

MGT 527—STRATEGIC MANAGEMENT
Spring, 2016- Online Section 05W

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Course Description: This class involves the study of administrative processes and policy determination at the general managerial level which will be taught through assigned readings, applied homework, a business plan, a strategic audit, and the sharing of ideas and experiences with peers. This course is open to business majors only and should be taken during semester of graduation unless approved by department head and professor.

Course Objectives:

1. Understand the nature of competition and industries at an advanced level.
2. Understand how external forces such as social, political/legal, economic, and technological, influence strategic decision-making and firm performance.
3. Understand the sophisticated relationships among the functional areas of an organization (marketing, human resources, production, finance, and accounting) and how effective strategic planning requires a concerted effort among all functional areas.
4. Understand strategy research, including extensive use of the internet as a research tool.
5. Be able to systematically apply the strategic management model to the analysis of an ongoing enterprise, including industry, environmental, and firm assessments; firm, business, and functional strategic assessments; development and evaluation of strategic alternatives; and strategic implementation and control.

Global Course: MGT 527, a Texas A&M University-Commerce Global Course, seeks to prepare students for an interconnected world through a focus on improved global competence. As a part of their respective Strategic Audits, students will demonstrate knowledge of the interconnectedness of global dynamics as they analyze organizations, their industries, and their internal and external environments. After grading, students will submit their Strategic Audits to ePortfolio - <https://leo.tamuc.edu> – ManeSync tab.

Course Text: Hitt, M.A., Ireland, R.D. & Hoskisson, R.E. (2015). Strategic Management: Concepts and Cases: Competitiveness and Globalization (11th Edition). Cengage Learning: Stamford, CT. Print: ISBN-10 1285425170, ISBN-13 9781285425177; eText: ISBN-13 9781285801063, ISBN-10 1285801067. Cost: New Price: \$127.88; Used Price: \$180.

Communication: The main means of communication for this course will be via Email—I check my email several times per day. If you email me a question that I consider might benefit the rest of the class, I will email the question with a response to the entire class. I do not use all of the functions available on eCollege. Primarily, I will be posting slides and other learning aides in “Doc Sharing” and we will be conducting our discussions (see below) through the “discussion” space in eCollege. Also, you will be submitting your homework, business plan, and strategic audit via the “Drop Box” in eCollege.

Course Grading:

Discussions (4): 20%
Homework (2): 30%
Cumulative/Comp Exam: 20%
Major Field Test (MFT): see below
Strategic Audit: 30%

General Guideline for Assignments: All homework (this does not include discussions, comprehensive exam or strategic audit) are to be done in teams of 3-5 members and handed in via the dropbox in eCollege. You only need to hand-in one assignment for all the individuals on the team—in other words, each team member does not have to hand-in the assignment as I will give grades to all those whose names appear on the received document. Peer evaluations only need to be emailed to me if you feel that a member is performing sub-par work. In other words, I will follow a ‘management by exception’ policy for the evaluations; all members shall receive the highest score UNLESS peers submit an evaluation with sub-par ratings. The same team members need NOT be on all assignments—you may have different team composition for the different assignments. The following formatting guidelines for all written assignments should be used: typed using 12-point Times New Roman font, double spaced, one-inch margins all around, page numbering on bottom of page, no header or footer, and student name, assignment information, and date in upper left-hand corner.

Discussions

During the course of the semester, I will post discussion questions under “discussion” in eCollege hoping to accomplish three objectives: 1) offer you the opportunity to research relevant concepts more in depth by reading the latest peer-reviewed articles on the topic; 2) stimulate you to reflect on how concepts covered in the text and in the academic literature are applied in the organizations where you work, and 3) offer you the opportunity to learn how these concepts are being applied in other organizations (i.e. those of your peers). If you have limited experience or have not had personal exposure to a particular concept being covered, you are still expected to contribute to the discussion by asking thought provoking questions to your peers and offering insightful comments based on the discussion at hand. The key to quality discussions is the value-added insights you offer to the discussion. Therefore, your grade will be based on: 1) the extent of your literature review; 2) the extent to which you relate the literature review to your personal experience, and 3) the degree to which you contribute to the discussion through insightful comments with your peers (i.e. simply stating “I think so to” is not considered insightful); make sure to engage with multiple peers. These discussions are designed to simulate face-to-face classes where graduate students are able to learn from each other. Please keep in mind that I will only consider your postings that are entered no later than **2 full days** after the established date for the discussions on the syllabus. For example, if the date for the discussion on the syllabus shows for Friday the 7th, you will have until midnight of Sunday the 9th to post your comments. The purpose of having a two day window is to keep us all on the same topic during a given timeframe. This will also allow you sufficient time to read the posts by your peers and engage in a meaningful discussion and sharing of thoughts, ideas and insights. Please keep in mind that while you should NOT post your comments prior to the established date, you are highly encouraged to work on your post (i.e., research and articulation of how the research resonates with your experience) over the course of the week.

Homework assignments

- 1) This homework involves selecting a firm of your choice (other than the firm for your strategic audit), and conducting an external environmental and industry analysis for the firm. Specifically, I want you to: 1) offer a brief introduction of the company including the company history, 2) a brief industry overview, 3) an in-depth qualitative AND quantitative analysis (e.g., correlation and regression analysis) of how environmental variables have impacted the firm in the past, 4) an in-depth qualitative AND quantitative analysis (e.g., correlation and regression analysis) of how industry forces (Porters five forces) have impacted the firm, and 5) a literature review of environmental and industry variables and how they influence organizations. The literature review should be integrated with your analysis; please review the samples available in Doc Sharing. The objective of this homework is to make you more aware of how environmental trends and industry forces need to be considered when elaborating strategic plans/audits. This homework will be graded based on the identification of the relevant variables, the in-depth analysis of those variables including their trends and their impact on the firm (preferably quantitative), and the breadth and depth of your literature review on the topic.
- 2) This homework involves selecting a firm of your choice (other than the firm you plan to use for your strategic audit or used in previous assignments) and creating a SWOT matrix and analysis. Specifically,

I want you to offer: 1) a brief introduction of the company including the company history, 2) brief industry overview, 3) an external environmental and industry analysis similar to that produced in the prior assignment, 4) literature review on firm strengths (e.g., competencies, capabilities, patents, reputation...), weaknesses and their impact on firm performance and competitiveness, 5) a SWOT analysis (not just bullet points), 6) potential strategies that the firm could take to capitalize on opportunities and strengths while protecting itself from threats and weaknesses. This homework will be graded based on the level of detail of the multiple analyses (for example the use of correlation and regression analyses), the breadth and depth of your literature review (the amount of literature you use and your ability to extract relevant/practical information), and the depth and logic of your insights (the ability to apply what you learned to offer important insights; insights are relationships that are not obvious to the general public without analysis and critical thinking) regarding strategies the firm should pursue.

Cumulative/Comp Exam

This exam will be given to you during the first couple weeks of the semester and is to be completed individually. It covers a broad scope of topics and counts as the required Comp exam for graduation. **YOU MUST OBTAIN A PASSING GRADE** (I consider a passing grade as 70% or greater) **ON THIS EXAM IN ORDER TO GRADUATE.**

Major Field Test (MFT)

The MFT is a standardized test that encompasses topics from all the functional areas (e.g., economics, finance, accounting, marketing and so forth) you studied during the graduate program. The impact of this exam on this class will be a little different than the grading of all other activities. Should a student not take the exam at all, I will deduct 2 points from their final class average. Should a student receive a grade over the 50th percentile, I will add 1 point to the final grade. Should a student receive a grade over the 75th percentile, I will add 2 points to the final grade. Should a student receive a grade over the 90th percentile, I will add 3 points to the final grade.

Strategic Audit

The purpose of this exercise is to analyze a large corporation and its environments and apply strategic management concepts to find insightful strategic options for this firm. Based on an existing corporation, your team will prepare a written strategic analysis applying strategic management concepts. This will be a team project and the firm and industry will be negotiated once the make up of the class is established. The audit will be graded based upon timeliness, specificity, depth and breadth of analyses, and SUPPORT for your recommendations, as well as your team members rating of your contribution. Please refer to Strategic Audit of a Corporation in Appendix 1.A on pages 34-41. You should use this outline as a guide for your project. You may also want to refer to chapter 12 for additional guidance.

Students with Disabilities: The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Office of Student Disability Resources and Services, Texas A&M-Commerce, Gee Library, Room 132 – Phone (903) 886-5150 or (903) 886-5835 – Fax (903) 468-8148 – StudentDisabilityServices@tamuc.edu

Code of Student Conduct: All students will follow the tenets of common decency and acceptable behavior conducive to a positive learning environment. See Student's Handbook, Rules, and Procedures, Code of Student Conduct <http://www.tamuc.edu/studentlife/guidebook67.pdf>. College of Business professors do not tolerate **plagiarism** and other forms of academic **dishonesty**. Instructors "are expected to uphold and support student integrity and honesty by maintaining conditions that encourage and enforce academic honesty. Conduct that violates generally accepted standards of academic honesty is "**Academic dishonesty.**" **It includes, but is not limited to, plagiarism (the appropriation or stealing of the ideas or words of another and passing them off**

as one's own), cheating on exams or other course assignments, collusion (the unauthorized collaboration with others in preparing course assignments), and abuse (destruction, defacing, or removal) of resource material.” See 13.99.99.R0.10 Academic Honesty at http://www.tamuCommerce.edu/administration/Rules%26Procedures/rules_procedures.asp?RID=97. In accordance with the Texas A&M University-Commerce Code of Student Conduct Section 5.b [1, 2, 3], the penalties for students guilty of academic dishonesty include **disciplinary probation, suspension, and expulsion. Also, you will receive an “F” for this course. Please be aware that it is YOUR responsibility to ensure that any document that contains your name follows these guidelines; all group members will receive the same sanction regardless of who specifically incurred in the infraction.**

Course Schedule

January

Week 1 Friday 22: Read Chapter 1: Strategic Management and Strategic Competitiveness

- Please introduce yourselves to the rest of the class using “student lounge”
- Participate in discussion 1

Week 2 Friday 29: Read Chapter 2: Chapter 2: The External Environment: Opportunities, Threats, Industry Competition, and Competitor Analysis

- Participate in Discussion 2

February

Week 3 Friday 5: Read Chapter 3: The Internal Organization: Resources, Capabilities, Core Competencies, and Competitive Advantages

- Participate in Discussion 3

Week 4 Friday 12: Read Chapter 4: Business-Level Strategy

Week 5 Friday 19: Read Chapter 5: Competitive Rivalry and Competitive Dynamics

Due: Homework 1: environmental scanning and industry analysis

Week 6 Friday 26: Read Chapter 6: Corporate-Level Strategy

March

Week 7 Friday 4: Read Chapter 7: Merger and Acquisition Strategies

Week 8 Friday 11: Read Chapter 8: International Strategy

Due: Homework 2: SWOT matrix and strategic suggestions

Week 9 Friday 18: **Due:** Cumulative/Comp Exam

Week 10 Friday 25: Read Chapter 9: Cooperative Strategy

April

Week 11 Friday 1: Work on strategic audit

Week 12 Friday 8: Read Chapter 10: Corporate Governance

Week 13 Friday 15: Read Chapter 11: Organizational Structure and Controls

- Participate in Discussion 4.

Week 14 Friday 22: Read Chapter 12: Strategic Leadership & Chapter 13: Strategic Entrepreneurship

Week 15 Friday 29: Work on strategic audit

May

Week 16 Friday 6 (last day of class): **Due:** Strategic Audit

MGT 527- STRATEGIC MANAGEMENT-- Assessment Rubrics

Homework 1	Far Exceeds Standards	Exceeds Standards	Meets Standards	Fails to Meet Standards
<p>Company History & Industry Overview (10%) In order to effectively assess the environment and industry in which a firm is immersed, it is important to first have a general understanding of the firm, its history, and the industry in which it competes.</p>	<p>Clearly explains the history of the firm and how it has changed over time. Also, explains specific industry trends over the past few years.</p> <p style="text-align: center;">(10)</p>	<p>Clearly explains the history of the firm and how it has changed over time. Also broadly explains industry trends.</p> <p style="text-align: center;">(8)</p>	<p>Somewhat explains the general history of the firm and how it has changed over time. Also broadly explains industry trends.</p> <p style="text-align: center;">(7)</p>	<p>Fails to explain the history of the firm or how it has changed over time. Also fails to explain industry trends.</p> <p style="text-align: center;">(6)</p>
<p>Environmental scanning: variable identification (20%) A first step in the environmental scanning process is identifying those variables that have the greatest impact on your organization.</p>	<p>Identifies and evaluates all of the most critical environmental variables clearly (five or more) and with supported rationale statements as to why each variable was included.</p> <p style="text-align: center;">(20)</p>	<p>Identifies and evaluates all of the most critical environmental variables (at least four or five) with rationale statements as to why each variable was included.</p> <p style="text-align: center;">(16)</p>	<p>Identifies and evaluates some critical environmental variables (two or three) with some indication of rationale as to why each variable was included.</p> <p style="text-align: center;">(14)</p>	<p>Identifies an environmental variables and/or provides no rationale as to why the variable was included.</p> <p style="text-align: center;">(12)</p>
<p>Environmental scanning: variable trends (20%) The second step in an environmental scan is to research and understand how the identified variables have been changing in the past and are expected to change in the future.</p>	<p>Evaluates the previously identified variable trends in detail and provides specific insights as to potential extensions of the trends of each variable into the future (3-5 years).</p> <p style="text-align: center;">(20)</p>	<p>Evaluates the previously identified variable trends and provides insights as to potential extensions of the trends of each variable into the future (3-5 years).</p> <p style="text-align: center;">(16)</p>	<p>Evaluates the previously identified variable trends in general terms and provides broad ideas as to potential extensions of the trends of each variable into the future.</p> <p style="text-align: center;">(14)</p>	<p>Provides an extremely weak evaluation of the variable trends and offers no insight as to future trends.</p> <p style="text-align: center;">(12)</p>
<p>Environmental scanning: impact of trends on organization (20%) The third step in the environmental scan is to understand how the changes in the identified variables may impact the organization.</p>	<p>Articulates and persuasively defends the potential impact that the trends of the variables in the future may impact the organization.</p> <p style="text-align: center;">(20)</p>	<p>Articulates and defends the potential impact that the trends of the variables in the future may impact the organization.</p> <p style="text-align: center;">(16)</p>	<p>Articulates and somewhat defends the potential impact that the trends of the variables in the future may impact the organization.</p> <p style="text-align: center;">(14)</p>	<p>Is not able to articulate and/or persuasively defend the potential impact that the trends of the variables in the future may impact the organization.</p> <p style="text-align: center;">(12)</p>

<p>Industry analysis (20%) The text identifies six forces driving industry competition. Analyze how each of the six forces influences competition within the industry of your company.</p>	<p>Explains in detail how each force influences industry competition for the selected firm.</p> <p style="text-align: center;">(30)</p>	<p>Explains in some detail how each force influences industry competition for the selected firm.</p> <p style="text-align: center;">(24)</p>	<p>Explains in little detail how each force influences industry competition for the selected firm.</p> <p style="text-align: center;">(21)</p>	<p>Does not explain how each force influences industry competition for the selected firm.</p> <p style="text-align: center;">(18)</p>
<p>Peer evaluation (10%) I expect that all members of a team will put forth relatively the same amount of effort towards the homework. In order to secure equity, I want each member to rate the other members on a scale from 1-4 with 4 being the highest score for exceptional work and collaboration.</p>	<p>The peer performed exceptional work, eagerly collaborated on the homework and delivered what was agreed upon.</p> <p style="text-align: center;">(10)</p>	<p>The peer performed good work, collaborated on the homework and delivered what was agreed upon.</p> <p style="text-align: center;">(8)</p>	<p>The peer performed average work, on occasion collaborated on the homework and delivered less than what was agreed upon.</p> <p style="text-align: center;">(7)</p>	<p>The peer performed mediocre work, did not collaborate on the homework and did not deliver what was agreed upon.</p> <p style="text-align: center;">(6)</p>

