TU-E1021: Strategies for Growth and Renewal

SYLLABUS

Version 1.1 (last updated on 11.1.2024)

Instructor's and Assistant's contact information	Course information
Dr. Riku Österman riku.osterman@aalto.fi Office hours: Please book an online meeting through an email (Tue & Fri 14:30-16:00) Teaching Assistant: Tomasz Mucha tomasz.mucha@aalto.fi	**Teaching sessions:** Mondays 16:15-18:00 (8 Jan – 12 Feb) Thursdays 14:15-16:00 (11 Jan – 15 Feb) Monday lectures in Undergraduate centre, U8-U270, Thursday lectures in Maarintie 8, AS 1 Language of the course: English

Course description

Companies pursue growth for a variety of reasons. Additional scale will boost profits if the companies can maintain their profit margin. Growth is seen as a signal of success that often attracts investors. For start-ups, growth is needed to establish legitimacy and ensure continued support by lead investors. Successful growth makes companies more influential, which helps their businesses in their efforts to strengthen their partnerships and build business ecosystems.

Due to the desirability of growth, many companies make massive investments in various initiatives. It is often the bids to acquire attractive companies that constitute the most expensive and thus riskiest moves. Alas, these moves may easily backfire. Achieving sustainable growth, and renewal though innovation remains a puzzle for many companies.

To systematically develop strategic options for growth and renewal, companies need to be capable of sensing opportunities, seizing them, and reconfiguring their assets to renew. Strategy researchers call such capabilities dynamic. Companies that possess dynamic capabilities are *entrepreneurial*, while managers who build a company's dynamic capabilities exhibit an *entrepreneurial mindset*.

This course will provide you with a comprehensive view to the prevalent growth strategies at companies, both to their planning and execution, and successes and pitfalls in these activities. The course provides an argument for successful management in the 21st century requiring managerial capabilities beyond technical background and social capital to include an entrepreneurial mindset and resilience.

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Course's learning objectives

Upon completion of this course, you will be able to:

1. *master the basic concepts* related to company growth and renewal
2. *demonstrate knowledge* and c*omprehension* of the seminal academic research in growth strategies, strategic and corporate entrepreneurship, M&A, organizational renewal, organizational ambidexterity, dynamic capabilities, and managerial capabilities;
3. *analyze, evaluate, and reflect* upon
   a. why established companies lose their growth momentum over time;
   b. why and how by building capabilities, companies can foster their growth and renewal potential;
   c. why growth initiatives may either add value or destroy value, depending both on the investment decisions and quality of execution, and
4. *apply analytical techniques, tools, and frameworks* taught in the class on renewal or growth challenges of real-world companies.

Furthermore, through the completion of this course, you will have practiced the following:
- Analytical skills in defining and solving problems
- Decision-making skills
- Research skills
- Reflection skills
- Group management and teamwork skills
- Communication and presentation skills

This course is particularly valuable to students who are interested in pursuing a career in strategic renewal and transformation, new business development, and organizational innovation. It also enables students to be more effective management consultants and contributors to organizational renewal and growth both in established companies and startups.

Modes of learning

We use *MyCourses* as the primary means to share course materials and to submit all assignments.

We expect you to use both lectures and readings to acquire new information.

Pedagogical Approach: Learning methods and approach

This course is an applied, case-based course. Issues of growth and renewal are of real concern for many companies. Accompanying readings and case studies help structure your thinking and learning experience in each of the 12 teaching sessions. Readings provide the foundation on top of which the lectures are built. They are used as a source of frameworks and definitions of key concepts. The individual and group assignments' design aims at ensuring mastery of the basic concepts, honing your analytical skills, advancing your critical thinking, and developing your argumentation skills.

In this course, we use four main learning methods to enable your learning: **a reading list; participation** in **teaching sessions' discussions;** individual **essays**; and a **group project**.

The reading list outlines both *core* and *recommended* articles and book chapters.

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- We strongly advise students to read all of the assigned materials provided for each teaching session in advance.
- The reading list allows you to gain access to the latest and seminal academic work in the field of growth strategies, strategic renewal, corporate entrepreneurship, and organizational ambidexterity.
- The reading list of each session serves the purpose of a "library," which you can use to develop your knowledge basis. The slides of each teaching session draw on these readings, but they also complement each session's reading list.
- *In this way, you can develop and broaden your knowledge and understanding and become familiar with various perspectives on strategic growth and renewal issues.*

The teaching sessions are the sessions where the whole class meets. Participation in class discussion is foundational for your learning experience.

