Empirical approach
e. Key findings
f. Theoretical and empirical significance
g. Evaluation of the paper’s strengths and weaknesses

Class Discussions

During the class discussion, all participants should critique the readings for the session on both theoretical and methodological grounds, contrast or integrate them, and link them to other readings in the seminar or previous seminars. The intent of the discussion is not merely to summarize the readings.

Recommended Readings

The professor will provide a list of additional articles on each week’s topic. You will be responsible to read and briefly discuss at least one of these each week, in light of the required readings. You may also wish to consult these articles if you plan to write your term paper on the topic, to expand your knowledge of the topic when you are assigned to present a required paper, or for future learning. The professor may occasionally summarize some recommended readings or relate the required readings to other literature. The readings listed for the course are a sample of classic scholarship, examples of how the topic was developed, and recent publications. Your further reading for the term paper will likely focus on recent contributions to the literature.

Term Paper

All students in the course will complete a term paper for the course. Your goal for the term paper is to prepare a draft of a publication-quality article. The focus of the paper is up to you. You may choose to develop an in-depth critique of a particular point of view; expose critical and non-obvious inconsistencies between approaches; pursue in-depth development of testable hypotheses concerning a theory or confluence of theories; develop an empirical research design aimed at theory development or testing; or conduct empirical research using real data. In evaluating your paper, my central criterion will be that of significance: how important are the ideas or empirical results that you generate for advancing the state of the art in strategic management research? It is not necessary for the paper to build on topics discussed in this course. The work must advance well beyond a simple literature review. You must use this paper as an opportunity to push the thinking within the field forward in a significant way. In general, a paper of 20-25 pages is sufficient to accomplish this purpose. You may continue to work on an existing paper, but your progress
(and grade) will be judged relative to the status of the paper at the beginning of the course. You may not submit the same paper for a grade in multiple courses this semester. A one page proposal outlining your potential topic is due by email before class on February 18. Your final written paper is due by 5 p.m., Wednesday, May 11 via Blackboard. No incomplete grades will be given to allow more time to work on the term paper.

At the final session (class #15), you will give a 10-minute presentation about your project. The time limit will be strictly enforced, so you should practice to make sure it isn’t too long. In this spirit, you should plan to use no more than 5 slides and don’t cram more material in by talking faster or using smaller fonts. Rather than trying to present your entire term project, you should try to sell the audience on what the project is and make them want to see the full paper. Try to achieve the quality one would hope to see in a research presentation at a major academic conference.

One purpose of this class presentation is to facilitate the generation of constructive feedback, ideas, and suggestions from your classmates about your term project. So, at the end of each presentation, there will be a brief period for the class to ask questions, give comments, and offer suggestions.

**Review of a classmate’s paper**

Each student will prepare a single-blind review of the rough draft of another classmate’s paper. Single-blind means that the reviewer will know the identity of the author, but the author will not know who the reviewer is. Most academic journals use a double-blind review process where the author and the reviewer do not know each other’s identity, but this is impractical for our class.

The confidentiality of a blind review process gives the reviewer the freedom to provide frank, direct, and undiluted feedback without fear of negative consequences. Nevertheless, this confidentiality is not a license to be rude, insulting, or inappropriate. Rather, you should keep your criticisms constructive – i.e., focused on specific, concrete changes that could realistically improve the rough draft, taking into account all of the constraints on this term project assignment and on research projects in general. Peer reviews will be graded by the instructor, based on a judgment of: 1) how constructive and useful they are to the author, and 2) how well they identify the obstacles that stand in the way of turning the rough draft into a finished piece of publishable research. The peer review should be about 2 to 3 pages long.

For further advice on how to review a manuscript, please see the Academy of Management Journal’s “Guidelines for Reviewers” web page at: [http://aom.pace.edu/amjnew/reviewer_guidelines.html](http://aom.pace.edu/amjnew/reviewer_guidelines.html). You will receive the rough draft to review at class meeting #12. Please submit two printed, stapled copies of your peer review at class meeting #13. The two copies of your review should identify the author and title of the project being reviewed, but they should NOT contain your name or anything else that might identify you as the reviewer. In order to maintain the single-blind nature of the review process, please submit the two copies of your review in the envelope supplied by me.
GRADING

Students will be evaluated based on:
Class discussion 20%
Presentations and summaries 20%
Review of classmate’s paper 10%
Term Paper 50%

Grading will follow these general standards:
A : Far above average quality for a doctoral student; excellent in virtually all aspects
A-: Above average; excellent in some aspects; at least average in all aspects
B+: Average
B : Below average
B-: Minimally acceptable
Others: Unacceptable in various degrees

CLASS SCHEDULE

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2. January 28</td>
<td>Vertical Integration: Theory and Phenomena</td>
</tr>
<tr>
<td>3. February 4</td>
<td>Vertical Integration: Empirical Research</td>
</tr>
<tr>
<td>4. February 11</td>
<td>Diversification</td>
</tr>
<tr>
<td>5. February 18</td>
<td>Acquisitions (one-page paper proposal due)</td>
</tr>
<tr>
<td>6. February 25</td>
<td>Acquisition Sequencing: Waves and Programs</td>
</tr>
<tr>
<td>7. March 3</td>
<td>Restructuring and Divestiture</td>
</tr>
<tr>
<td>8. March 10</td>
<td>Redeployment and Intertemporal Economies of Scope</td>
</tr>
<tr>
<td>9. March 17</td>
<td>No class: Spring Recess</td>
</tr>
<tr>
<td>10. March 24</td>
<td>Cooperative Strategies: Theory</td>
</tr>
<tr>
<td>11. March 31</td>
<td>Strategic Alliances: Implementation</td>
</tr>
<tr>
<td>12. April 7</td>
<td>Multimarket Competition (paper draft for review due)</td>
</tr>
<tr>
<td>13. April 14</td>
<td>Co-opetition (review of classmate’s paper due)</td>
</tr>
<tr>
<td>14. April 21</td>
<td>Corporate and Cooperative Strategy for Innovation</td>
</tr>
<tr>
<td>15. April 28</td>
<td>Presentations of term papers (final paper due by 5 p.m. May 11)</td>
</tr>
</tbody>
</table>
January 21: Economic Foundations

Required:

Economies of Scope


Finance and Strategy Research


Recommended:


January 28:  Vertical Integration: Theory and Phenomena

Required:


Recommended:


February 4: Vertical Integration: Empirics

Required:


Recommended:


Reviews:


February 11:  Diversification

Required:


Recommended:


February 18: Acquisitions

Required:

Recommended:


February 25: Acquisition Sequences: Waves and Programs

Required:


Recommended:

March 3: Restructuring and Divestiture

Required:


Recommended:


March 10: Redeployment and Intertemporal Economies of Scope

Required:


Recommended:


Cooperative Strategies: Theory

Required:

1. Granovetter, M. 1985. Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, 3: 481-510. A sociologist makes the case that economic actors (e.g., competitors) are linked in social structures, so we should expect cooperation.


Recommended:


March 31: Strategic Alliances (Implementation)

Required:


Recommended:


April 7: Multimarket Competition

Required:


No recommended readings: Read for your term paper.

April 14: Coopetition

Required:


No recommended readings: Read for your term paper.
April 21: Corporate and Cooperative Strategy for Innovation

Required:


Recommended:


