



CENTRAL EUROPEAN UNIVERSITY

BUSI 5304 Strategy Execution - EMBA Fall 2016 (1.5cr)

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COURSE DESCRIPTION

This course focuses on challenges and opportunities arising from strategy execution. Strategy execution is seen in numerous contexts: intra-organizational, inter-organizational, eco-system and cross-border.

The course bridges the gap between the formulation of strategy and performance outcomes. While poorly formulated strategy leads to poor outcomes, ignoring the importance of execution can also lead to failure.

Key topics include:

Organizational Culture and Strategy Execution
Metrics for Strategy Execution
Strategic collaboration, eco-systems and execution
Strategy Execution across borders

PRE-REQUISITES

Key Dimensions of Modern Strategy

READING

Readings including case studies will be made available through Moodle.

LEARNING OUTCOMES

By the end of the course, participants will

- Develop an understanding of the **symbiotic relationship between strategy formulation and execution** taking into account processes, actors and constraints involved.
- Develop the ability to incorporate **quantitative and qualitative assessments** of the impact of strategy on organizational performance
- Appreciate the salience of **organizational culture on strategic execution**
- Construct practices for **developing high performance strategy execution** across borders
- Introduce the importance of **collaborative strategic execution** including eco-systems

COURSE CONTENT

1. Strategy Execution – The Basics (September 2, 18-21h)

Re-capping the conclusions from Key Dimensions of Modern Strategy, this opening session will develop basic constructs of execution. We will review various approaches to strategy implementation and management including Taylorism, Weberian bureaucracy, Fayol, Gilbreth, TQM and continuous improvement and organizational behavior approaches to strategy implementation and execution.

Classic Background Reading:

Peter Drucker (1974) "New Templates for Today's Organizations" *Harvard Business Review*, Jan-Feb

Bourgeois, L. J., and Brodwin D.R. (1984) "Strategic Implementation: Five Approaches to an Elusive Phenomenon" *Strategic Management Journal*, 5 pp. 241-264.

Govindarajan, V. (1989) "Implementing Competitive Strategies at the Business Unit Level: Implications of Matching Managers to Strategies" *Strategic Management Journal*, 10: 251-269.

Required Readings:

Nohria, N., Joyce, W. and Roberson, B. (2003) "What really works" *Harvard Business Review*, 81(7), 42—52

Heide, M., Grønhaug, K., and Johannessen, S. (2002). "Exploring Barriers to The Successful Implementation of a Formulated strategy" *Scandinavian Journal of Management*, 18, pp. 217-231

2. Metrics for Strategy Execution (September 3, 8.30-11.15h)

Measuring the effectiveness of strategy formulation is central to the execution/implementation piece. This session will examine different ways of measuring strategy success and in particular the balanced scorecard.

Classic Background Reading:

Griswold, H. M. and Prenovitz, S. C. (1993). "How to translate strategy into operational results." *Business Forum*, 18(3), 5—9.

Required Readings:

Campbell, D. (2006), "Choose the right measures, drive the right strategy" *Balanced Scorecard Report*, HBSP Newsletters

Mauboussin, M. (2012) "The True Measures of Success", Harvard Business Review October 2012

Case Study:

Volkswagen do Brasil: Driving Strategy with the Balanced Scorecard (9-111-049)

Discussion Questions:

What challenges does Thomas Schmall face upon becoming CEO of Volkswagen do Brasil (VWB)? How would you describe VWB's new strategy?

3. Organizational Culture and Strategy Execution (September 3, 12.15-15.00h)

Strategy execution is intimately linked to organizational culture. In this session, we will examine organizational culture types; how we reward our managers and employees and their implications for strategy implementation.

Required Readings:

Olson, E. M., Slater, S. F. and Hult, G. T. M. (2005). "The importance of structure and process to strategy implementation." *Business Horizons*, vol. 48 no. 1 pp. 47—54.

Bushman, Stephen C.; Glascoff, David W.; Doty, D. Harold (2011), "Organizational Culture, Formal Reward Structure and Effective Strategy Implementation: A Conceptual Model" *Journal of Organizational Culture, Communications & Conflict*, Vol. 15 Issue 2, pp. 57-70

Bower, J. L. and Gilbert, C. G. (2007) "How managers' everyday decisions create or destroy your company's strategy." *Harvard Business Review*, vol. 85 pp. 72—79

Case Study:

Bancolombia (W11579)

Discussion Questions:

The process was presented to the employees as a "merger of equals." What is the assessment of this strategy? What was the business model in each of the three companies when considered apart from each other? How was each model reflected in managerial strategies and practices?