- During the sessions, we will introduce and critically discuss recent and seminal literature. We will analyze case studies, and we will draw inferences from prominent guest speakers from leading Finnish companies on issues of how start-ups and established companies can grow and renew in a sustainable way.
- Class participation through discussion and debate is expected from all students. There is no right or wrong answer, so we welcome constructive dialogue and we encourage you to share examples from your own experiences.
- While attendance is voluntary, previous students have highlighted the benefits of joining the in-class discussions.
- *Through attendance and participation in teaching sessions, you will develop your debating, presentation, and communication skills.*

The individual essays will help you reflect critically on the course's readings and argue on topical questions in a written format.

- Individual essays are paired with teaching sessions. The teaching sessions cover the topics that will be discussed in the essays.
- The essays are designed to be short, focused on addressing well defined questions. Through the essays you have the opportunity at your own time and pace to develop and articulate your opinion and argument in written form.
- The first individual essay will address multiple questions as it is designed to support your learning process by familiarizing you with the foundational concepts and their common uses in growth and renewal strategies
- The other essays are of more applied nature, addressing the key topics of chosen teaching sessions
- *Through the individual essays, you will practice your analytical and writing skills and develop your reflection skills.*

The group project allows you to work with your colleagues studying a company to understand and evaluate how the company has managed growth and renewal in practice.

- You will work in teams of **3-4** students studying a company of the team's choice from a pre-arranged list.
- The project's task is to understand how the company has planned and executed its growth strategy. By drawing on the course materials and the team's analytical and creative skills, the

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team needs to evaluate the company's efforts and recommend what the company could do better.

- The group project is an experiential learning process for each team member and the team. The project intends to help you apply the main learnings from different teaching sessions to a real company.
- To facilitate and support synchronous and asynchronous teamwork, each team will be given access to a Microsoft Teams chat to organize meetings among team members and with the responsible teacher, and to share safely materials related to the group project.
- *Through the group project, you and your team will develop your analytical, problem solving, decision-making, group management and teamwork, research, and presentation and writing skills. You will also develop and practice your project management skills.*

Assessment, attendance, and grading

You will be assessed through the following two forms of assessment:
  i.   **Individual assessment**: (a) First assignment of two essays (**20%** of the final grade), (b) Two assignments of one short applied essay in each (**20%** of the final grade) and (c) Lecture-period-concluding assignment of two essays (**20%** of the final grade);
  ii. **Group assessment**: actively participate and contribute in a group project studying a growth company from a predefined list (**40%** of the final grade)

To pass the course students need to:
- Submit three of the four assignments
- Participate actively and contribute to a group project.

Attendance in the teaching sessions is voluntary, but missing out on teaching sessions will undermine the students' learning experience.

The evaluation criteria of your submitted work for the assessment of this course include four areas: *Understanding*, *depth of knowledge*, *structure*, and *overall evaluation*. Each criterion is of equal importance and weight in calculating the final grade of each assessment. Each criterion is assessed on a scale from **0**(0-49%) to **5**(90-100%).

Understanding is assessed in two areas:

  I.   **Knowledge acquisition:** To what extent does the content of the submitted work illustrate that the student can recall, reproduce, interpret, engage with, and comprehend information, conceptual knowledge, and existing literature?
  II. **Knowledge application:** To what extent does the content of the submitted work illustrate that the student can use academic concepts and cognitive skills to answer questions, address problems, accomplish tasks, and analyze texts and topics insightfully?

Depth of knowledge is assessed in two areas:

  I.   **Knowledge analysis**: To what extent does the content of the submitted work illustrate that the student can think strategically and reasonably about how and why concepts, ideas, operations, and procedures can be used to attain and explain answers, conclusions, decisions, outcomes, reasons, and results?

II. **Knowledge augmentation:** To what extent does the content of the submitted work illustrate that the student can think extensively about alternatives? How else can learning be used in a different academic and real-world context?

Structure is assessed in the extent to which the submitted work has a logical, fluent, and coherent argumentation flow. We are looking for essays with a clear introduction statement, a middle part where you elaborate on your argument/answer, and a clear concluding statement.

The general evaluation is assessed in two areas:
I. **Presentation:** To what extent is the submitted work presented in an organized way that enhances readability and comprehension?
II. **Quality of submitted work:** To what extent has the student, through the submitted work, answered all the questions, showing the same level of consistency across questions, and has demonstrated an overall ability to make a judgment and form an argument?

