

**BADM 449
Study Guide
Fall 2022**

Power Point Set #1 (Chapter 1: What is Strategy?)

001. Tesla had a market capitalization of some \$60 billion in early 2019. What was Tesla's sequence of moves contributing to this outcome? (Textbook: pp. 5-6 and 24-25; Power Point Slides #2-#4)
002. Provide the Analysis-Formulation-Implementation (AFI) Strategy Framework. (Power Point Slide #5)
003. Apply the AFI Strategy Framework to show that in late 2018, Twitter did not have a coherent strategy. (Textbook: pp. 9-10; Power Point Slides #6-#7)
004. Discuss three classic definitions of strategy by (i) Schelling; (ii) Chandler; and (3) Quinn. What do these definitions have in common, and how are they different? (Power Point Slide #8)
005. What are some important considerations in strategy in the quest to create, capture, and sustain competitive advantage? (Power Point Slide #9)
006. What are the tradeoffs that firms must consider when seeking a (unique) strategic positioning? (Power Point Slide #10)
007. If we consider a firm's sustainable competitive advantage as a function of barriers to imitation by others, and the firm sustaining its cash flow, then how does this conceptualization of sustainable competitive advantage relate to Net Present Value (NPV) in corporate finance? (Power Point Slide #11)
008. Explain the stakeholder view of strategic management. (Power Point Slides #13-#14)
009. Provide the five steps of stakeholder impact analysis. (Power Point Slides #15)
010. BP's experience in the Gulf of Mexico shows how *not* to manage stakeholder relationships effectively. What were the consequences of poor management? (Power Point Slides #19-#20)
011. Discuss how Merck showed effective stakeholder management in the case of "river blindness." (Textbook: pp. 20-21; Power Point Slides #23-#24).

Power Point Set #2 (Chapter 2: Strategic Leadership: Managing the Strategy Process)

012. Describe the leadership crisis at Facebook. (Textbook: pp. 33-34 and 54-65; Power Point Slide #2)
013. Describe the mission of Teach for America (TFA). (Textbook, p. 41; Power Point Slide #3)
014. Discuss "defining the business" and the contrast between customer-oriented and product-oriented visions of the firm (Power Point Slides #4-#6)
015. Discuss the levels of corporate, business, and functional strategy. (Power Point Slides #7-#8)
016. Discuss the three approaches to strategize for competitive advantage: (1) Strategic planning; (2) Scenario planning; and (3) Strategy as planned emergence. (Power Point Slides #9-#14)

017. Describe strategy as planned emergence for Japan railways (Power Point Slide #15)
018. Discuss the adoption of Frappuccino by Starbucks. (Textbook: p. 54; Power Point Slide #16)
019. How is the “rational decision making” (optimizing) model fundamentally different from the “satisficing decision-making model?” (Note: satisficing refers to doing “good enough” with no intent to optimizing: e.g., a decision maker may be happy to find “a needle in the haystack without seeking to find the sharpest needle in the haystack”). (Power Point Slides #17-#18)
020. Describe important differences in Kahneman’s (2011) path-breaking book, *Thinking Fast and Thinking Slow* between System 1 and System 2 modes of thinking (Power Point Slide #19)
021. Describe some biases in decision-making (Power Point Slides #20)
- *Illusion of control*: The superstitious belief that we control things that we do not. It is the “magical thinking” of the 10-year old in which the inner child still takes hold of adults. An example of illusion of control is that air traffic controllers would notice that when they commented to the pilot: “nice landing” the next time the pilot landed it was not as good. Further, when the air traffic controllers said to the pilot: “you missed the mark on that landing,” the next landing would be better. The air traffic controllers then obtained the mistaken belief that when they gave praise to pilots that the pilots became complacent, and when the air traffic controllers criticized the pilots, then the pilots became more alert and did better. However, the more likely explanation of these events is “regression to the mean.” Consider a “normal (bell-shaped) distribution” from statistics: If one is on the right tail of the distribution as a pilot with the “perfect” landing, then whether anyone speaks to the pilot or not, the likelihood is that the next landing by that pilot will not be as good with almost 100% probability in this example. Conversely, if the pilot is on the left-tail of the distribution with the worst (non-accident) landing that this pilot ever had, then this pilot’s next landing has a 99% likelihood (or higher) of being better. In short, air traffic controllers were mistaking “regression to the mean” as something that they could control from their air traffic tower.
 - *Escalating commitment*: Sometimes called “throwing good money after bad” because of the tendency of some people to justify a poor decision by trying to “double down” to make it work, rather than opting for the usual better choice to “cut your losses.” The United States extended involvement in the Vietnam War is an example. After ill-fated starts by Truman, Eisenhower, and Kennedy, President Lyndon Johnson and then President Richard Nixon kept sending those drafted to their deaths in order to justify (honor?) the deaths of those who came before. Eventually with domestic rioting throughout the US, assassinations of President John Kennedy, Malcolm X, Martin Luther King, and Bobby Kennedy among others – and a painful “generation gap” between young and old; the carnage eventually stopped (estimated at 2 million Vietnamese and 58,000 American lives). In short, if someone says to you that you are exhibiting escalating commitment, it is typically not a compliment.
 - *Prior hypothesis bias*: Sometimes people have a belief about how the world works, and when evidence refutes the hypothesis (an anomaly), people do not change their prior hypothesis. In my MBA classes in the early 1990s, almost all of our MBA students believed that the path to achieving business success was getting high market share – that belief is not as strong today, but it still is there. Of the 16 Harvard cases that semester, eleven (11) were firms with the highest market share in the industry and one of the lowest economic performers in the industry. You might think that by the eight case I was “kicking a dead horse” in refuting the idea with so many “anomalies.” However, this dead horse still exhibited quite a powerful kick. At the end of the semester, I asked the class: “what determines high performance for the firm?” The first MBA answered ...“market share,” and others in the class agreed. It was then I learned my lesson well: *data are mute* --- they do NOT speak for themselves. No matter how much data you throw in front of people in your career, do not underestimate the “prior hypothesis bias.”

