

# **Spring 2017 Beginning of Semester Note to My Students**

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At the start of each semester, I e-mail my students in advance of the start of classes to address the issue of course expectations. I include a copy of my syllabus, which is also posted on Blackboard. Student understanding of course expectations may enhance their overall performance.

Below is the note to my incoming spring 2017 students:

**To all,**

**Welcome to my BBA 407 (Strategic Management Course).**

**The purpose of this e-mail is to introduce you to the course's requirements and expectations (see the attached syllabus for more detail). BBA 407 is a sort of capstone course. It draws upon concepts learned in earlier courses ranging from financial accounting to corporate finance.**

**The course grade is a function of homework, one or two library sessions covering research and research resources, one quiz, a mid-term exam, the final exam, and a group research paper. The allocation of points is covered on page 7 of the syllabus.**

**In this note, I will expand a little upon the research paper.**

**The research paper is a group project worth 25% of the course grade. Employers are increasingly emphasizing exposure to group work. Groups and teams—whether they are comprised of executives, staff, or both—play important roles in the development of corporate strategy, implementation of functional responsibilities, administration of the company, and addressing specific problems or challenges. Therefore, the grade is strictly an evaluation of the finished product. No individual grades are assigned. All participants receive the same grade. How students choose to divide the work is completely up to them. Doing so is a proxy for resource allocation, including the assignment of people to projects.**

**This paper offers students an opportunity to apply course concepts to an actual company. It provides early practical exposure to the development of corporate strategy. Two common issues that arise are deficiencies in which some papers lack required elements (a fully avoidable error) and those that provide an overly superficial strategic recommendation and/or simply offer existing strategy as their recommendation. The paper's required elements can be found on page 14 of the syllabus. All companies can be improved. The purpose of the paper is to find ways in which an existing company can improve its medium- and long-term performance. Such improvement requires moving beyond a company's existing strategy.**

**Students are encouraged to submit early drafts for feedback. After all, a key focus of the paper is student learning.**

Students most definitely should not wait until the closing days of the semester to begin writing the paper. To illustrate the futility of treating the research paper as an exercise in “cramming,” one submitted paper failed to utilize the target company’s 10-K report. The explanation given was that the 10-K was ‘too long.’

That was a big mistake. As you will learn during the course, the 10-K report is not some inconsequential or peripheral information. It is an essential component to understanding a company, its situation, and how it sees its environment. Quality papers require thorough research, careful preparation, and thoughtful consideration of possible strategic options, especially when it comes to tying those potential strategies to company resources, capabilities, opportunities, and threats.

Every student can succeed with sustained and ongoing commitment to the course’s work. Nineteenth Century British Prime Minister Benjamin Disraeli once explained to Parliament, “The secret of success is constancy to purpose.” Even in the 21<sup>st</sup> century, his insight retains its relevance.

I very much want to see every student meet his or her full potential. Therefore, I have provided this somewhat detailed explanation in advance of the semester.

Finally, to initiate one’s thinking about strategic management, consider three quotes from Warren E. Buffett’s 2015 letter to shareholders:

“I’ve made some dumb purchases...”

“Charlie [Berkshire Hathaway Vice Chairman, Charlie Munger] and I encourage bolt-ons [acquisitions], if they are sensibly-priced. (Most deals offered us most definitely aren’t.) These purchases deploy capital in operations that fit with our existing businesses and that will be managed by our corps of expert managers.”

“Our flexibility in capital allocation—our willingness to invest large sums passively in non-controlled businesses—gives us a significant edge over companies that limit themselves to acquisitions they will operate.”

These quotes capture elements that define various aspects of strategy: the management team, learning, value recognition, value creation, resource deployment, strategic fit, and uniqueness. Those are among the elements that help companies develop sustainable competitive advantages. Those advantages, which can enable companies to earn above market returns for long periods of time, are a central goal of business strategy.

Good luck in the coming semester, both in BBA 407 and in all your other classes.