Course Name

STRATEGIC CHANGE & DYNAMIC CAPABILITIES

Academic Year: 2017/2018

Term: 4th

Instructor(s): Professor Ilídio Barreto

Contact(s) and Office hours:
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Office hours: By appointment.

Biography:

Professor Ilídio Barreto holds a PhD in Business Administration (City University, Cass Business School, London), an MBA (Universidade Católica Portuguesa, Lisbon), an undergraduate degree in Economics (UCP, Lisbon) and two diplomas in Strategy and Finance (Massachusetts Institute of Technology, Boston). He teaches Strategy, Creativity and Value Creation at the undergraduate, MBA, MSc, Executive Education, and Executive Masters levels. He also taught Introduction to Management in the undergraduate programs for almost 15 years (a top-ranked course during that period). He launched and coordinated dozens of Executive programs. His single-instructor, program “Strategic Management & Value Creation” for executives has systematically received very high participant satisfaction levels. He coordinated several consulting projects within CATÓLICA-LISBON's Center for Applied Studies. He performed several executive roles at the School, namely as an Associate Dean of CATÓLICA-LISBON, a Director of the Business Administration Undergraduate Program, and as a founder and Director of the Executive Masters in Management. He has published articles in top scientific journals in Management, such as the Journal of Management, the Journal of Management Studies, Organization Science, and the Strategic Management Journal. His paper on the reconceptualization of dynamic capabilities was among the 10 most cited scientific articles published worldwide in 2010 in the category of Strategic Management, according to the 2012, 2013, 2014, and 2015 studies of Google Scholar Metrics. In 2017, this article has just reached 1000 citations on Google Scholar, which makes it one of the most cited scientific articles in Strategy published worldwide since 2010. Professor Barreto won the 2012 Best Paper Award of the prestigious Journal of Management Studies; the prize was awarded in 2013 for his article "Solving the entrepreneurial puzzle: The role of entrepreneurial interpretation in opportunity formation and related processes". He has been a regular ad-hoc reviewer for several of the most influential Management journals, including the Academy of Management Journal, the Journal of Business Venturing, the Journal of Management Studies,
Course overview and objectives:

This SC & DC course intends to provide an advanced understanding of how firms can create value in changing environments. Past dominant theories in the Strategy field were particularly concerned about explaining how firms can achieve sustainable competitive advantage. However, a number of recent studies began to show that sustainable competitive advantage is rare and declining in its duration. As environments become more dynamic, unpredictable, uncertain, and ambiguous (that is, when exogenous and endogenous shocks are more common), firms struggle not only to achieve a competitive advantage but often just to survive. Thus, a challenging question arises: How can firms successfully cope with such environments?

The SC & DC course will attempt to address this question by providing an integrated analysis of three major topics: first, the modern perspectives on strategy; second, the strategic change phenomenon; third, the dynamic capabilities view.

Based on cutting-edge research from Strategy and Entrepreneurship fields, several old-fashioned frameworks will be questioned, and several exemplars of extensively used common sense in strategy will be rebutted. We will pay special attention to the Dynamic Capabilities View as this is a novel theoretical perspective that is particularly suited to a world of temporary competitive advantage. Research at the intersection of Strategy and Entrepreneurship will also be included as the intended endeavor requires inquiring into processes of opportunity formation and exploitation.

Is this course more theory-oriented or practice-oriented? If by “practical” we mean “very important for real world business decisions”, then this course is quite practical. If by “theoretical” we mean “based on solid scientific research rather than on management fads”, then this course is quite theoretical. So we fully concur with Kurt Lewin’s statement that “there is nothing as practical as a good theory”.

The SC & DC course is targeted at students that intend to gain deep knowledge about new conceptual advances in Strategy (and Entrepreneurship) while being willing to challenge previous beliefs. According to the nature and purpose of the course, its learning approach will be a bit unorthodox and demanding: students should be willing to participate in in-depth preparation and discussion of major scientific articles in the involved topics (including several authored by the Instructor). Preparation and discussion of international business cases will also be required every week. Attendance to every class will be crucial.

In sum, the learning objectives of the course is to improve the students’ knowledge about how firms can strategically cope with fast-changing environments.
Course Content:

A) Main perspectives on Strategy
   • Conceptualizations of value creation
   • Main perspectives on competitive advantage
   • Empirical evidence on performance drivers
   • Strategy formulation (overview)

B) Strategic change
   • What is strategic change?
   • Why is strategic change so important?
   • What factors drive strategic change?
   • What are the consequences of strategic change?

C) Dynamic capabilities
   • Overview of the literature
   • D1: Propensity to sense opportunities and threats
   • D2: Propensity to make timely decisions
   • D3: Propensity to make market-oriented decisions
   • D4: Propensity to change the resource base

Required background:
None.

Grading:
Classes will include lectures, discussion of academic papers, and discussion of business cases. Typically, there will be one case and/or one (or more) academic paper(s) to prepare for each class.

The weights of the inputs for the final grade will be the following:

- Attendance and individual class participation 20%
- Exam 80%
Bibliography:
(Key papers)


Extra Costs (case studies, platforms...):

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Miscellaneous information:

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Code of conduct and ethics:

Católica Lisbon School of Business and Economics is a community of individuals with diverse backgrounds and interests who share certain fundamental goals. A crucial element to achieve these goals is the creation and maintenance of an atmosphere contributing to learning and personal growth for everyone in the community. The success of CATÓLICA-LISBON in attaining its goals and in maintaining its reputation of academic excellence depends on the willingness of its members, both collectively and individually, to meet their responsibilities.

Along with all the other members of our community, students are expected to follow professional standards and CATÓLICA-LISBON standards of Academic Integrity. Some details should be mentioned here: Please arrive on time for class with uninterrupted attendance for the duration of the class. Signing attendance sheet for anyone else in the class constitutes fraud and a violation of the CLSBE code of conduct. Use of computers and other electronic devices during the class is not allowed, unless expressly requested by the instructor of the course. Students who persistently act in a disruptive and disrespectful manner during the class session may be invited to leave.

Students are expected to behave at all times according to the fundamental principles of academic integrity, including honesty, trust, fairness, respect, and responsibility. In particular,

a) In **individual graded assignments** of any type, students may not collaborate with others or use any materials without explicit permission from the instructor of the course;
b) In **group assignments and reports**, all students listed as authors should have performed a substantial amount of work for that assignment;
c) It is dishonest to fabricate or falsify data in experiments, surveys, papers, reports or other circumstances; fabricate source material in a bibliography or “works cited” list; or provide false information in other documents in connection with academic efforts;
d) **Plagiarizing**, i.e. “to steal and pass off the ideas or words of another as one’s own and or to use another’s production without crediting the source” (Merrian-Webster Dictionary) is an Academic Integrity breach. It can be avoided by using proper methods of documentation and acknowledgement. Visit this guide for additional resources on how to avoid plagiarism in your written submissions [http://en.writecheck.com/plagiarism-guide](http://en.writecheck.com/plagiarism-guide)
e) In **exams** students must not receive or provide any unauthorized assistance. During an examination, students may use only material and items authorized by the faculty. Use of smartwatches or other communication devices is not permitted during the exam.

Academic integrity breaches will be dealt with in accordance with the school’s code of Academic Integrity: [https://www.clsbe.lisboa.ucp.pt/system/files/assets/files/academicintegritycode.pdf](https://www.clsbe.lisboa.ucp.pt/system/files/assets/files/academicintegritycode.pdf)