College of Business
The University of Montana, Missoula

SYLLABUS

MBA 694

The Practice of General Management:
A Course in Leading Organizations

Course Information:

Class Meetings:
Friday: 6:00 p.m. to 9:00 p.m.
Saturday: 8:00 a.m. to 12:00 and 1:00 to 5:00 p.m.
Sunday: 8:00 a.m. to 12:00 p.m.

Course Summary:
General Managers have responsibility for the overall performance, profitability and survival of an organization. Whether managing a branch, plant, store, division or company, they must make the big decisions that determine the organization’s success or failure. For them, there is always more at stake.

This course is designed to teach students how the best managers actually manage. Students will develop a toolkit of proven concepts and practices that will help them succeed as department managers, division general managers and ultimately CEOs. The toolkit will include fundamental principles, practical techniques, analytical skills and a series of memorable “management axioms.” The course is organized around modules, each reflecting a facet of the senior manager’s job. Topics include: taking command of a new organization, creating a compelling strategic vision, managing organic growth, achieving operational excellence, developing a motivational corporate culture and improving management decision making. Important financial principles will also be woven throughout the course to assist the student’s understanding of basic financial analysis. Learning will take place through lectures peppered with real world examples, case studies in CEO leadership and the best seller book Good to Great, by Jim Collins. Each class session will begin a lecture on the day’s topic followed by a case discussion describing a relevant management success or failure from across a spectrum of industries.

In lieu of a final exam, students will write a 5-7 page paper that develops a “good to great” plan for an organization familiar to them. While the course covers many topics specific to the general manager or CEO, woven throughout will be personal leadership lessons that can help any manager to deliver improved results and accelerate his or her career advancement.

This course is a companion course to “Business Dynamics” by the same professor. Taken together, the two courses will present the full list of 56 management axioms that you can apply in any management setting. Students will be prepared for a broad range of challenges faced by senior managers today and will have learned cross-functional techniques that will help them be better managers at any level.
Course Objectives:
Upon completion of this course, the conscientious student will have gained a greater understanding of the role of the general manager or CEO in any organization. He or she will have learned a set of specific management tools useful at the general management level, including how to:

- Manage any organization to improve its performance;
- Provide a compelling strategic vision;
- Improve operational effectiveness and execution of objectives;
- Develop an energized corporate culture;
- Accelerate organic growth and foster strategic innovation;
- Improve business processes and achieving operational excellence;
- Assemble, motivate and reward a championship team;
- Provide ethical and authentic leadership to the organization.

Course Requirements:
You will be required to complete the readings for the class, submit a short case write-up and a longer paper (due two weeks after the course ends) and participate actively in all class discussions. The first half of each class will be devoted to lecture, and the last half will turn to a discussion of the assigned cases. To succeed in this course, you must read the appropriate cases for each class and develop an informed opinion about them, as I will do cold calls on each case. The critical questions for the cases are shown in this syllabus under the course schedule for that day.

A. Readings: You must purchase and read two books for the course:

- **Course Text:** *Good to Great*, by James C. Collins, published by Harper Collins, 2001. Available from Amazon.com for $17.99 or less. The book has sold over 3 million copies and is the best selling management book of the last decade. Collins identifies a handful of successful companies that changed their trajectory of growth and analyzes what happened to explain the gear shift into an even higher level of performance. His central observations have become part of the accepted vocabulary of business performance improvement: ideas such as the hedgehog concept, Level 5 managers, technology accelerators and getting the right people on the bus.

- **Course Readings:** The other required readings for the course will consist of four case studies and several articles. All of the readings are available from [www.study.net](http://www.study.net), with the exception of the Christensen book excerpt, which will be emailed to the class and posted on the class website. Here are the readings:
  1. **Case:** “Meg Whitman at eBay, Inc. (A)” HBSP, 2001 (#9-401-024).
  3. **Case:** “ZARA: Fast Fashion,” HBSP Rev. 12-21-06 (#9-703-497)
  5. **Case:** “Oracle vs. salesforce.com” HBSP, Rev. 9-21-06 (#9-705-440)

These course readings can be purchased in digital form from [www.study.net](http://www.study.net) for $20.75, to be downloaded to your computer and printed on your own. (For a printed hardcopy to be mailed to you, the cost is $35.25.) Please go to the website and register as a student, then click Courses and pick out
this one from the others offered by University of Montana. Click on “add to cart” to start the purchase process. No course password is required.

B. Class Participation (25%)

Every student will be graded on your participation in each of the four class sessions. Active participation by all students in class discussions is critical to the success of the course. It’s also good training, for the world of business does not reward the meek. Remember, however, that it is quality, not quantity that counts. Did your contribution advance the learning of all, demonstrate mastery of the material, energize the discussion and/or turn it in a creative new direction?

