

**ABIZ 4500 - Agribusiness Strategy
Course Outline 2022**

Instructor: Dr. Milton Boyd, Room 357 Agriculture Bldg., Tel 474 6031 or 9384 (receptionist)
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Course Time: Monday 2:30-5:30 Fall Semester; Office hours: after class

Objectives and Learning Outcomes:

- 1) To understand, analyze, develop, and apply business strategy.
- 2) To integrate knowledge across areas such as marketing, finance, investment, management, etc.

Texts (Required): 1) De Kluyer, Cornelius and John A. Pearce. *Strategy: A View From the Top. Fourth Edition.* Prentice Hall, 2011. 2) Sander, Peter J, and Janet Haley. *Value Investing.* 2nd Edition. Wiley Publishing, 2008.

Grading and Policies:

Business Case (group assignment, due November 28)	20%
Investment Project (group assignment, due December 5)	10%
Mid-term Exam (Monday October 31)	35%
Final Exam (date to be announced later)	35%

If a student must miss class for medical reasons or other reasons, they are responsible for obtaining any assignments, lecture notes, handouts, announcements, or other information/materials from their classmates. University policy strictly prohibits "plagiarism and cheating" as outlined in the University Undergraduate Calendar. Late assignments will not be accepted, except in exceptional circumstances and at the instructor's discretion, missed exams receive a zero.

Please maintain attention, and please maintain professional and respectful classroom environment, please take off cap, turn off cell phone, no photos, no text messaging, no email or distractions etc, remain seated during lecture and no talking, no arriving late or leaving early. Student group activities are in groups of about five students, and select a group leader and assign responsibilities for each member, with deadlines. Since this course is somewhat unique and covers a variety of activities, the course may vary some from the outline in terms of content and grading. For example, there may be some changes due to time available to cover the material, and speaker availability or cancellations, or other unforeseen circumstances. Students must show utmost respect for classmates, the instructor, and any speakers, and students showing disrespect will risk being barred from the class. Attendance is required, and insufficient attendance may result in students being barred from exams. Class lecture and materials are the property of the instructor and it is illegal (copyright violation) for students to transfer these to parties outside the class or post on the internet. Information may be emailed to students and they must have a working email address with mailbox space, or must get missing information from classmates.

Course Topics and Readings (may be subject to some changes)

Course Introduction; Initial Sources of Information, Websites, Company Annual Reports

Part One of the Course: Investment Strategy (understanding, evaluating, and developing investment strategy, focusing more on financial aspects of a business)

Note the textbook chapter readings listed below for the lectures for **Part One** of the course.
V= Textbook “Value Investing 2nd Ed” by Peter J. Sander and Janet Haley.2nd Edition.

Lecture 1

Why Study Business Strategy?

Brief Review of Traditional Concepts: Porter’s Five Forces (P.55 S), Product Lifecycle (p. 60 S, also p. 109 S), Porter’s Generic Strategies (p. 101 S), SWOT Analysis, 4 P’s of Marketing. (Note: This is in Ch.4 of the Strategy Text, except for SWOT and 4 P’s)

(Note: This material will NOT be covered on the mid-term exam, but rather on the final exam.

Financial Ratio Analysis: Rules of Thumb to Strategically Analyze a Business

The two chapters below provide basic financial analysis information, for those needing more review.

Balance Sheet (Ch.7 V); Earnings and Cash Flow (Ch. 8 V)

Using Ratios to Understand and Strategically Analyze a Business (Ch. 10 V)

Desired Patterns in Financial Statements (Sales, Expenses, Earnings (Cash Flow), Stock Price, Book Value, and Debt). Also see Toyota PPT.

Economics of Business Strategy: a) Perfect Competition

b) Imperfect Competition: Profits, Franchise Value, Sustainable Competitive Advantage

Lecture 2

Long-term Return Levels and Macroeconomy; Long-Term Investment Decision Rules (Ch. 21 V);

Understanding Value Regarding Investment (Ch.1,3 V); (Skip Ch.2, except for p. 32,33)

Characteristics of a Desirable Business (Ch. 15 V) (also see Ch. 19, 20 V)

Lecture 3 (Part 1), Lecture 3 (Part 2)

Math for Investment (Ch. 4 V)

Lecture 4

Obtaining and Evaluating Company Information for Investment: From Internet, Media, etc. (Ch.5 V)

Understanding Company Annual Reports and Financial Information (Ch. 6 V)

Lecture 5

Detecting Financial Statement Inaccuracies and Company Problems

For additional reading:

Games Companies Play in Financial Statements (Ch. 9V)

Lecture 6

Investment Checklist

Lecture 7

Individual Investment Decisions: Some Important Considerations. Types of Investments for Individual Investors

Extra: This below will NOT be covered on the exam or in lecture

Business Valuation Information below for those interested in more advanced information for determining the value (intrinsic value) of a business, and a main thing to understand is *p. 204, Ch.12 Introduction to Valuing a Business, and Required Steps (Ch. 11 V)*
Determining Intrinsic Value of a Business (Ch. 12 V) e.g. discounted cash flow detailed information

Note: These three chapters below are for reference/interest only (NOT covered in lecture or exam):

Strategic Analysis of Key Financial Ratios (Dupont) that Drive a Business (Ch. 13 V)

Strategic Analysis of Intangible Factors Underlying a Business (Ch. 14 V)

Deciding if the Price of a Business is Right for Buying or Selling (Ch. 16 V)

Part Two of the Course: Business Strategy: (understanding, developing, and implementing business strategy). A number of the chapters listed below contain a *partial list* of the topics to be covered from each chapter.

Note the textbook chapter readings listed below for the lectures for **Part Two** of the course.
S= “*Strategy: A View From the Top*,” by Cornelius De Kluyer, and John A. Pearce.

Lecture 1B: What is Business Strategy? (Ch.1 S)

Lecture 2B: Strategy and Performance (Ch. 2 S)

Lecture 3B: Analyzing the External Strategic Environment (Ch. 3 S);

Lecture 4B: Analyzing an Industry (Ch. 4 S): Porter’s 5 Forces, Product Lifecycle, SWOT, 4P’s

Lecture 5B: Analyzing an Organization’s Strategic Resource Base (Ch. 5 S): Human/Financial Resources

Lecture 6B: Formulating Business Unit Strategy (Ch. 6 S)
Porter’s Generic Strategies, Designing a Profitable Business Model

Lecture 7B: Business Unit Strategy (Ch.7 S)

- a) Strategies for Emerging, Growing, Mature, and Declining Industries
- b) Strategies for Fragmented, Deregulating, and Hypercompetitive Industries

Global Strategy Formulation (Ch. 8 S): This chapter will NOT be covered on exam or in lecture.
Various Approaches and Wal-Mart Example. (For Reference Only)

Lecture 9B: Corporate Strategy (Ch. 9 S):
Economies of Scale and Scope, Core Strategies, Growth Strategies, Business Combinations/Mergers/Acquisitions, Disinvestments

Lecture 10B: Corporate Strategy and Strategies for Managing and Evaluating a Portfolio of Businesses (Ch. 10 S): Boston Consulting Group (BGS) Approach, General Electric (GE) Business Screen Approach. A.D. Little’s Lifecycle, Strategic Planning (mission and vision statements)