Individual assessment = Individual assignments of essays in core concepts of growth strategies and applied topics

Each teaching session is organized around a topical theme. Relevant literature, case studies, or topical issues will be uploaded before each session at *MyCourses* to support each theme.

As part of their assessment, students will be asked to reflect, comment, critique, and extend this provided knowledge by composing essays to relevant topical questions. We will upload the questions during the last of the corresponding teaching sessions in an online forum, and we will discuss each question *in advance* during the teaching sessions. By reading the relevant articles/case and preparing to debate the questions during the teaching sessions, students will answer each question by developing a well-informed argument. By utilizing the in-class discussion, the students should be able to craft and advance further their argument when drafting their answers to these individual essays.

Students need to upload their individual essays within **2 days and 6 hours after completing the last corresponding teaching session** (that is, by 23:59 Finnish time on Wednesdays, following the Monday lectures). Each written response should be concise (between 250-400 words) and contain maximum two pages with citations to references (include page number when citing books), figures, or any other supplementary content. References are excluded from the word count.

We ask the submissions **after** completing the corresponding teaching session because students are expected to draw inferences from the slides, the readings, and the discussion of each teaching session. In this way, students can learn from others' intellectual contributions.

The teaching assistant provide the grades before the next assignment is due, explaining the key factors affecting variance in grades via MyCourses, and providing other feedback as well.

Students need to submit three of the four assignments. Otherwise they will fail the course. Submitting all assignments is strongly encouraged.
Each essay with be graded on a scale of 1-5. Non-submitted essays will be graded with 0 points.
Late submissions of individual essays will lead to a reduction by 50% of the corresponding essay's grade.

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Group assessment = Contribution to the group project

The learning tasks of the group project are:
- **to investigate and evaluate** how a focal company has grown
- **to develop a list of recommendations** of how the company can improve its growth strategy.

To complete the tasks, the team will need to gain access to data regarding a European company (of medium or large size) that has achieved significant growth in the last 3-6 years. Good access to trustworthy P&L statements and balance sheets is required. The information from public sources can be complemented with 1-3 interviews that should be coordinated with the course instructor. By analyzing the data and using relevant literature and frameworks covered in the teaching sessions, each team should *evaluate* the company's efforts to grow and renew, *develop a list of recommendations* on how the company can improve.

The roadmap to the successful completion of the group project

1. **Forming groups and submitting a project outline**

Students will self-select to form teams of 3-4 by **22.1.2024**.
Each team will submit a project outline at *MyCourses* by **1.2.2024**.
- The project outline is a one-page proposal that describes the company you are planning to study, what aspects your analysis will focus on, and how you plan to gather data. The company can be of medium to large size which exists for at least 5 years and is no longer at its startup stage of development (i.e., it has an established product/service portfolio), and which has been innovative and/or achieving significant growth in the last 3-6 years.
- If approaching a company manager to secure an interview, you need to explain the interview's academic purpose (as outlined above).
- A sample interview guide is available upon request

2. **Feedback on the project: Project progress memo**
- The progress memo consists of the following:
   o A preliminary analysis of the data collected; the emphasis is on the analysis of the company's most impactful past growth activities;
   o Your evaluation of how the company has developed capabilities to grow or renew, and any challenges it has had in the build-up of the required capabilities;
   o An outline of issues or findings that we overlooked at the teaching sessions but has unsurfaced in your analysis.
- The progress memo needs to be submitted either on **12.2.2024 or 15.2.2024** in the form of a short presentation (3-4 slides).
- Teams will receive written feedback from the course instructor on the progress memo afterwards, and if needed, a 30 min Microsoft Teams coaching meeting will be arranged.

3. **Freeriding behavior in group projects**

Freeriding behavior will be closely monitored, so we ask group members to openly express concerns regarding their colleagues' contribution if this is an issue. After submitting the group project's deliverables, the responsible teacher cannot intervene or provide advice on how to overcome team-related issues or confront freeriding behavior.

4. **The final output of the group project**
- The final output of the group project is a presentation (including the speaker's notes).