On Saturday afternoon, in order to give you a break from PowerPoint fatigue, we will have a UM strategy brainstorming session addressing the question: What should the University of Montana do, as a traditional bricks & mortar university, to meet the challenge of disruptive innovation posed by on-line higher education? To prepare your thoughts, you should read the Christensen Chapters and also learn what you can about the for-profit education companies such as DeVry, University of Phoenix, and Bridgepoint Education (whose college brand name is Ashford University.)

C. Assignment 1: Case Write-up. (25%)

On Friday evening at the beginning of class, you must submit a case write-up answering the questions shown below in the Course Schedule for either of two cases. Students whose last names begin with A-L should prepare the Zara case, while those with M-Z names should prepare the Oracle vs. salesforce.com case. Your paper should be 2-3 pages in length, either single or double spaced. It will be graded (0-25 points) and returned Sunday morning.

D. Written Assignment 2: Good to Great Plan (50%)

Utilizing the ideas presented in class and in the book Good to Great, your assignment is to prepare a 6-8 page strategic plan (12 pt. font, line spacing at 1.0 or 1.5) for your target organization that will accomplish its strategic intent within the next 5 years. You can choose an organization or department you have worked for, a company or institution that you know well for other reasons, or the UM College of Business. All plans should contain these four elements:

1. Starting Point and End-State: Begin with a summary statement that describes in both qualitative and quantitative terms the organization today and your vision for the end-state position (e.g., size, profitability, market share, rank, geographic coverage, product scope, etc.), using a time horizon of about five years.

2. Hedgehog Concept: Present to the reader the hedgehog concept around which you will build your successful strategy. First state it in a single sentence, typed in bold font. Then elaborate on the concept, explaining how it answers the three questions posed by Collins. Explain how this represents a change from the current direction of the organization.

3. Strategic Planks: Identify the specific planks or management initiatives that make up your strategy for getting there. For example:

  - Offer new product lines or services
• Attack new distribution channels
• Reach new domestic or international markets
• Extend geographic coverage
• Strengthen core competencies
• Develop new or expanded resources
• Apply technology accelerators
• Tighten cost structure

In describing your strategic initiatives, explain the specifics for how you will implement them, such as staffing requirements, calls for action, use of cross functional teams, target dates and budget considerations.

4. Objectives: Establish specific, concrete performance objectives by which you will measure whether the plan has been achieved. Cite the most single critical “economic denominator” for measuring the company’s progress, along with your other financial and operational targets.

The target audience for this plan should be the company’s management team and/or board of directors. Avoid jargon and make all technical issues understandable to the non-technical people on your board and within the management team. Assume that the organization’s directors are sophisticated executives who want any proposals backed up with facts and analysis, not unsupported claims and puffery. Put this plan in a form where you would be proud to submit it to the CEO of the subject company, or to your boss if you are addressing your own department.

Course Grading:

Your course grade will be determined by weighting the following factors:

Class Participation 25%
Assignment 1: Case Write-up 25%
Assignment 2: Good to Great Paper 50%
Total 100%

The written assignment must be emailed to me at the address below, to be postmarked no later than TBA. If you’d like to see my written comments on your paper, include a stamped, self-addressed envelope. Make sure the postage is sufficient to cover the extra ounces, probably an additional one or two 20 cent stamps. Mail your submission to: TBA

You may also email me to learn your grade on the final paper. I expect to have all the papers graded by TBA.

Class Absences:

Students must attend all four class sessions. However, if illness or another unavoidable excuse causes you to miss a class session, you may make up for it by submitting written answers to all of the questions for the case discussion that you missed, as shown in the Course Schedule below for that session. This should be a 2-3 page conversational summary of what you would have said if called on in class to answer those questions. It must be postmarked no later than the due date for your final paper.
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COURSE SCHEDULE

Class 1: Friday, 6:00 p.m.  
Creating a Strategic Vision

1A. Creating a Compelling Strategic Vision
   - Taking command: The first 100 Days
   - Charter, mission, values
   - Strategic intent, blue ocean strategies, business models
   - The strategic plan: objectives, planks and priorities

1B. Meg Whitman Taking Command
   - Case Discussion: “Meg Whitman at eBay.”

Reading Assignments

Case Discussion: eBay, Inc.
1. Evaluate Meg Whitman’s early days at eBay. In what ways did she adapt to and respect the eBay organizational history and culture? How did she overcome being a non-technical general manager taking over a high-tech company of engineers?
2. In what ways did she move quickly to change the culture and re-direct the company’s strategy? What risks did she take in confronting the company’s culture over the issues of community safety and fraud? Was she right?
3. Is eBay a good example of the Good to Great principles? What is their hedgehog concept? Did Whitman use technology accelerators to ensure the company’s capacity to grow?
4. What steps did Whitman take to “get the right people on the bus’ early in her tenure? What other important steps did she take to improve the organization? Is Meg Whitman a Level 5 leader?
5. Was growth through acquisition, such as the upscale auction houses Butterfield & Butterfield and Kruse International, a good strategy for eBay? Were those acquisitions consistent with its hedgehog strategy?

