



Seminar 449 **Seminar in Business Policy and Strategy**

Spring Term 2011

Administrative Details

Time/Place: Friday, May 6, 13, 20, and 27 from 10:00h to 18:00h.
Location: Seminarraum UNK-E-2, Universitätsstr. 84, 8006 Zürich (Tram-Station Winkelriedstr., Line 9 & 10).

First session on February 22nd, from 18.15-20h, Room: UNK-E-2, Universitätsstr. 84, 8006 Zürich. In this session the course outline will be presented. Here you can sign up for the seminar and ask questions concerning the content of the seminar.

In order to get credit for the course you have to write a seminar paper, present your findings to the class, and participate in all four meetings. The participants are limited to 24 students. The deadline for the module-booking of this course is March 18th, 2011. The successful completion of the seminar accounts for 3 ECTS-Points, which can be credited to MA: BWL 5 and Seminare Management and Economics. The papers must be submitted to the lecturer prior to the course, at the latest by May 4th, 2011.

Lecturer

Prof. Dr. William McKinley
Southern Illinois University at Carbondale
Carbondale, Illinois USA

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Course Objective

The objective of this course is to improve the student's understanding of business corporations' interactions with their industry environments. Each student will present a paper and will receive feedback from the instructor on the presentation and the paper. The papers will require research on a Swiss industry and the firms operating in it, guided by questions posed by the instructor. Possibilities include the Swiss private banking industry, the Swiss commercial banking industry, the Swiss watch-making industry, the Swiss pharmaceutical industry, the Swiss (re-)insurance industry, the Swiss food processing industry, the Swiss hotel industry, the Swiss tourism industry, the Swiss airline industry, the Swiss newspaper industry, the Swiss construction industry, the Swiss commodities industry, the Swiss building materials industry; and the Swiss rail industry. The class sessions will be interactive, with



emphasis on discussion. Students will be expected to read the texts that are listed on this syllabus, write their papers, and prepare a presentation.

Texts

Porter, Michael E. 1980. *Competitive strategy: Techniques for analyzing industries and competitors*. New York: Free Press.

Porter, Michael E. 1990. *Wettbewerbsstrategie (Competitive Strategy)*, Frankfurt am Main: Campus. (German version).

Porter, M. E., and Kramer, M. R. 2006. Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, December, 78-92.

Scherer, A. G., and Palazzo, G. 2011. The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy. *Journal of Management Studies* (forthcoming).

Although it was published in 1980, Porter's book remains the best source for information on how to analyze an industry. Porter explains the five forces that influence competition within an industry. He also talks about how to conduct an industry analysis, about the three generic business strategies that are used in competition between firms in an industry, as well as much other information that will provide a helpful framework for writing the seminar paper.

The two journal articles listed above are included because corporate social responsibility (CSR) is an important issue that is influencing all corporations. CSR is particularly salient for many firms in Swiss industries: examples include firms in the food processing industry, the private and commercial banking industries, and the pharmaceutical industry. For this reason, it is important to consider how the growing demand by stakeholders for corporate social responsibility is affecting the firms in the industry you choose to study. The two articles listed above will provide ideas for understanding the role of corporate social responsibility for corporations. The articles also include additional references to the literature on CSR, should you wish to do more in-depth reading to better understand conditions in your chosen industry.

Course Requirements

Each student should get a copy of Porter's book and read it. A master copy will be available at the Chair of Foundations of Business Administration and Theories of the Firm at Universitätsstr. 84. New and used copies are also available for reasonable prices at Amazon.com.

Each student should also read the two journal articles listed above. The Porter and Kramer article is available on-line in the journal data bases JSTOR and EBSCO, or through links



from Google Scholar. The Scherer and Palazzo article is available for download from the IOU working paper series (IOU Working Paper No. 109): <http://www.iou.uzh.ch/wp.php> After reading these materials, each student should choose one of the following Swiss industries: pharmaceuticals, (re-)insurance, private banking, commercial banking, consulting, watch-making, tourism, hotels, chemical processing, food processing, airlines, mobile phones, TV broadcasting, newspapers, construction, commodities, building materials, or rail transportation. Other industries can be substituted for these but the substitutes require the approval of the instructor (see e-mail address above).

Using Porter's book and the journal articles as a starting point, the student should do research to answer the following questions about his/her chosen industry:

1. What is the composition of the industry in Switzerland? What are the core companies competing in the industry and what are the market shares of each? You should confine your list of companies to core companies headquartered in Switzerland. These companies may have manufacturing and distribution operations at other global locations.
2. What are the different generic strategies being used by the companies you have identified? Do they match the generic strategies discussed by Porter? If one or more of the companies has multiple product divisions and those divisions belong to different industries, please report the competitive strategy of the division belonging to the industry you are studying.
3. What are the major customers (buyers) for the industry's products or services? Please identify as many buyer groups as you can. In some industries (e.g., private banking) the buyer groups may be more differentiated than in others (e.g., food processing). You do not need to identify every single buyer group, but you should provide a general picture of the customer side of the industry. How powerful are the customers relative to the core companies that make up the industry?
4. What are the primary suppliers to the industry? Again, you do not need to identify every supplier, but you should provide a general picture of the upstream supply chain. How powerful are these suppliers relative to the core companies that make up the industry?
5. What is the recent financial history of the industry? Is the industry in good financial condition, or not? Is it growing, stable, or declining in terms of total industry revenues and profits? What is the financial history and current growth or decline status of each of the core companies in the industry? Provide as much information about these issues as possible.
6. Drawing on the Porter and Kramer and the Scherer and Palazzo articles, to what extent are the companies in your chosen industry incorporating corporate social responsibility into their business strategies? Are these companies becoming "political actors" in the sense that Scherer and Palazzo use this term? What examples can you give of socially responsible action or positive political action by the firms in your industry? Are there examples of corporate scandals or failures of corporate social responsibility?