Homework 2	Far Exceeds Standards	Exceeds Standards	Meets Standards	Fails to Meet Standards
<p>Company History & Industry Overview (20%) In order to effectively assess the environment and industry in which a firm is immersed, it is important to first have a general understanding of the firm, its history, and the industry in which it competes.</p>	<p>Clearly explains the history of the firm and how it has changed over time. Also, explains specific industry trends over the past few years.</p> <p style="text-align: center;">(20)</p>	<p>Clearly explains the history of the firm and how it has changed over time. Also broadly explains industry trends.</p> <p style="text-align: center;">(16)</p>	<p>Somewhat explains the general history of the firm and how it has changed over time. Also broadly explains industry trends.</p> <p style="text-align: center;">(14)</p>	<p>Fails to explain the history of the firm or how it has changed over time. Also fails to explain industry trends.</p> <p style="text-align: center;">(12)</p>
<p>SWOT analysis (35%) The first step in creating the TOWS matrix is to perform an internal (strengths and weaknesses) and external (opportunities and threats) analysis of the organization</p>	<p>Specifically (and correctly) identifies strengths, weaknesses opportunities, and threats (7-10 for each category).</p> <p style="text-align: center;">(35)</p>	<p>Specifically (and correctly) identifies strengths, weaknesses opportunities, and threats (4-6 for each category).</p> <p style="text-align: center;">(28)</p>	<p>Vaguely identifies and correctly distinguishes between strengths, weaknesses opportunities, and threats (3-5 for each category).</p> <p style="text-align: center;">(24)</p>	<p>Not able to (and incorrectly) identify or distinguish between strengths, weaknesses opportunities, and threats.</p> <p style="text-align: center;">(21)</p>
<p>Potential strategies (35%) After identifying SWOT, you must be able to capitalize on strengths and opportunities as well as protect yourself (the firm) from weaknesses and threats.</p>	<p>Creatively and insightfully generates SO, WO, ST, and WT (see pages 182-185 of text) strategies and convincingly defends the suggested strategies.</p> <p style="text-align: center;">(45)</p>	<p>Offers solid SO, WO, ST, and WT (see pages 182-185 of text) strategies and defends the suggested strategies.</p> <p style="text-align: center;">(36)</p>	<p>Generates SO, WO, ST, and WT (see pages 182-185 of text) strategies and somewhat is able to defend the suggested strategies.</p> <p style="text-align: center;">(31)</p>	<p>Offers weak SO, WO, ST, and WT (see pages 182-185 of text) strategies and is not able to defend the suggested strategies.</p> <p style="text-align: center;">(27)</p>
<p>Peer evaluation (10%) I expect that all members of a team will put forth relatively the same amount of effort towards the homework. In order to secure equity, I want each member to rate the other members on a scale from 1-4 with 4 being the highest score for exceptional work and collaboration.</p>	<p>The peer performed exceptional work, eagerly collaborated on the homework and delivered was agreed upon.</p> <p style="text-align: center;">(10)</p>	<p>The peer performed good work, collaborated on the homework and delivered what was agreed upon.</p> <p style="text-align: center;">(8)</p>	<p>The peer performed average work, on occasion collaborated on the homework and delivered less than what was agreed upon.</p> <p style="text-align: center;">(7)</p>	<p>The peer performed mediocre work, did not collaborate on the homework and did not deliver what was agreed upon.</p> <p style="text-align: center;">(6)</p>