- *Reasoning by Analogy*: We all think by analogy. Asking: “what is it like?” is asking for an analogy between something we understand to get us started in understanding something we do not understand. However, sometimes the analogy takes over from the reality of the situation. Returning to the Vietnam example, there was political science policy concerned about the ‘domino theory’ (a theory of once one domino falls, all the others would fall). Thus, if Vietnam turned communist, other countries one-by-one would turn communist. The visual in the mind of dominoes is a powerful one --- but there was, and is, no evidence that country politics are contagious like a virus. The domino theory is largely discredited today – but unfortunately, it ruled in the US for at least two decades (in the 1950s and 1960s).
- *Representativeness*: This bias refers to making conclusions based on (very) small samples. A classic example is that of Sewell Avery. At the beginning of the Depression, J.P. Morgan asked Avery to turn around the failing Montgomery Ward and he succeeded in restoring its profitability by making huge changes. In 1936, *Fortune* magazine said that Sewell Avery was “generally held to be the No. 1 Chicago businessman.” Nevertheless, because he experienced a depression in the US after World War I, he assumed (based on his sample of one (1) event) that the US would experience a depression after World War II. Consequently, in the mid-to-late 1940s he did not expand Montgomery Ward and thus failed to take advantage of the demand for durable goods, which cost Montgomery Ward prominence in the retail field. Sears became a powerful player in the postwar period to fill the vacuum left by Montgomery Ward.

022. What are some of the symptoms of Groupthink? (Power Point Slide #21)
- An example of groupthink was the “Bay of Pigs Invasion” into Cuba by the Kennedy administration (see details in *Wikipedia*).
023. Discuss “devil’s advocacy” and “dialectical inquiry” techniques that can address groupthink problems. How do the two techniques differ? (Power Point Slides #22-#24)
- Kennedy learned a lot from the Bay of Pigs Fiasco and used both techniques in his administration during the subsequent “Cuban Missile Crisis” (see details in *Wikipedia* --- it is the closest known incidence in which the US would have been involved in a nuclear war).

Power Point Set #3 (Chapter 3: External Analysis: Industry Structure, Competitive Forces, and Strategic Groups)

024. Describe the Airbnb business model in disrupting the hotel industry. (Textbook: pp. 73-74 and 109-110; Power Point Slide #2)
025. Describe the PESTEL framework for evaluating the impact of external factors on the firm. (Power Point Slides #3-#4)
026. What PESTEL factors led to the decline of Blackberry (Power Point Slides #5-#6) and of Blockbuster (Textbook: p. 79; Power Point Slide #7)?
027. What is the purpose of industry analysis? (Power Point Slide #8)
028. What is the Structure-Conduct-Performance Model for Industry Analysis? (Power Point Slides #9-#10)
029. Discuss Porter’s 5-Forces Analysis. (Power Point Slides #11-#12)
030. Provide the taxonomy of barriers to entry (Power Point Slides #13-#24)
031. Apply these barriers to entry to our Harvard case on **RTE Cereal**.