4. Strategic collaboration and eco-systems (September 3, 15.15-18h)

Strategic change has forced companies to seek collaborative approaches to strategy execution and development outside the boundaries of the firm. This session examines how ecosystems impact how we implement strategy.

Required Readings:

Narayanan, V. G. and Raman, A. (2004). "Aligning incentives in supply chains." *Harvard Business Review*, Vol. 82 pp. 94-102

Williamson, P and de Meyer, A. (2012), "Ecosystem Advantage: How to Successfully Harness the Power of Partners", *California Management Review* Vol. 55, No. 1 pp. 24-46

Hagel, J., Seely Brown, J. and Lang, D. (2008) "Shaping Strategy in a World of Constant Disruption", *Harvard Business Review*, October

Case Study:

SAP AG: Orchestrating the Ecosystem (9-609-069)

Discussion Questions

How critical is the Nakisa application? Is it "mission-critical"? If so, does it mean that we should make it in-house? If Nakisa became a strategic partner, could it accommodate the demands that SAP, with its tens of thousands of customers and multitudes of sales representatives and System Integrator partners, would place on it?

5. Strategy Execution across Borders (September 4, 8.30-11.15)

As multinational firms have spread their reach around the world, implementation of strategies developed at HQ has slowly evolved where strategies are increasingly developed away from HQ and implemented globally. What does this mean for strategy implementation?

Required Readings:

Arnold D., Birkinshaw, J. and Toulan, O. (2001) "Can Selling Be Globalized? The Pitfalls of Global Account Management" *California Management Review* Vol. 44 No. 1 pp. 8-20

Wilson, K. and Doz, Y. (2012) "10 Rules for Managing Global Innovation" *Harvard Business Review* October.

Case study:

Cultural Challenges of Integration: Value Creation and Daiichi Sankyo's Indian Acquisition (NTU027)

Discussion Questions:

How are the sources of national culture that could have shaped the two groups' organizational cultures? How do plans for organisational changes required to achieve the desired synergies sought from a M&A initiative overcome the challenges of cultural differences?

6. Course Wrap Up (September 4, 11.30-14.30h)

ASSESSMENT

There are **three** elements to assessment:

1. Final Paper (50% of total grade)

Based on a case study to be distributed at the end of the course, you will write a final individual paper drawing on the topics covered in the course. The case study will be a capstone one and you will be expected to synthesize the core concepts developed throughout the course.

2. Group Work (25% of total grade)

In sessions 2,3, 4 and 5 of the course, a randomly chosen group (3-4 participants) will manage the discussion of the case questions. The remaining groups will contribute by challenging the initial position of the group.

The group work will be graded on the adequacy of issues raised; the analysis offered; the ability to involve group members in the discussion and to listen to others. Students should avoid dominating the discussion without doing a good job of listening to others.

3. Class Participation (25% of total grade)

A course at Executive MBA level inevitably emphasizes decision-making from the senior leadership perspective. How you conduct yourself in class; in the issues you raise; the analysis you offer; how you listen to others and where necessary in the positions you take on issues all factor in to how you will be graded.

Thus students who dominate discussion without doing a good job of listening to others will not gain simply by saying more. By the same token, it is not a sign of leadership and strategic thinking that students avoid entering into and having their views challenged in debate.

Poor attendance is a sure-fire way of doing badly. Please make sure that at least you show up for class.