Strategic Audit	Exceeds Standards	Meets Minimum Standards	Fails to Meet Standards
Introduction to the Organization (I) - History of the Company, Current Status and impact of globalization– 3 points	Includes essential material in this section. Any additional material is in an appendix. 3 points	Includes essential material in this section. Any additional material is in an appendix. 2 or 3 points	Essential material not included. 0 to 1 point
Identification of Industry & competitors (II) (2 points)	Lists and briefly discusses industry(ies) in which organization competes & its competitors – 2 points	Lists and briefly discusses industry(ies) in which organization competes & its competitors – 2 points	Fails to address industry(ies) in which organization competes and/or its competition. 0 to 1 point.
Analysis of the Industry (III) Strategic group, Porter’s 5 Forces, Industry CSF’s, & Successful & Failed Organizations - 10 points	Analyzes organization’s strategic group(s), critical success factors for industry, & lists successful & failed organizations. Discusses Porter’s 5 Forces & provides an in-depth analysis for industry & organization-9-10 pts	Meets the basic criteria for this Outline Item, but fails to demonstrate knowledge of theories needed to address some of the requirements. – 7 or 8 points	Meets some of the basic criteria for this Outline Item, but fails to demonstrate knowledge of theories needed to address most of the requirements. – 0 to 6 points
Analysis of Macro-Environment (IV) Global and local Political, Economic, Social, and Technological forces – Threats & Opportunities facing the organization - 10 points	Demonstrates knowledge of, & capability to apply, theories and tools in the analysis of Macro-Environment (e.g., Political, Economic, Social, and Technological forces). Also identifies the threats and opportunities facing the organization. 9-10 points	Meets basic criteria for this Outline Item. Fails to demonstrate knowledge of, or ability to use, theories & tools needed to analyze Macro-Environment. May not identify some threats and/or opportunities facing the organization. – 7 - 8 points	Meets some of the basic criteria for this Outline Item, but fails to demonstrate knowledge of theories needed to address most of the requirements – 0 – 6 points.
Analysis of Organization - Measurement and control system (V) - Current financial position - Use financial analysis tools - Compare with competitors and standards. List KPI’s (Key Performance Indicators) – 10 points.	Applies financial analysis theories and tools to determine organization’s current financial position & compares it with competitors and standards. Discusses its measurement and control system & KPI’s – 9-10 points.	Meets basic criteria for this Outline Item. Fails to demonstrate knowledge of, and/or capability to apply, financial analysis theories & tools and/or fails to compare it with competitors and standards – 7-8 points.	Meets some of the basic criteria for this Outline Item, but fails to demonstrate knowledge of, or capability to apply, theories & tools needed to address most of the requirements – 0 – 6 points
Analysis of Organization (VI) – Mission, Vision, Core Values, Operating Guidelines, Core Competencies, Goals - 10 pts.	Demonstrates knowledge and capability to apply theories and tools in the analysis of the organization in terms of its mission, vision, core values, operating guidelines, and core competencies – 9-10 points.	Meets the basic criteria for this Outline Item, but fails to demonstrate knowledge of, or capability to apply, theories needed to address some of the requirements – 7-8 points.	Meets some of the basic criteria for this Outline Item, but fails to demonstrate knowledge of theories needed to address most of the requirements – 0 – 6 points.
Analysis of Organization (VII) – Current Strategies, Alignment with goals. Compares with competition. Completes SWOT analysis and Gap analysis for organization. Suggest strategies. Evaluates strategies –20 points	Demonstrates knowledge of, and capability to apply, theories & tools in analysis of organization (current strategies, alignment of strategies with goals, competition). Uses SWOT & Gap analyses. Suggests strategies & evaluates each of them - 17-20 points.	Meets the basic criteria for this Outline Item, but fails to demonstrate knowledge of, or capability to apply, theories needed to address some of the requirements – 12-16 points.	Meets some basic criteria for this Outline Item. Fails to demonstrate knowledge of theories needed to address most of the requirements – 0 – 11 points.
Analysis of Organization (VIII) – Functional Strategies (10 pts)	Marketing, Finance, Operations, Purchasing, Human Resources, Information Systems Strategies and their alignment – 9-10 pts.	Meets basic criteria. Fails to demonstrate knowledge of, or ability to apply, theories needed to address requirements – 6-8 pts.	Fails to demonstrate knowledge of, & ability to apply, theories needed for most requirements - 0-5 pts.