- 032. What factors lead to high bargaining power for suppliers? (Power Point Slide #25)
- 033. What factors lead to high bargaining power for buyers? (Power Point Slide #26)
- 034. What factors lead to high (price) rivalry? (Power Point Slide 28)
- 035. How is product differentiation competition (e.g., advertising battles) potentially quite different from pricing competition? (Power Point Slide #29)
- 036. Evaluate each of Porter's Five Forces Model within the airline industry: (1) Threat of entry; (2) bargaining power of suppliers; (3) bargaining power of buyers; (4) threat of substitutes; and (5) (price) rivalry among existing competitors. What is the predicted industry economic performance, based on this industry evaluation? (Power Point Slides #31-#35)
- 037. Evaluate the Five Forces in our Harvard business case concerning the U.S. **soft-drink industry**. What is the predicted industry economic performance, based on this evaluation (see our [Cola Wars Continue Case](#))?
- 038. What is the sixth force? Why was this omission critical? (Power Point Slides #37-#39)
- 039. Describe the mobility barriers that define the Strategic Group Structure of the Airline Industry. (Power Point Slide #40).

Power Point Set #4 (Chapter 4: Internal Analysis: Resources, Capabilities, and Core Competencies)

- 040. Discuss the evolution of Five Guy's core competencies. (Textbook: pp. 117-118 and p. 148; Power Point Slide #2)
- 041. What are core competencies? Provide some examples. (Power Point Slides #4-#8)
- 042. Describe Ghemawat's Strategy Framework on (Linkages of) Positioning-Organization-Resources & Capabilities. (Power Point Slides #9-#12)
- 043. Apply this Framework to our Harvard case on **Wal-mart**.
- 044. Discuss the differences between tangible and intangible Resources (Power Point Slide #12-#13)
- 045. Describe the 2X2 of knowledge in terms of Levels and Types of Knowledge. (Power Point Slide #14)
- 046. Which type is more likely to lead to sustainable competitive advantage (consider Googleplex)? (Power Point Slide #15)
- 047. Provide details concerning the VRIO decision tree for explaining and predicting sustainable competitive advantage. (Power Point Slides #17)
- 048. Discuss the "economic rent" earning potential of resources and capabilities. (Power Point Slide #18)
- 049. Discuss the concept of isolating mechanisms in terms of how path dependence, causal ambiguity, social complexity, and intellectual property protection are isolating mechanisms. (Power Point Slide #19)
- 050. Use the VRIO Framework to evaluate Groupon. (Textbook: pp. 133-134; Power Point Slides #20-#21)
- 051. Discuss the concepts of dynamic capabilities and core rigidities. (Power Point Slide #22-#23)

- 052. Discuss the concepts of resource stocks and resource flows and its illustration through the bathtub metaphor. (Power Point Slides #24-#25)
- 053. Discuss the value chain model in terms of primary and support activities. (Power Point Slide #26)
- 054. Explain the role of benchmarking in determining the core competence(s) within the value chain. (Power Point Slides #27-#28)
- 055. Discuss the concept of Strategic Coherence and apply to Wal-mart and Southwest Airlines. (Power Point Slides 29-#31)

Power Point Set #5 (Chapter 5: Competitive Advantage, Firm Performance, and Business Models)

- 056. Discuss the evolution of competition between Apple and Microsoft (Textbook, p. 155 and p. 184; Power Point Slides #2-#5)
- 057. Discuss the (eventual) tradeoff of profitability and the growth rate of the firm. (Power Point Slide #7)
- 058. A key idea for measuring firm performance is to “triangulate” (i.e., to use multiple measures of performance to evaluate the health of the organization). How does the Google vs. Microsoft comparison help illustrate this key idea? (Power Point Slide #8)
- 059. Discuss some limitations of accounting data. (Power Point Slide #9)
- 060. What are some limitations of shareholder value creation as a measure of firm performance? Power Point Slide #13)
- 061. Discuss the concepts of: (i) economic value creation; and (ii) producer and consumer surplus (Power Point Slides #14-#16)
- 062. Discuss MVA, EVA, Tobin’s Q, and the Market Value of the Firm. (Power Point #17)
- 063. Show how to calculate EVA. (Power Point Slide #18)
- 064. Discuss the concept of sustainable competitive advantage (SCA) in terms of discounted cash flow (DCF) and NPV. (Power Point Slides #20-#22)
- 065. What are some of the limitations of Present Value measures? (Power Point Slide #23-#24)
- 066. Describe the balanced scorecard and its limitations. (Power Point Slides #25-#26)
- 067. Describe the Triple Bottom Line as an assessment of firm performance. (Power Point Slide #27)
- 068. Discuss Indra Nooyi’s “Performance with Purpose” at PepsiCo. (Textbook: pp. 175-176; Power Point Slide #28)
- 069. Discuss how Threadless leverages crowdsourcing in the design of their T-shirts (Textbook, p. 178; Power Point Slide #30)