CLASS PARTICIPATION

Excellent Performance (Grade-A+)

- initiates information relative to topics discussed
- accurately exhibits knowledge of assignment content
- demonstrates excellent listening skills by remaining on the "same page" as the rest of the class as demonstrated by comments
- brings up questions that need to be further explored
- clarifies points that others may not understand
- draws upon practical experience or personal opinion, as appropriate
- offers relevant/succinct input to class
- actively participates in simulations and classroom exercises
- demonstrates the ability to apply, analyze, evaluate, and synthesize course material
- prepares all assignments on time, thoughtfully

Very Good Performance (Grade-A-)

- regularly participates in class discussions
- shares relevant information
- gives feedback to classroom discussions
- consistently demonstrates knowledge of reading assignments
- demonstrates ability to analyze/ apply course material
- demonstrates willingness to attempt to answer questions
- prepares all assignments on time, with some thoughtfulness

Good Performance (Grade-B+)

- participates in group discussion when solicited
- demonstrates some knowledge of course material
- offers clear, concise information relative to class assignment
- offers input, but tends to reiterate the intuitive
- attends class regularly
- prepares most assignments on time with some thoughtfulness

Fair Performance (Grade-B)

- occasional input, often irrelevant, unrelated to topic or fails to participate, even when specifically asked
- reluctant to share information
- does not follow the flow of ideas
- drains energy from class goals
- behaves toward others in a disruptive fashion, for example, sarcastic comments aimed at others who are attempting to participate
- does not attend class regularly
- fails to prepare assignments on time or with thought

Class participation, particularly in the discussion of cases, is important. Students must be prepared to raise questions, as well as actively participate in discussions.

ACADEMIC INTEGRITY

Engaging in academic dishonesty, besides being unethical, is degrading to both the student committing the act and insulting to the professor and other students. As such it will not be tolerated.

Plagiarism: Reproduction or adoption of ideas or statements of others without appropriate acknowledgement is totally unacceptable – quality and accurate referencing is a necessary skill for any student to develop (web addresses should be cited!).

I use **turnitin.com** to check for plagiarism.

BIOGRAPHY OF COURSE INSTRUCTOR

Dr. Desislava Dikova is Professor in International Business CEE focus at WU Wien/ Vienna University of Economics & Business. She previously held positions at the University of Groningen, the Netherlands and King's College London, the UK. She earned her doctorate degree from the University of Groningen, the Netherlands, an Executive Master in International and European relations from the University of Amsterdam, the Netherlands and a Master of Science in International Economics from the Academy of Economics D.A.Tzenov, Bulgaria. Desislava Dikova is the Editor-in-chief of the Journal of East West Business (published by Taylor Francis) and has been a member of the editorial board of the Journal of International Business Studies since 2007 and serves as an ad-hoc reviewer for multiple journals such as International Business Review, Thunderbird International Business Review, Organization Studies, Journal of Management Studies and others. For her outstanding research she has been awarded twice the Academy of Management Best Reviewer Award (2007, 2009), the 2009 WAIB Emerald Award for Highly Commended Paper, she has also been the Academy of International Business Best Paper Nominee in 2009, and the Academy of Management International Management Best Paper Finalist in 2006 and 2008.

Publications and Research

Dikova's research interests center on the strategic management of globally dispersed organizations. She is particularly interested in understanding the strategic decision-making in both large multinational organizations and small entrepreneurial firms regarding new foreign market penetration and the conduct of sustainable and profitable internationalization strategies. Her research agenda comprises of three major areas: First, foreign market entry- and establishment modes which examines a complex set of external and internal determinants of internationalization strategy choices, along the lines of foreign ownership and establishment mode choices taken primarily in transition or emerging economies. Second, internationalization of young firms and performance implications—this area examines the internationalization drivers and international strategy choices of young entrepreneurial firms from developed and emerging economies. Third, merger and acquisition organizational dynamics—the focus is on firm-, environmental- and management characteristics as factors determining M&A activity and subsequent organizational performance. Dikova's work has been published in leading IB and strategy journals such as *Journal of International Business Studies*, *Journal of Management Studies*, *Journal of International Marketing*, *Journal of World Business*, *Management International Review* and *International Business Review*.

Teaching experience

Extensive teaching and executive education experience such as Vienna residency of Executive MBA class of Sun Yat-Sen University (SYU) Guangzhou (China), DePaul University College of Law (USA) summer program in Vienna, Hult International Business School (Shanghai Campus), University of Amsterdam, Ljubljana University, IBS Vilnius (Lithuania), Moscow State University, Western Washington University, USA. Dikova currently teaches in the CEMS MIM program at WU Wien, and was awarded the CEMS Best Teaching Award 'CEMS Strategy Course of the Year 2013-2014' across all 30 CEMS Schools.