Columbia Business School

GRADUATE SCHOOL OF BUSINESS
COLUMBIA UNIVERSITY

B8106 OPERATIONS
STRATEGY SUMMER 2018

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COURSE OBJECTIVE

This course focuses on the roles operations plays in the development and implementation of strategy. In the core Strategy Formulation course, you learned about the foundations of corporate success and how managers can devise a set of actions (the strategy) to achieve a competitive edge. Strategy development, at a fundamental level, is to identify an effective match between a firm’s distinctive capabilities and selected markets. Our course takes a new look at strategy formulation/implementation: we focus on a firm’s key operational decisions (e.g., processes, capacities, supply chains) in order to understand how effective the firm’s resulting operational capabilities (e.g., cost, quality, flexibility, delivery) match the markets it strives to serve. Conversely, we will also consider how to translate a business strategy into a set of actions and how these actions can be measured and supported for continuous improvements. However, given shifting market trends and evolving industry dynamics, a short-term match between capabilities and current markets does not necessarily imply a sustainable competitive advantage. What operational capabilities a firm chooses to develop can have a profound impact on its strategic options in the future. In other words, strategic operational decisions made today will determine the firm’s operational capabilities tomorrow which in turn influence its business strategy in the future. Consequently, we will also try to emphasize the long-term impact of strategic operational decisions.

We will cover a wide range of topics. In the first module, Strategic Alignment, we consider 1) how a firm’s operations can be set up to support its mission, 2) how a firm can defend itself with operations when it is attacked by a competitor, and 3) how a business unit’s mission to a large extent determines how it operates and its overall cost structure. In the second module, Strategic Operational Decisions, we study 1) how a firm can install capacity to preempt market entry by competitors, 2) the strategic choice of capacity type and its impact on product launch, 3) innovation in product-process designs, 4) firm-boundary issues, i.e., what activities to be performed in house and what to outsource and/or offshore, and the long-term impact of these decisions on the industry structure and the balance of power, 5) how a global manufacturing network can be leveraged to mitigate risks, and 6) how a strategic mission can be translated into a set of operational activities
and how these activities can be measured and supported for continuous improvements. The third module of
the course, *New Opportunities and Challenges*, provides a forum to discuss the “next big thing” in
business and what it means for operations. Possible topics include sustainability and corporate social
responsibilities. Overall, the course aims to instill a deep appreciation of the various roles operations can play
in creating and sustaining a competitive advantage. The lessons taught in the course are not only critical for
positions in consulting and general management but also for students who aspire to work as entrepreneurs or
in investment banking.

**COURSE ADMINISTRATION**

The primary method of instruction is case discussions. We have a broad range of cases from a variety of
industries, including both manufacturing and service industries. There will be a case assigned for every class.
The cases put you in a realistic setting and give you an opportunity to examine a firm’s business environment,
to critically evaluate its operations, and to formulate an operations strategy for the firm going forward. Proper
preparation is essential. It is important that you attend the classes, but it is even more important that you come
prepared. The guiding questions for each case are meant to help you prepare for the class. You may find it
especially useful to meet in study groups to discuss the case and follow the guiding questions before each
class.

There are no textbooks for this course. The cases and relevant articles are included in a Readings Book, which
will be available before the first class. Other materials may be handed out in class or posted on Canvas.

Your grade in the course will be determined by

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<td>Class Preparation</td>
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<td>Final Exam</td>
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**Class Preparation & Attendance**

Class Preparation comprises 20% of your grade. For every class, there will be a **Poll question(s)** that must be
answered by 8:30am the day of class. You will get full credit for class preparation as long as you answer the
poll questions with a response that you can defend in class. Answers do not have to be ‘correct.’ In fact, many
of the questions will not have ‘right or wrong’ answers.

**Class Participation**

Class participation comprises 30% of your grade. Class participation is judged on the extent to which you
appear prepared, the relevance and depth of your comments, the degree to which you listen carefully and
respond to your peers, and your willingness to take chances in order to further the educational experiences of
others. **Please bring your name card to class.**
Final Exam

The remaining 50% of your course grade will be based on a final in-class exam. The exam will be open book and open notes.

A Final Comment

Please remember that Business School classes take place in an environment that supports learning and encourages the exchange of ideas. Behavior that distracts students and the professor negatively affects the learning environment. For example,

- using electronic devices (including laptops) for purposes not authorized by the professor,
- arriving late to class or leaving early, and
- walking in and out during class

are particularly detrimental to the classroom environment. Such conduct violates the School's Code of Professional Conduct and/or the School's Electronic Device Policy and is disrespectful to classmates and instructors.