

30627 - Company Policy

Syllabus Information

Academic Year: 2020/21

Subject: 30627 - Company Policy

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 432 - Joint Law - Business Administration and Management Programme

ECTS: 6.0

Year: 6

Semester: First semester

Subject Type: Compulsory

Module: ---

1.General information

1.1.Aims of the course

In Business Policy, the analysis of strategy design is extended, recognizing the dynamic nature of strategy which requires its continuous rethinking, taking into account the behavior of rivals and the changing environment. The objective of the course is to find a solid answer to the following question: why do some companies get better results than their competitors and achieve sustained competitive advantage? The ultimate goal is to convey to the company that, to retain its competitive advantage, it will have to continually adapt its strategy, recognizing the threat of its rivals and of potential entrants into the sector as well as the company's ability to influence the changing environment.

These approaches and objectives are aligned with the Sustainable Development Goals (SDGs) of the 2030 agenda and certain specific targets (<https://www.un.org/sustainabledevelopment/>), contributing to some extent to their achievement:

- OBJECTIVE 04: QUALITY EDUCATION. GOAL 04.4: By 2030, significantly increase the number of young people and adults who have the necessary skills, in particular technical and professional, to access employment, decent work and entrepreneurship
- OBJECTIVE 08: DECENT WORK AND ECONOMIC GROWTH. GOAL 08.2: Achieving higher levels of economic productivity through diversification, technological modernization and innovation, including focusing on high-value-added and labour-intensive sectors.

1.2.Context and importance of this course in the degree

The previous knowledge acquired in 'Strategic Management' allows the students to understand the nature and rationale of strategic analysis, the concepts, tools and methods that help managers to design the strategy of the company. The knowledge and skills acquired in this course will help the student towards a solid foundation that facilitates and enhances his understanding of company policy. This will allow the students to understand how important is for a company to adapt its strategy continuously to conserve its potential competitive advantages, recognizing the ability of the company to influence the changing environment.

1.3.Recommendations to take this course

Business Policy is an extension of the course 'Strategic Management'. It is based on the principles and methods of analysis studied in 'Strategic Management', consequently, students must know the concepts of this previous course. They are also advised to take a proactive attitude during the course; to attend the lectures, to do the exercises and read the articles proposed regularly; and to benefit from the individual work and the tutorial sessions.

2.Learning goals

2.1.Competences

1: Specific competences:

1. Direct, manage and administer companies and organizations.
2. Know the operation of all the functional areas of a company or organization.
3. Assess the situation and future prospects of companies and organizations and make relevant decisions.
4. Prepare and draft reports about the global management of companies and organizations.
5. Issue advisory reports on specific situations of markets, sectors, organizations, businesses and functional areas.

6. Understand and apply professional standards and scientific rigour to the resolution of the economic, business and organizational problems.

2: Transversal competences:

1. Skills to solve problems.
2. Organizing and planning skills.
3. Search for information and analyze it. Contrast it with different sources.
4. Decision making abilities.
5. Motivation for quality and excellence.
6. Ability to adapt to new situations.
7. Ability to apply knowledge in practice.

2.2.Learning goals

By studying and passing the subject, students will be able to:

Characterize and analyze the strategic positioning of a firm within the industry through the use of simple economic concepts to identify conditions necessary for competitive advantage in a market.

Understand the concept of competitive advantage and its link to value creation which, in turn, is shaped by how firms position themselves to compete in an industry.

Interpret the economic and organizational logic of two broad alternative approaches to positioning: cost leadership and benefit leadership, as well as their implications in broad-focus and reduced focus targeting strategies.

Use the tools and techniques that will allow them to analyze and evaluate the cost or differentiation position of the firm compared to its rivals.

Be aware of the threats to sustained profits and how firms can guard against them.

Understand the twofold effect of innovation: the long-run threat which threatens the profitability of successful firms and entire industries, even as it allows a new generation of firms and industries to enjoy their own periods of sustained profitability.

Learn the basic concepts in competitive analysis, such as competitor identification, market definition and the four different ways in which firms compete: perfect competition, monopoly, monopolistic competition, and oligopoly.

Understand why firms compete as they do, and conceive the price competition as a dynamic process, that is, one that unfolds over time: a firm's decisions made at one point in time affect how competitors, and indeed the firm itself, will behave in the future.