Class 2: Saturday, 8:00 a.m.  
Managing by the Numbers

2A. Managing by the Numbers
   - Key financial metrics: profit margins, EBITDA, RONA,
   - Balanced scorecards and weekly dashboards
   - Analyzing branch profitability
   - Financing decisions, financial controls, capital allocation

2B. Developing a Successful Business Model
   - Case discussion: Zara

Reading Assignments
Case Discussion: Zara
1. Describe the Zara business and operational model. What competitive advantages have contributed to the company’s success?
2. How does the Zara strategy and performance differ from its major competitors? Would their strategy be easy for competitors to emulate? Is it organizationally complex?
3. Over its entire history, Zara has had two CEOs, neither with a formal training in management. What have they done exceptionally well that would explain the company’s success?
4. How should Zara continue its international expansion? Consider product lines, countries and continents. Will its basic operational model work as Zara expands to other continents? How might it have to be adapted?
5. What other challenges is Zara facing, and how should these be addressed?

Class 3: Saturday, 1:00 p.m. Strategic Innovation & Organic Growth

3A. Strategic Innovation & Organic Growth
   • *Good to Great* key principles
   • Strategic innovation and growth planning
   • Paradigm shifts and first mover advantage
   • Disruptive innovation and the innovator’s solution
   • Business process innovation and operational excellence

3B. Paradigm Shift in Business Software
   • Case Discussion: Oracle vs. salesforce.com

3C. Brainstorming Session:
   **What should the University of Montana do, as a traditional bricks & mortar university, to meet the challenge of disruptive innovation posed by on-line higher education?**

Reading Assignments:
2. **CR:** “Oracle vs. salesforce.com” HBSP, Rev. 9-21-06 (#9-705-440)

Case Discussion: Oracle vs. salesforce.com
1. The terms “OnDemand”, “Software as a Service (Saas)”, “hosted software” and “Cloud Computing” can all be used interchangeably. What do these terms mean exactly?
2. In what ways is Salesforce.com an example of a “disruptive innovation” versus conventional software installations? What advantages does it offer customers?
3. The case starts in February, 2006 as Oracle has just acquired Siebel Systems Inc. for $5.85 billion. Why would Larry Ellison want to purchase Siebel? Based on Siebel’s 2005 results, analyze the price paid.
4. Siebel was late in entering the OnDemand CRM market, launching a competitive product only in 2005, five years after salesforce.com. Were they asleep at the switch? Yet Bruce Cleveland, Siebel senior vice president, seemed very confident that they would prevail in this market. What was Siebel’s strategy for overtaking salesforce.com? Would Oracle’s superior resources eventually prevail?
5. Mark Bienoff seemed almost gleeful when Oracle acquired Siebel and was very confident they would win. Do you think he was right? What are some examples of Bienoff’s strengths as an innovative entrepreneur and CEO, both from the case and supporting information available?

Class 4: 8:00 a.m.  Organizational Culture & Authentic Leadership

4A. Organizational Culture
   • Defining the “Energized Company”
   • Developing a management system
   • Profit impact of management decisions

4B. Authentic Leadership
   • Improving management decision making
   • Sharpening your EQ (emotional intelligence)
   • Ethical leadership and personal reflections

4D. The Impact of Corporate Culture on Strategy Decisions
   • Case Discussion: Sunrise Medical’s Wheelchair Products

Reading Assignments:

Case Discussion: Sunrise Medical
1. Does Sunrise Medical have a competitive advantage in the wheelchair industry? If so, what core competencies is it based on?
2. Evaluate Sunrise Medical’s overall expense structure and profitability versus Invacare’s. What differences are there and how can you explain them? Should Sunrise be concerned?
3. What is most distinctive about Sunrise Medical’s company culture? How is it a source of competitive strength?
4. What are Guardian Products’ core competencies? Is introducing and manufacturing a standard lightweight chair a good strategic decision for Guardian right now?
5. What should Chandler do to resolve the inter-divisional wheelchair conflict?

TBA Good to Great Plan Deadline

Mail a hard copy of your final paper to the address below, postmarked no later than midnight on TBA. If you’d like to see my written comments on your paper, include a stamped, self-addressed envelope. Make sure the postage is sufficient to cover the extra ounces, probably an additional one or two 20 cent stamps. Mail it to: TBA