070. Describe the following seven business models and provide an example of each:

- [1] Razorblade model;
- [2] Subscription model;
- [3] Pay-as-you-go model;
- [4] Freemium model;
- [5] Wholesale model;
- [6] Agency model; and
- [7] Bundling model (Power Point Slides #31-#38)

071. Provide a “cognitive map” of the relationships among Accounting, Economic, Finance, and Management measures of firm performance. (Power Point Slide #40)

Power Point Set #6 (Chapter 6: Business Strategy: Differentiation, Cost Leadership, and Blue Oceans)

072. Describe JetBlue’s challenges in seeking a blue ocean strategy. (Textbook: pp. 193-194 and pp. 222-223; Power Point Slides #2-#4)

073. What is the definition of a business-level strategy? (Power Point Slide #5)

074. What are the key questions for “defining the business?” (Power Point Slide #6)

075. What are two fundamental questions in business strategy and competitive advantage? (Power Point Slide #8)

076. When can market share generate and sustain a competitive advantage? (Power Point Slides #9-#11)

077. What factors make it difficult (and/or costly) for an entrant to duplicate an established firm’s competitive advantage? (Power Point Slide #12)

078. How does tacit knowledge help sustain competitive advantage? (Power Point Slide #13)

079. Discuss the generic and the focused business strategies, and provide examples for:

- Cost Leadership
- Differentiation
- Focused Cost Leadership
- Focused Differentiation (Power Point Slides #14-#15)

080. What is the definition of a Differentiation Advantage? (Power Point Slides #16-#18)

081. What are the cost drivers that lead to cost leadership? (Power Point Slides #19-#21)

082. Be prepared to do calculations concerning learning curves, and to provide the limits to learning curve strategies. (Power Point Slides #22-#25)

083. Describe Dr. Shetty’s use of learning curves and economies of scale in the medical industry (Textbook: pp. 210-211; Power Point Slides #26-#27).

084. Discuss the blue ocean strategy of (successfully) combining differentiation and cost leadership, and discuss examples of Trader Joes and IKEA. (Power Point Slides #28-#30)

085. Discuss how JCPenney under its (former) CEO, Ron Johnson, learned the hard way how difficult it is to change a firm's strategic position, leading to being "stuck in the middle." (Power Point Slide #31-#32)
086. Discuss Cirque du Soleil's difficulties in implementing a blue ocean strategy. (Textbook: pp. 219-220; Power Point Slides #33-#34)

Power Point Set #7: (Chapter 7: Business Strategy: Innovation, Entrepreneurship, and Platforms)