2.3.Importance of learning goals

The CEO is directly responsible for the choice of a successful strategy. This subject will help to identify and solve the problems involved in that choice. Strategy is increasingly important for companies, given the uncertain and unpredictable environment in which they develop their activity. In these circumstances, its proper identification and formulation is a challenge of great importance for the survival and prosperity of organizations.

In order to ensure a good market position and maintain an appropriate long-term profitability rate, the firm needs to have a deep understanding of the characteristics and structure of the markets in which it operates, as well as the forces that determine the degree of rivalry in those markets. This knowledge of markets should be combined with a good diagnosis of the company's own strengths and weaknesses to ensure synchrony or optimal fit between the markets in which it competes and the resources and capabilities that are available to get a good position in the market.

3.Assessment (1st and 2nd call)

3.1.Assessment tasks (description of tasks, marking system and assessment criteria)

The evaluation system of the subject is GLOBAL and is carried out through the following procedures and activities:

- A theoretical and practical final written exam on the date approved by the faculty within the period established for that purpose in the academic calendar. The student must demonstrate knowledge about the concepts analyzed during the lessons and the interrelationships between them. There will be test questions (True/False), practical exercise and open questions to express opinions and vocabulary.
- Active participation in discussions in the practical classes and, at the beginning of these classes, the handing in of the work or exercises previously assigned by teachers. The practical classes will focus on doing exercises related to the different chapters of the program of the course, as well as on the presentation and discussion of recommended readings.
- A detailed analysis of a particular company in which the concepts acquired during the course should be applied. Students will analyze the positioning of the company in the market and analyze the rivalry in the sector to which the company belongs. These works will be performed, preferably, in groups of two or three people. Students who choose this option must receive approval from the teacher about the company selected. In addition, they must submit, on the date indicated for this purpose (Through the Moodle platform), a preliminary proposal about the objectives and the type of analysis to be performed in group work.

Evaluation Criteria:

The student can pass the subject in any of the two sittings established. In both, when the student opts for the evaluation taking advantage of the work done throughout the course procedure, students can choose to perform a final and comprehensive exam of the subject (in which case the score in this test, up to a maximum of 10 points, will represent one hundred percent of the final score), or take advantage of the work done throughout the course. In the latter case, the final score of the subject will be distributed as follows:

Participation in practical classes and delivery of exercises and works proposed (10% of the final score). If the student chooses this system, she must hand in all the exercises and cases that arise during the course on the date indicated. In order to obtain this qualification, all exercises must be performed and reasoned. To follow this kind of assessment the student has to achieve the threshold required.

Detailed analysis of a company, 25% of the final score.

The final and comprehensive exam of the subject, in which is necessary to obtain a minimum score of 4 points of 10, 65% of the final score. To follow this kind of assessment the student has to achieve the threshold required.

The final score will be the highest of either that obtained in the overall exam or that obtained considering participation and the handing in of exercises and assignments.

When the student opts for the evaluation procedure through a global exam, without attending the active participation in discussions in the practical classes and the analysis of a particular company, it will contain two parts, distributing the grade of the subject as follows:

The final and comprehensive exam of the subject: 65% of the final score.

An additional test on the knowledge acquired in the subject, both in the theoretical classes and through the recommended readings and exercises, which can be done by oral examination: 35% of the final score.

These tests are expected to be carried out in person, but if health circumstances require it, they will be carried out in a semi-presence or online manner. In the case of online evaluation, it is important to note that, in any test, the student can be recorded, being able to exercise his rights by the procedure indicated in:

https://protecciondatos.unizar.es/sites/protecciondatos.unizar.es/files/users/lopd/gdocencia_reducida.pdf

The necessary software will be used to check the originality of the activities carried out. Detection of plagiarism or copying in an activity will involve grading 0 points on the same.

4.Methodology, learning tasks, syllabus and resources

4.1.Methodological overview

The learning process designed for this course is based on the use of different teaching methods, selecting those that best contribute to the achievement of the objectives and those that allow the students to develop skills and competences in order to achieve a capacity for abstraction and critical thinking that favours systematic and flexible thinking and the ability to adapt to changes.

