

Academic Year/course: 2021/22

## 27329 - Business Policy

### Syllabus Information

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**Academic Year:** 2021/22

**Subject:** 27329 - Business Policy

**Faculty / School:** 109 - Facultad de Economía y Empresa

228 - Facultad de Empresa y Gestión Pública

301 - Facultad de Ciencias Sociales y Humanas

**Degree:** 448 - Degree in Business Administration and Management

454 - Degree in Business Administration and Management

458 - Degree in Business Administration and Management

**ECTS:** 6.0

**Year:** 3

**Semester:** Second semester

**Subject Type:** Compulsory

**Module:**

## 1. General information

### 1.1. Aims of the course

The course of Business Policy deepens on the study of the process of Strategic Management, recognizing the dynamic nature of strategy which requires its continuous rethinking, and taking into account the behavior of rivals and the evolution of the environment. Specifically, the objective of the course is to find a solid answer to the following question: why do some companies get better results than competitors and achieve a sustained competitive advantage? The ultimate goal is to explain that a company has to adjust its strategy to sustain its competitive advantage, taking into account the threat of rivals and 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 labor-intensive sectors.
  - GOAL 08.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

### 1.2. Context and importance of this course in the degree

The course of Business Policy is taught in the second semester of the third year of the Degree in Business Administration and Management. This subject continues the course of Strategic Management, so it links to the content of a course of the first semester of the third year of the Degree. The objective is to deepen on the study of management from a global point of view, integrating the basic knowledge of other courses such as *Essences of Management* (first year of the Degree) and *Organization and Management* (second year of the Degree). The knowledge and capabilities acquired in both courses are the starting point of the remaining courses of Management (Strategic Management, Business Policy, Production Management and Human Resources Management).

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 sustain its competitive advantage, recognizing the ability of the company to influence the changing environment.

### 1.3. Recommendations to take this course

The overall goal of Business Policy is to deepen on the study of the process that analyses, formulates, implements and controls the business strategy. Business Policy is an extension of the course Strategic Management. It is based on the principles and methods of analysis studied in this course. 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 rigor 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. These works will be performed, preferably, in groups of three or four 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 project.

#### Evaluation Criteria:

The student can pass the subject in any of the two established calls. In both, when the student chooses the mixed assessment (taking advantage of the work done throughout the semester), he can select 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 case studies proposed (10% of the final score). If the student chooses this system, he must hand in **all** the exercises and case studies individually on the date indicated.
- Detailed analysis of a company (30% of the final score). Students have to write a report.
- The final and comprehensive exam of the subject, in which is necessary to obtain a minimum score of 4 points out of 10 (60% of the final score).

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 chooses 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, this global exam will be 100% of the final mark.

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](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 development of the syllabus and the achievement of the learning goals established will require continuous work through the semester performing the following activities:

- Recommended attendance to the classes.
- Reading and study of the bibliography of each unit.
- Regular accomplishment of the exercises and case studies that the teacher will propose through the semester.
- Detailed analysis of a company (which will be chosen with the agreement of students and the teacher).
- Query of doubts and problems with the content of the course.

## 4.2. Learning tasks

This course is organized as follows:

- **Lectures** (1.2 ECTS: 30 hours). Two-hours weekly sessions. Theoretical aspects of the course will be explained.
- Before each session, student should have prepared each topic that will be explained.
- **Practice sessions** (1.2 ECTS: 30 hours). Two-hours weekly sessions. These classes offer students the possibility of implementing the main problem-solving techniques developed in the different topics of the syllabus. These techniques are based on examples that illustrate the reality of the problems posed in class theoretically. In particular, the development of practice sessions will be based on problem-solving, practical work, case solving, and the analysis and discussion of readings in class.
- **Autonomous work and study** (3.6 ECTS: 90 hours). It consists of seminars, tutorials, and students' autonomous work. Individualized teaching through tutorials 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 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

### **PART 1: COMPETITIVE STRATEGIES**

#### **UNIT 1: STRATEGIC POSITION AND COMPETITIVE ADVANTAGE**

1. Introduction
2. Competitive Advantage and Value Creation
3. Generic Business Strategies: Cost Leadership and Differentiation
4. Strategic Position
5. Market Segmentation

#### **UNIT 2: THE SUSTAINABILITY OF THE COMPETITIVE ADVANTAGE**

1. Introduction
2. Isolated Mechanisms of Competitive Advantages
3. Pioneer Advantage and its Mechanisms
4. Factors that Influence the Sustainability of Competitive Advantages

#### **UNIT 3: INNOVATION MANAGEMENT**

1. Introduction
2. The Innovation Process
3. Innovation and the Industry Life Cycle
4. Types of Innovation
5. Incentives to Innovate
6. Business Model Innovation

### **PART 2: CORPORATE STRATEGIES**

#### **UNIT 4: VERTICAL INTEGRATION AND DIVERSIFICATION**

1. Introduction
2. The Boundaries of the Firm: Make or Buy
3. Vertical Integration
4. Corporate Diversification

#### **UNIT 5: STRATEGIC ALLIANCES, MERGERS, AND ACQUISITIONS**

1. Introduction: How Firms Achieve Growth
2. Strategic Alliances

3. Management of Strategic Alliances
4. Mergers and Acquisitions as a Source of Value Creation
5. Mergers, Acquisitions and Competitive Advantage

#### **UNIT 6: INTERNATIONALIZATION STRATEGY**

1. Introduction: What is Globalization?
2. Going Global: Advantages and Disadvantages
3. Going Global: Where and How
4. Cost Reductions vs Local Responsiveness
5. National Competitive Advantage

#### **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://moddle2.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://fcsch.unizar.es/>).