087. Discuss how Netflix has disrupted the TV industry. (Textbook: pp. 231-232 and p. 269; Power Point Slides #2-#5)
088. What is the difference between invention and innovation? Provide a formal definition of innovation. (Power Point Slides #7-#8)
089. Provide two different reasons for why innovation diffuses. (Power Point Slide #9)
090. Provide four different stakeholders who may appropriate value from an innovation. (Power Point Slide #10)
091. The profitability of an innovation depends upon (1) the value of the innovation, and (2) the innovator's ability to appropriate the value of the innovation. Provide four factors that influence this appropriation ability, which influence the profitability of innovation. (Power Point Slide #11)
092. There is no simple answer on whether it is better to be a leader or a follower when innovating. Provide an example in which the leader was successful and an example in which the follower was successful. (Power Point Slide #12)
093. Provide two key sources of uncertainty in technology-based industries and provide three strategies for managing risk. (Power Point Slide #13)
094. Explain why VHS tapes (with an arguably inferior technology) won against Beta tapes (with an arguably superior technology). (Power Point Slide #14).
095. Explain why the QWERTY configuration of the keyboard is inferior. Then, explain the economic principle of why this inferior keyboard configuration persists up until now. (Power Point Slide #15)
096. Discuss standards battles and alternative technologies in the automobile industry. (Textbook: p. 244; Power Point Slide #16)
097. What are the five phases of an industry life cycle? (Power Point Slide #17)
098. Discuss the Apple iPhone example concerning network effects (Power Point Slide #18)
099. Describe the concept of "crossing the chasm" and its application to the mobile phone industry. (Power Point Slide #19)
100. Describe the four types of innovation based on combining markets and technologies. Provide an example of each type -- i.e., (1) incremental innovation; (2) radical innovation; (3) architectural innovation; and (4) disruptive innovation. (Power Point Slides #20-#22)
101. Explain why our **Nucor** case is an example of a disruptive technology. (Power Point Slide #23)
102. Discuss the strategic logic of GE Healthcare, a leader in diagnostic devices, disrupting its own technology by developing an inexpensive, portable ultrasound device. (Power Point Slides #24-#25)

103. Discuss how Wikipedia disrupted the encyclopedia industry. (Textbook: pp. 244-245; Power Point Slides #26-#27)
104. Compare and contrast closed vs. open innovation. What are the defining principles of closed innovation? What are the defining principles of open innovation? (Power Point Slides #28-#29)
105. What is the definition of “absorptive capacity?” How does it apply to R&D strategy? (Power Point Slides #30-#31)
106. Discuss a platform business model and its advantages (Power Point Slides 32-#34)

Power Point Set #8 (Chapter 8: Corporate Strategy: Vertical Integration and Diversification)

107. Discuss Amazon’s corporate strategy (Textbook: pp. 277-279 and 312-313; Power Point Slides #2-#4)
108. What is the definition of corporate strategy? What “scope of the firm” issues are involved? What are the three key dimensions? (Power Point Slides #5-#6)
109. To avoid confusion concerning the vertical coordination problem, what two questions needed to be kept separate? (Power Point Slide #7)
110. Explain the following terms: (a) transaction cost economics; (b) transaction costs; (c) “make or buy” decisions. (Power Point Slides #8-#9)
111. Discuss some of the potential advantages and disadvantages of: (a) buy (using markets); and (b) make (using the vertically integrated firm). (Power Point Slide #10)
112. What alternatives do managers have on the “Make-or-buy continuum?” (Power Point Slide #11)
113. Discuss the difficulties in the equity alliance between Coca-Cola and Monster Inc. (Textbook: pp. 288-289; Power Point Slide #12)
114. Describe the following three types of potential contractual problems, which pose risk in undertaking cooperative (contractual) agreements or strategic alliances: (1) the adverse selection problem; (2) the moral hazard problem; and (3) the economic holdup problem. (Power Point Slide #13)
115. Define the following terms and use a Figure to do so (from the point of view of a final-assembly manufacturer: (a) upstream (i.e., backward) vertical integration; and (b) downstream (i.e. forward) vertical integration. (Power Point Slides #14-#15)
116. Be prepared to provide a Value Chain analysis base on our Harvard case on **Zara**.
117. Using the concept of economic holdup, explain why we typically see asset (site, physical, and human capital) specificity investments leading to managers to vertically integrate fully. Illustrate your discussion for why, co-located coal plants and electric utility plants --- which in theory could be owned by two different companies --- are typically organized in one vertically integrated firm. (Power Point Slides #17-#19)
118. Apply the theory of transaction cost economics to the Carts of Colorado decision in our Harvard case on **Pepsi Restaurants**. What would the theory recommend? What happened initially? What finally happened?