The theoretical classes will consist of lectures but the teacher will also encourage the students to work autonomously prior to the lectures following the teacher's recommendations and basic orientation. In the practical sessions, the teacher will use teaching methods that seek a greater involvement and participation of the student within the teaching-learning process. The methods that will allow this interaction include the following: resolving exercises, carrying out practical work, case studies, reading articles and seminars.

4.2.Learning tasks

Lectures: the lecture will present the theoretical contents of the subject. Before each class, the student should have prepared the topic.

Practical sessions: These complement the lectures. These classes offer students the possibility of implementing the main problem-solving techniques developed in the different chapters of the programme. These techniques are based on examples that illustrate the reality of the problems posed in class theoretically. In particular, the development of practical classes will be based on resolving exercises, practical work, case resolution, and the analysis and discussion of readings in class. The student group will be split for these classes to better facilitate the monitoring of the students' learning process and increase their participation in class

Individualized teaching through tutorials that allow the clarification of doubts that students may have and enable a more detailed dialogue about aspects of the course. This constitutes an effective means for individualized teaching and the customizing of the otherwise homogeneous educational message.

The calendar with all the activities will be shown during the first and introductory session. The methodology used during the theoretical and practical session will be also shown during this session. A brief introduction to the contents in the different chapters will also be shown.

Note: Credits calculated with a 15-week course.

The calendar with the theoretical and practical sessions will be published in the faculty website. The deadlines for teamwork, evaluations and other activities will be communicated by the teachers in the University of Zaragoza moodle platform.

The teaching delivery methodology is expected to pivot around face-to-face classes. However, if necessary for health reasons, face-to-face classes may be taught in a semi-presence or online manner.

4.3.Syllabus

TOPIC 1: STRATEGIC POSITION AND COMPETITIVE ADVANTAGE

- 1.1 Introduction
- 1.2 Competitive Advantage and Value Creation: Analytical tools
- 1.3 Strategic Positioning: Cost Competitive Advantage and Value Competitive Advantage
- 1.4 Segmentation and Targeting Strategies
- 1.5 Market Segmentation and Competition

TOPIC 2: DIFFERENTIATION AND COST POSITIONING ANALYSIS

- 2.1 Introduction
- 2.2 Cost Advantage Analysis
- 2.3 Cost Drivers in Positioning
- 2.4 Value-Added Analysis
- 2.5 Methods for Estimating Perceived Benefits
- 2.6 Firm Performance, Value Chain and Business Models

TOPIC 3: SUSTAINING COMPETITIVE ADVANTAGE

- 3.1 Introduction
- 3.2 Difficulties to Sustain Competitive Advantage
- 3.3 Empirical evidence: sustained profitability
- 3.4 Sustainable Competitive Advantage: The Resource-Based View
- 3.5 Sustainable Competitive Advantage: Isolating Mechanisms

TOPIC 4: ORIGINS OF COMPETITIVE ADVANTAGE

- 4.1 Introduction
- 4.2 The Role of the Entrepreneur. Creative Destruction. Disruptive Technologies
- 4.3 The Incentive to Innovate
- 4.4 Innovation Competition
- 4.5 Dynamic Capabilities
- 4.6 Market for Ideas, Analytical vs Emergent Strategies and Lean Start-up

TEMA 5: RIVALRY AND RESULTS IN INDUSTRY

- 5.1 Introduction
- 5.2 Competitive Analysis: Market Structure, Conduct and Performance
- 5.3 Oligopolistic Static Theory and Collusive Agreements
- 5.4 Oligopolistic Dynamic Theory and Collusive Agreements
- 5.5 Market Structure and the Sustainability of Collusive Agreements
- 5.6 Corporate Attitudes and Collusion

4.4.Course planning and calendar

Further information concerning the timetable, classroom, office hours, assessment dates and other details regarding this course, will be provided on the first day of class or please refer to the Moodle website (<https://moodle2.unizar.es>); Academic calendar website (<https://academico.unizar.es/calendario-academico/calendario>); or the website of your corresponding faculty (Zaragoza: <https://econz.unizar.es/>, Huesca: <http://fegp.unizar.es/>, Teruel: <http://fcsh.unizar.es/>).

If necessary, as a result of semi-presence or online decisions for health reasons, other information such as examination calls and specific instructions for their development will be published.

4.5.Bibliography and recommended resources