# Corporate strategy

## Prof. Matteo Pedrini

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The field of corporate strategy (CS) is becoming increasingly important in the business world. Globalization, deregulation, technological change, the evolution of the institutional contexts and the emergence of new markets and industries are reshaping the CS of the firms and motivating a change in the companies’ boundaries. Drawing on these factors, the course focuses on the strategic management of multi-products, multiple locations, and multi-businesses firms.

The course answers the central questions that confront every strategist: What are firms’ resources? How can they be developed and acquired? In which businesses should the firm compete? What are the most appropriate models for growth in different settings (i.e. mergers, acquisitions, alliances, and franchising)? How are multi-products, multi-location and multi-businesses firms managed? How social and environmental issues impact on CS? Can corporate social responsibility increase the firms’ performance?

At the end of the course, students will be able to:

* be knowledgeable about the concept of corporate advantage and its sources (Knowledge);
* be knowledgeable about strategies to create value by configuring and coordinating multi-business activities in local and global contexts (Knowledge);
* be knowledgeable about different strategies to manage growth of firms’ scope that can integrate economic, environmental, and social sustainability issues (Knowledge);
* be able to collect and use public financial and non-financial data to understand a company’s CS (Intellectual Skills);
* be able to understand existing corporate strategies and recognize its sources in local and global scenarios (Practical Skills);
* be able to make recommendations for configuration and coordination of multi-business activities (Practical Skills);
* be able to make recommendations for feasible and reliable strategies to manage growth of firms’ scope (Practical Skills);
* develop the capability to work in an international team involved in complex corporate strategy projects (Transferable skills).

***COURSE CONTENT***

The main topics of the course are:

* Introduction to CS

The evolution of the notion of time, the significant role of resources for corporate level strategy.

* Analysis and evolution of businesses portfolio

Core business and diversification. Portfolio matrix. Criteria to enter new businesses and expansion modes. Diversification and financial performance.

* Structure and management of multi-business firm

Role and dimension of headquarters. Control and cohesion mechanisms. Resources and competencies transfer. The internal entrepreneurship.

* Embedding social and environmental issues in CS

Corporate social responsibility and shared value creation. The path to embed CSR in CS.

* Dynamic of CS

The rationales of firms’ crisis. Fix the existing problems and manage the change.

***READING LIST***

*Required readings for students who selected a multiple assessment route*

List of readings for students who selected a multiple assessment route will be available on blackboard.

*Required readings for students who selected a single assessment route*

List of readings for students who selected a single assessment route will be available on blackboard.

***TEACHING METHOD***

Teaching methods will stimulate students’ participation and active interactions between students, lecturers, and guest speakers. Case histories, business cases and examples on the field will be frequently discussed. Precondition to achieve active participation is that students prepare in advance all materials required for the weekly lectures. Additional information is available on blackboard.

***ASSESSMENT METHOD AND CRITERIA***

Students can choose between a multiple assessment route and a single assessment route.

Multiple assessment route

A real multi-business firm listed in the stock exchange will join the course as a course-partner firm (the name of the company will be communicated on blackboard). As a mandatory part of the formative assessment students must manage a group project to apply contents and tools of corporate strategy on the course-partner firm.

Each group will work as a strategic department in charge of assess the existing CS and developing a strategic operation (for instance: acquisition of real existing firm; strategic projects to be internally developed; joint ventures with an existing firm, strategic partnership, etc.) to be implemented by the course-partner firm. Consequently, students must manage two assignments: the development of a report on analysis of CS of the course-partner firm; a development of a proposal for a potential strategic operation that will be presented to professor and course-partner firm’s top management.

In this case the formative assessment will be computed on three combined assessment elements: (i) a written report on CS of the course-partner firm (weights: 25% of final grade); (ii) a proposal of a strategic operation developed for the course partner firm that will be presented to professor and managers of the course-partner firm (weight: 25% of final grade); (iii) an individual written exam to be held during first official exam session (three open theoretical questions) (weight: 50% of final grade). Each assessment will receive a mark on a 30-points scale. Finally, students receive a mark that will be the weighted average of the grades they got in the three assessments.

For a PASS in the multiple assessment route, the following conditions must be met: (i) the assessment elements are mandatory; (ii) the grade received in each assessment element must be greater than or equal to 18 (i.e., the final mark may include only one interim grade less than 18). Students who do not pass the multiple assessment route are evaluated according to the single assessment route. Even though attendance is not mandatory for a PASS in the multiple assessment route, it is strongly recommended.

Single assessment route

The single assessment route will be based on a comprehensive individual written exam (six open questions) to be held in an official exam session. Three questions will be aimed at assessing the student’s knowledge and intellectual and practical skills with other three questions based on discussion of specific cases or strategic situations. Each answer will receive a mark on a 30-points scale and the average of the grades of the answers will provide the final grade of the individual written exam. Even though attendance is not mandatory for a pass in the single assessment route, it is strongly recommended.

Assessment criteria

The student's preparation is evaluated according to grading scales which are published in Blackboard.

***NOTES AND PREREQUISITES***

N. ECTS - 8

Enrollment requirements - Basic knowledge of business strategy and corporate finance is required. Students who do not have such knowledge are responsible for acquiring it to the extent necessary during the course.

Language of instruction - English

Attendance – It is not mandatory, but it is strongly recommended.

Associated courses – Corporate governance and social responsibility, Performance measurement

International dimension – International teaching materials are used throughout the course and the course-partner firms is a multinational company.

Business connection - The course makes extensive use of contemporary business cases and examples. This written material is also supported by guest speakers from business companies that provide a more practical demonstration of strategic management themes and issues. The direct involvement of top management of the course-partner firm allow to have a strong connection with corporate business.

Professional context - In professional life, CS is naturally associated with a couple of perspectives. First, corporate strategists are responsible for the proper design and implementation of strategies of multi-business companies, thus collecting data to effectively manage strategic decision making. Second, corporate and business unit managers are supposed to know and apply concept of CS such as synergies and transfer of resources, select sustainable solutions to complex problems, and effectively participate to strategic planning and execution.

Further information – Additional information regarding the course schedule and delivery, learning assessment, expectation and policies, general announcements, and additional course materials will be posted on Blackboard.