

**ABIZ 4500 - Agribusiness Strategy  
Course Outline 2021**

**Instructor:** Dr. Milton Boyd, Room 357 Agriculture Bldg., Tel 474 6031 or 9384 (receptionist)  
Milton.Boyd@umanitoba.ca

**Course Time:** Monday 2:30-5:30 Fall Semester; Office hours to be determined.

**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.* 2<sup>nd</sup> Edition. Wiley Publishing, 2008.

**Grading and Policies:**

Business Case (group assignment, due November 22)	20%
Investment Project (group assignment, due November 29)	10%
Mid-term Exam (Monday October 25)	35%
Final Exam (date to be announced later)	35%

Note: Students be in a group of about **five** students, and the group works on both the business case assignment and investment project assignment.

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.

Assignments are done in a group with each student doing a part, and will 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, or other unforeseen circumstances.

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. (Important: Students will be emailed information regarding the course operation. If a student did not receive an email regarding the course by Sept 17, then they should send an email to the instructor email address in order to be added to the course email list).

## **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 2<sup>nd</sup> Ed” by Peter J. Sander and Janet Haley.2<sup>nd</sup> 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)