The Paper

When you write the seminar paper, you should present your research and provide answers to the questions listed above. However, please do not answer the questions as separately numbered items in the paper, but rather as an integrated narrative organized into separate sections with section headings. In other words, the final result should have the coherent logic and flow of a well-organized paper. The paper should be between 20 and 25 pages of text (double space; references and any figures or illustrations are extra). **The paper is due on May 4th.** Electronic copies of the paper (in Word 2003 only) should be submitted to the instructor at decline@siu.edu and to Christian Voegtlin (christian.voegtlin@uzh.ch). For further guidelines on how to write scientific papers, please refer to: <http://www.business.uzh.ch/professorships/as/teaching/themenliste.html>

Additional Sources

In addition to Porter's book and the two articles listed above, there are many sources you can draw on to answer the questions and write the seminar paper. One important source will be the annual reports of publicly traded companies in your chosen industry. These reports are often available on the companies' websites. In addition, trade magazines about the industry can be used as a source of information, as can stories about the industry in the public media in Switzerland or in other European countries. In addition, there are books available describing many of the industries, and those can be another valuable source of information. Finally, as already mentioned, you can use the references in the listed articles to find other academic papers in scholarly journals in management (e.g., *Strategic Management Journal*, *Academy of Management Journal*, *Academy of Management Review*). Full-text articles from most of these journals can be found on the library website of the University of Zurich (<http://www.uzh.ch/services/libraries.html>), if you follow the link to either "Datenbanken der Universität und Zentralbibliothek Zürich," or to "E-Zeitschriftenbibliothek."

Please seek out a variety of sources, and do NOT depend primarily on information from company websites or websites of the industry's trade association. These sources are intended to promote corporate or industry interests rather than to communicate objective information.

Additional Guidelines

When you cite a specific fact or idea from a source, you must credit that source. The document titled *Style Guide for Authors* published by the journal *Academy of Management Review* (<http://www.aom.pace.edu/amr/>) provides complete information on how to cite sources and how to list bibliographic references in a paper. In addition to the link above, you can find this document by accessing JSTOR, browsing on the *Academy of Management Review*, going to the January issue of any volume of the journal, and clicking on "Back Matter." Additionally, you can refer to the following link on the Homepage of the Chair of Foundations of Business Administration and Theories of the Firm and look at the "Guidelines for composing scientific papers":

<http://www.business.uzh.ch/professorships/as/teaching/themenliste.html>



If you download tables or figures from the Internet, please be sure to credit the source. Please also make sure that any tables or figures you insert in your paper are legible to the reader. The tables or figures should be formatted in large-size font and the graphics should be clear. This means that in some cases, you will need to draw figures or compose tables yourself. The same guideline applies to the PowerPoint presentations you make in class. **Legibility of tables and figures will be an important criterion when grading the papers and the in-class presentations.**

Downloading of text from the Internet directly into your paper is strongly discouraged, even if it is properly cited and enclosed in quotation marks (see the section on plagiarism below).

Class Meetings

After the instructor's arrival in Zurich, there will be four class sessions at Universitätsstr. 84. These sessions will be held on May 6, 13, 20, and 27 from 10:00h to 18:00h. During these class sessions, each student will present his/her paper and the instructor and other class members will discuss it. The presentations should be in PowerPoint and should be a maximum of 30 minutes each. That will leave plenty of time for discussion. Depending on the number of students who register for the course, there may be 2-6 presentations per class session. Christian Voegtlin (christian.voegtlin@uzh.ch) will be the contact person for scheduling the presentations to be held on the dates listed above.

When you submit your paper on May 4, please be sure to include your current e-mail address. Christian Voegtlin will compile a list of all the students' e-mail addresses and will distribute each paper to all the other students. This will allow you to read the papers scheduled for each day's presentation before the class.

Since in-class discussion is essential to the learning experience, it is important that every student attend all four class sessions. If you are not presenting a paper at a particular session, you must still attend. You will be expected to participate in the discussion of your fellow students' presentations.

A Note on Plagiarism

Plagiarism is defined as the use of another person's words without quotation marks and without appropriate citation of the source. Plagiarism is theft of intellectual property, and therefore is a very serious ethical offense. It will not be tolerated in this class. Any evidence of plagiarism in a student paper will result in a failing grade for the course.

For our purposes here, plagiarism also includes the use of text from papers that *you* have written previously. The paper for this course should not include any text from documents you have written in the past.



It is also inappropriate to use very long quotes from an author even if the material is properly cited and enclosed in quotation marks. Such a practice raises the possibility that the student does not really understand the material (s)he is quoting. Ideas should be expressed in the student's own words except for the occasional use of quotations from other sources to highlight or support specific points. Please enclose such quotes in quotation marks and follow the citation practices described in the *Academy of Management Review* Style Guide mentioned above.

Since the papers must be written in English, any quotes in another language that are longer than a few words should be translated into English by the student. Please indicate any such translations when you cite the source of the material.

Grading Weights

Seminar Paper	50%
Presentation	25%
Participation in Class Discussion	25%