Analysis organization's improvement initiatives & standards (IX) – 10 points	Analyzes current & previous improvement initiatives & standards & impact – 9-10 pts.	Meets basic criteria for Outline Item. Fails to address some requirements – 6-8 points.	Fails to address most of the Item Requirements – 0-5 points.
Conclusion and Future of Organization (X) – 5 points	Addresses expected results & organization's potential for future success – 5 points	Meets basic criteria for Outline Item. Fails to address some requirements – 3-4 pts.	Fails to address most of the Item Requirements – 0-2 points

Peer evaluation (10-points) I expect that all members of a team will put forth relatively the same amount of effort towards the homework. In order to secure equity, I want each member to rate the other members on a scale from 1-4 with 4 being the highest score for exceptional work and collaboration.	The peer performed exceptional work, eagerly collaborated on the business plan and delivered what was agreed upon– 10 points	The peer performed good work, collaborated on the business plan and delivered what was agreed upon– 9-10 pts.	The peer performed average work, on occasion collaborated on the business plan and delivered less than what was agreed upon– 6-8 pts.	The peer performed mediocre work, did not collaborate on the business plan and did not deliver what was agreed upon. - 0-5 pts.

Scoring Key:

Far Exceeds Standards = 90 – 100

Exceeds Standards = 80 – 89

Meets Standards = 70 - 79

Fails to Meet Standards = < 70

Strategic Audit

- I. Introduction to the Organization** - History of the Company & Current Status
 - A. When was the organization founded, why and by whom?
 - B. Discuss unusual history associated with the organization.
 - C. Is it privately or publicly held?
 - D. Other information?
- II. Identification of the Industry and the Competitors** -- Industry definition is necessary so that competitors can be identified; macro-environmental forces that affect the organization and its industry can be assessed, and the organization's relative strengths and weaknesses can be compared to other organizations within the industry.
- III. Analysis of the Industry**
 - A. Strategic Group(s) in which the company exists and competitors in it/them.
 - B. Intensity of rivalry among existing competitors (Use Porters 5 Forces for B,C,D,E, & F)
 - C. Threat of new competitors entering the industry
 - D. Threat of substitute products or services
 - E. Bargaining power of buyers
 - F. Bargaining power of suppliers
 - G. Potential Profitability of the Industry - What organizations have succeeded and failed in the industry and why?
 - H. What are the Critical Success Factors for the industry?
- IV. Analysis of the Macro-Environment**
 - A. What political/legal forces affect the industry?
 - B. What economic forces affect the industry?
 - C. What social forces affect the industry?
 - D. What technological forces affect the industry?
 - E. What are the threats and opportunities facing the organization?
- V. What is the organization's measurement and control system?**
 - A. Current financial position - Is the organization financially sound?
 - B. Compare with competitors and standards.
 - C. Use financial analysis tools.
 - D. What are the organization's Key Performance Indicators (KPI's)?
- VI. Analysis of the Organization (Mission, Vision, Core Values, Operating Guidelines, Core Competencies, Goals)**
 - A. What is the mission of the organization? Has the mission changed over time?
 - B. What is the vision of the organization? Has the vision changed over time?
 - C. What are the organizations core values and operating guidelines?
 - D. What are the organization's core competencies? How are they unique?
 - E. What are the organization's broad and specific goals?
- VII. Analysis of the Organization – Organization-Level and Business Unit Strategies**
 - A. What are the current organization-level strategies? Business unit strategies?
 - B. How are the strategies aligned with the goals?
 - C. Compare this organization's strategies with those of competitors.
 - D. Use SWOT analysis and Gap analysis to suggest strategies.
 - E. Evaluate strategies (advantages & disadvantages of each strategy).
 - F. Key performance indicators (KPI's)

VIII. Analysis of the Organization – Functional Strategies

- A. Marketing – Finance – Operations – Purchasing – Human Resources – Information Systems
- B. How well are the functional strategies aligned?

IX. Analyze organization's improvement/change initiatives (e.g., Six Sigma, SQM, TQM, Lean Manufacturing, JIT, Process Reengineering, High Performance Work Teams, Assessment using Malcolm Baldrige National Quality Award Criteria, ISO 9000, ISO 14000, Benchmarking, Balanced Scorecard, etc.)

- A. Previous & current impact/success of improvement initiatives.
- B. Alignment of improvement initiatives and integration into strategic management of the organization.
- C. Comparison of improvement initiatives with other organizations within and outside the industry.

X. Conclusion and Future of Organization

- A. Comment about the organization's profile for future competitiveness and success.
- B. What does the organization have to do right to succeed (organization's Critical Success Factors)?
- C. What are the expected results in terms of short-and long-term profitability and survival?