- The presentations are given during weeks 12 and 13 (**18.-29.3.2024**)
- The presentation or report will summarize the analysis of the company's growth strategy and capabilities, its evaluation, and the recommendations that the team has put together. Any extra information that the team thinks is relevant for the company can also be included as appendices. Please ensure that you provide evidence of primary and secondary research, the critical analysis of the problem the company faces, consideration of alternatives, illustrate creativity in developing the recommendations, and consider issues of the implementation plan's feasibility.
- We advise teams to pay attention to balancing between a vertical logic (that slide headlines make a full point on their own while everything on the slide supports and elaborates that point) and horizontal logic (that from slide to slide, the headlines make a coherent story).

The grade for the final report or presentation will be the grade of the group project. The project outline and the progress memo will not receive a grade, but teams will receive substantive feedback to improve the team's quality of work.

The deadline for submitting the presentation is **15.3.2024**, but individual teams may decide to submit earlier, depending on how the project evolves.

A note on the use of generative AI to assist with essays or group work

Generative AI as manifested in Large Language Model -based tools such as ChatGPT is here to stay, and will be a part of our future working environment. It is undeniably a powerful technology in supporting your work in writing the essays, and perhaps also the group work. Do note, however, that as seen with the eyes of Course Instructor, ChatGPT writes platitudes, and even occasional bullshit, often missing valuable nuggets of knowledge in the core readings or lecture slides. So, if you decide to use ChatGPT, you need to spot yourself where the AI is weak and you need to write better. Do also note that ChatGPT is not able to make good citations to the course materials, save perhaps occasionally.

The essays are designed so that students that use ChatGPT don't have any decisive advantage over students who don't use ChatGPT. For better learning experience, we recommend you to abstain from using Generative AI.

Readings

For each teaching session, specific articles will be provided in advance and through MyCourses. Those articles marked as "core" are required readings, while "recommended" articles are valuable, but not required.

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Schedule and progress checklist

Dates	Teaching session Theme
8.1	**Session 1: Introduction – How and why firms grow, what is growth strategy about?** Recommended readings: - Allen, J., & Zook, C. 2022. When Your Business Needs a Second Growth Engine. *Harvard Business Review*, 100(5–6): 76–85.
11.1	**Session 2: Growing strategically, growth outperformers** Core readings: - Rumelt, R. P. 2011. *Good Strategy / Bad Strategy: The difference and why it matters*. New York, NY: Crown Business, Chapters 1-5. - Christensen, C. M. 2001. The past and future of competitive advantage. *MIT Sloan Management Review*, 42(2): 105-+. - McGrath, R. G. 2012. How the growth outliers do it. *Harvard Business Review*, 90(1–2): 110–116.
15.1	**Session 3: Organizational renewal decisions** Case study - Netflix The first individual assignment (two essays) Core readings: - The Netflix case - Shih & Kaufman. 2014. *Netflix in 2011*. Harvard Business School Publishing - Agarwal, R., & Helfat, C. E. 2009. Strategic Renewal of Organizations. *Organization Science*, 20(2): 281–293 - Benner, M. J., & Tripsas, M. 2012. The influence of prior industry affiliation on framing in nascent industries: The evolution of digital cameras. *Strategic Management Journal*, 33(3): 277–302.

Dates	Teaching session Theme
18.1	**Session 4: Value-based management: Value-adding and value-destroying growth** Lecture by Tomasz Mucha. Core readings (may change) - Rumelt, R. P. 2011. *Good Strategy / Bad Strategy: The difference and why it matters*. New York, NY: Crown Business, Chapter 11. - Christensen, C. M., Bartman, T., & Van Bever, D. 2016. The hard truth about business model innovation. *MIT Sloan Management Review*, 58(1), 31. - Koller, T. (1994). What is value-based management? *McKinsey Quarterly*, August 1, 1994, Book Excerpt
22.1	**Session 5: Organizational ambidexterity** The second individual assignment Launching group projects Core readings: - O'Reilly, C. A., & Tushman, M. L. 2013. Organizational Ambidexterity: Past, Present, and Future. *Academy of Management* Perspectives, 27(4): 324–338. - Birkinshaw, J., Zimmermann, A., & Raisch, S. 2016. How Do Firms Adapt to Discontinuous Change? Bridging the dynamic capabilities and ambidexterity perspectives. California Management Review, 58(4): 36-58.
25.1	**Session 6: Cultivating internal entrepreneurship** Core readings: - Burgelman, R. 1984. Designs for Corporate Entrepreneurship in Established Firms. *California Management Review*, 26(3): 154–166 Recommended readings (may change): - McGrath, R. G., Keil, T., & Tukiainen, T. 2006. Extracting value from corporate venturing. *MIT Sloan Management Review*, 48(1): 50-+. - Ramirez, R., Roodhart, L., & Manders, W. 2011. How Shell's Domains Link Innovation and Strategy. *Long Range Planning*, 44(4): 250–270.