119. What does (backward and/or forward) taper integration refer to within strategic management? (Power Point Slide #20)
120. Provide some value-enhancing motives for diversification. (Power Point Slides #22-#23)
121. Describe the Core-Competence-Market Matrix. (Power Point Slide #24)
122. Provide some “value neutral” motivations and some motivations for diversification that “devalue.” (Power Point Slides #25).
123. Discuss P&G’s diversification strategy. (Textbook: pp. 306-308; Power Point Slide #26)
124. What type of diversification strategy -- on average -- leads to superior firm-level economic performance? Why? (Power Point Slide #27)
125. Provide a summary of the sources of value creation and the sources of costs for vertical integration, related diversification, and unrelated diversification (Power Point Slide #28)
126. Describe the Boston Consulting Group (BCG) Growth-Share Matrix. (Power Point Slide #29)
127. What does the concept of “knowledge exploration” fit on the BCG Matrix; and where does the concept of “knowledge exploitation” fit on the BCG Matrix? (Power Point Slide #30)
128. Apply the BCG Matrix (and exploitation and exploration logic) to the California Pizza Kitchen decision in our Harvard case on **Pepsi Restaurants**. What happened initially? What finally happened?
129. What are some implementation problems in achieving success in mergers & acquisitions (M&A’s)? (Power Point Slides #32)
130. Provide four attributes that typically result in effective acquisitions. (Power Point Slide #33)
131. Explain how the “efficient market hypothesis” suggests that achieving sustainable competitive advantage (i.e., positive NPV) is difficult in M&As. Indeed, what is the predicted NPV equal to under the conditions of the efficient market? (Power Point Slide #34)
132. In a world of asymmetric information, the results could be better BUT they could be worse for the buyer. If it is worse for the buyer (i.e. negative NPV) this is called a “winner’s curse” (that is the winning bid was too high). Discuss the Quaker Oat’s purchase of Snapple to illustrate the potential real-world magnitude of the problem. (Power Point Slide #35)
133. In terms of turning out better for the buyer, the buyer can come out ahead under three scenarios:
 - (1) Luck;
 - (2) The Buyer holds asymmetric information that is held neither by the Seller, nor by other potential Buyers (i.e., the Buyer buys the asset at a bargain price to get positive NPV); and
 - (3) The Buyer has a specific-synergy (i.e., a co-specialized asset with the Seller), in which case the Buyer can be the highest bidder, but because the value of the asset is worth more to that Buyer than any other buyer, the Buyer can still come out ahead. (Power Point Slide #36)
134. Apply the concept of Economic Value Added (EVA) to the corporate decision of whether **Pepsi Co.** should divest of its restaurants. What happened? What was the economic outcome following the decision?

Power Point Set #9a (Chapter 9: Corporate Strategy: Strategic Alliances and Mergers & Acquisitions)

135. Discuss Lyft's alliance strategy. (Textbook: pp. 321-322 and 342-343; Power Point Slides #2-#3)
136. Describe the Build-Borrow-Buy Framework. (Power Point Slides #4-#5)
137. Discuss how Tesla used alliances strategically. (Textbook: p.327; Power Point Slides #8-#9)
138. Describe the three stages of alliance management capability. (Power Point Slide #10)
139. Discuss three key mechanisms that can lead to effective alliance governance. (Power Point Slide #11)
140. Discuss advantages and disadvantages of Mergers and Acquisitions (Power Point Slides #12-#16)
141. Describe some of the corporate strategy difficulties of Kraft-Heinz. (Textbook: pp. 338-339; Power Point Slides #17-#18)

Power Point Set #9b: Competitive Dynamics: Real Options

142. What is meant by the concepts of competitive dynamics and mutual interdependencies? (Power Point Slide #2)
143. Discuss the advantages and disadvantages of first mover and second-mover. (Power Point Slides #3-#6)
144. What three factors must be considered in cash flow analysis? (Power Point Slide #8)
145. Discuss four techniques for analyzing uncertainty. (Power Point Slide #10)
146. Provide a list of six types of real options, and provide an example for each. (Power Point Slide #11)
147. Consider the **Nucor** case and apply the concepts of (a) the option value to wait (defer); (b) the option value to grow; and (c) the option value to abandon. (Power Point Slide #12; Nucor case)
148. Be prepared to calculate the option value of waiting. (Power Point Slides #13-#16)

Power Point Set #9c: Game Theory and Strategy

149. Describe an "Invisible Hand Game." (Power Point Slide #4)
150. Describe an "Assurance Game." (Power Point Slide #5)
151. Be prepared to solve a Prisoners' dilemma game. (Power Point Slide #6)
152. What is meant by a dominant strategy? What is meant by a dominant strategy equilibrium? (Power Point Slide #7)
153. Explain the various contexts in which a Prisoners' dilemma can occur. Discuss how **Pepsi Restaurant's** incentive system places the respective restaurant owner's in a Prisoners' dilemma. (Power Point Slide #8)
154. What is the relationship between a Nash equilibrium and a dominant strategy equilibrium? (Power Point Slide #9)