Dates	Teaching session Theme
29.1	**Session 7: Sensing opportunities for growth and renewal** The third individual assignment Recommended readings: - Amer, M., Daim, T. U., & Jetter, A. 2013. A review of scenario planning. *Futures*, 46: 23–40. - McDonald, R. M., & Eisenhardt, K. M. 2020. Parallel Play: Startups, Nascent Markets, and Effective Business-model Design. *Administrative Science Quarterly*, 65(2): 483–523..
1.2	**Session 8: Seizing the opportunities - Resource allocation to growth** Guest speaker: Mika Vainio-Mattila, Co-Founder & CEO, Aalto Energia Oy, Co-Founder & CEO (until Dec 2022), Digital Workforce Core readings: - Noda, T., & Bower, J. L. 1996. Strategy making as iterated processes of resource allocation. *Strategic Management Journal*, 17: 159–192. Recommended readings: - Dyer, J., Furr, N., & Hendron, M. 2020. Overcoming the Innovator's Paradox. Mit Sloan Management Review, 62(1): 70–77.
5.2	**Session 9: New geographical market entry** Guest speaker: Olli Rissanen, Head of Expansion, Food delivery at Wolt Core readings: - Ghemawat, P. 2001. Distance still matters—The hard reality of global expansion. *Harvard Business Review*, 79(8): 137-+. Recommended readings: - Barkema, H. G., & Vermeulen, F. 1998. International expansion through start-up or acquisition: A learning perspective. *Academy of Management Journal*, 41(1): 7–26.
8.2	**Session 10: M&A and post-merger integration** Guest speaker: Juha Peltola, Managing Partner at Vaaka Partners Core readings: - Bower, J. L. 2001. Not all M&As are alike—And that matters. *Harvard Business Review*, 79(3): 92-+. Recommended readings (may change): - Heimeriks, K. H., Schijven, M., & Gates, S. 2012. Manifestations of Higher-Order Routines: The Underlying Mechanisms of Deliberate Learning in the Context of Postacquisition Integration. *Academy of Management Journal*, 55(3): 703–726.

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Dates	Teaching session Theme
12.2	**Session 11: Dynamic capabilities** Progress reporting, odd groups The fourth individual assignment (two essays) Recommended readings: - Harreld, J. B., O'Reilly, C. A., & Tushman, M. L. 2007. Dynamic capabilities at IBM: Driving strategy into action. *California Management Review*, 49(4): 21-+.
15.2	**Session 12: Organizational renewal as a process** Progress reporting, even groups Core readings: - Crossan, M. M., & Berdrow, I. 2003. Organizational learning and strategic renewal. *Strategic Management Journal*, 24(11): 1087–1105. Recommended readings: - Zook, C., & Allen, J. 2003. Growth outside the core. *Harvard Business Review*, 81(12): 66-+.

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Course workload

Learning activity (per student)	Hours
Familiarization with course syllabus	1 h
Teaching sessions	24 h
Reading of teaching material	36 h (~ 3 h per session)
Develop and submit individual essays	18 h
Forming a group project and developing a project outline	3 h
Group project coaching meeting with course instructor	1 h
Develop and submit group project progress memo	5 h
Meetings with the company	0-2 h
Group project – data analysis and synthesis of final deliverable	45 h
In total	135 h = 5 credits

MyCourses environment

The MyCourses environment will be used for most communication purposes during the course.

- Group emails and announcements will be by from the course instructor and the assistant through MyCourses.
- The reading list and the contents of each teaching session, including the guest speakers' details, will be populated at MyCourses in advance of each teaching session.
- The submission of the group project final deliverable and the submission of the individual assignments will occur through MyCourses.
- The grading and dissemination of feedback to all forms of assessment will be done in MyCourses.

Use the "General discussion" page to ask any practical questions (unless it is a personal one) so that everybody can learn from your question.

For personal inquiries, students are encouraged to email the course instructor promptly.

Microsoft Teams

Teamwork and coaching related to the group project will be facilitated via Microsoft Teams chat and meetings. You are welcome to use tools of your own choice for your own coordination of the group project.