- 155. Be prepared to calculate a Nash equilibrium. (Power Point Slides #10-#13)
- 156. Show how a unilateral sunk cost commitment can lead to competitive advantage, based on the logic of the competitive dynamics between Airbus and Boeing. (Power Point Slides #14-#16)
- 157. Show how a mutual sunk cost commitment can solve a Prisoners' dilemma game and support exchange, based on the joint venture between General Motors (GM) and Toyota. (Power Point Slides #17-#18)

Power Point Set #10 (Chapter 10: Global Strategy: Competing Around the World)

- 158. Discuss IKEA's path to becoming the world's most profitable retailer (Textbook: pp.351-352 and 380-381; Power Point Slides #2-#3)
- 159. What is globalization and how is it made possible? (Power Point Slide #4)
- 160. Discuss General Motors (GM's) strategies in China (Textbook: pp. 360-361; Power Point Slide #9)
- 161. What are some of the advantages and disadvantages of going global? (Power Point Slide #10-#12)
- 162. Why did Wal-mart do so poorly in Germany? (Textbook: pp. 363-364; Power Point Slide #13)
- 163. How do multinational enterprises (MNEs) enter foreign markets (i.e., what are the MNE entry mode alternatives)? (Power Point Slides #14-#15)
- 164. What are four alternatives based on the integration-responsiveness framework. Provide an example of each. (Power Point Slides #16-#21)
- 165. Apply the integration-responsiveness framework to our Harvard case on **Haier**. Which strategy should Haier pursue, and why? What organizational structure is needed to implement this strategy?
- 166. Explain the Diamond Model of National Competitive Advantage (Power Point Slides #22-#26)

Power Point Set #11 (Chapter 11: Organizational Design: Structure, Culture, and Control)

- 167. Describe Alphabet (Google's) transformation from a functional to a multidivisional structure organization (Textbook: pp. 391-392 and p. 425; Power Point Slides #2-#3)
- 168. What is the connection between strategy and organization structure? (Power Point Slide #4)
- 169. Explain the choice processes in the Carnegie School Model (Power Point Slide #5)
- 170. What are the sources of bureaucratic costs? (Power Point Slide #6-#7)
- 171. Discuss the four key building blocks of organizational structure. (Power Point Slides #8-#12)
- 172. What are some differences between mechanistic and organic organization? (Power Point Slide #13)
- 173. Describe the multidivisional organization and when it is needed. (Power Point Slides #20-#23)
- 174. Why is the multidivisional organization regarded as evolutionary stable? (Power Point Slides #24-#27)
- 175. What are the characteristics of an effective divisionalization? (Power Slide #28)

176. What are the dysfunctional aspects of a multidivisional? (Power Point Slide #29)
177. What is meant by the term an “ambidextrous” organization? (Power Point Slide #30)
178. Discuss Zappo’s difficulties in implementing a Hocracy. (Textbook: pp. 407-408; Power Point Slides #31-#32)
179. Describe a matrix organization. What are its advantages and disadvantages? (Power Point Slides #33-#37)
180. Provide the differences between closed and open innovation. (Power Point Slides #38-#40)
181. Provide the contrasting stories of Sony and **Apple** (Textbook: pp. 414-415; Power Point Slides #41-#42)

Power Point Set #12: Corporate Governance and Business Ethics

182. Discuss the path toward fraud taken by Theranos (Textbook: pp. 433-434 and 452-453; Power Point Slides #2-#3)
183. Describe four characteristics of the public stock company. (Power Point Slide #4)
184. Provide the “hierarchy of authority” view of the publicly traded corporation that dominates many current textbooks. (Power Point Slide #5)
185. Provide the current minority view of the publicly traded corporation offered by legal scholars Margaret Blair and Lynn Stout (Power Point Slide #6; see also Power Point Slides #6-#13)
186. Provide the contrasting views of the purpose of the corporation from Milton Friedman, and from Michael Porter. (Power Point Slides #14-#18)
187. Describe the concepts of (a) “corporate governance” and (b) “agency costs.” (Power Point Slides #21-#27)
188. Describe HP’s struggle with corporate governance. (Textbook: pp. 444-445; Power Point Slide #28)
189. What corporate governance mechanisms lessen the problem of ownership and control? (Power Point Slides #30-#37)
190. Discuss the Dieselgate debacle at Volkswagen (VW). (Textbook: pp. 449-450; Power Point Slides #39-#40)