

Master of Science in Management

Study Guide for the Comprehensive Examination

Suggestions for Preparation

The following represents the information that you should be prepared to answer when taking the comprehensive examination. It also provides a basic format and some alternative outlines to assist you in covering all relevant information. In general, you should understand the tools that managers use for strategic planning, analysis and implementation and be able to apply them when analyzing cases.

When grading your exam, Troy State University faculty members will be evaluating your responses to two major questions about the company discussed in a particular business case.

Question 1 asks that you use key references and models to describe how the strategic objectives and structure of the organization help to achieve its mission and goals. You should outline and discuss the strengths, weaknesses, opportunities and threats described in the case using any analytical models you believe to be relevant.

Question 2 then asks that you use the analysis outlined above to develop recommendations that would improve the organization's effectiveness? You should include **specific** references to your analyses (Question 1 responses) and suggest **specific** means for implementing your recommendations.

Points to Remember

1. When answering these two questions, you should consider yourself a manager in the organization or a management consultant to that organization.
2. The two questions are provided as a means by which you can demonstrate your comprehension and retention of your total educational experience within the MSM program.
3. It is recommended that before you begin writing you create an expanded outline around the specific areas that should be addressed in your response (Questions 1 and 2, above).
4. You are expected to integrate all the relevant disciplines taken in your MSM program with particular focus on the core courses. Your responses should be carefully thought out and display graduate level organization and communication skills.

The following pages may assist you in studying for the comprehensive exam and give you a framework for answering the two questions asked on the comprehensive exam. The first model shows how to divide your responses into the analysis and implementation, essentially breaking your responses into Question 1 and Question 2. The second is a model that outlines a way to approach the case analysis in terms of courses taken in your TSU Masters program. Last is a case study methodology outline that is applicable to general case analysis as well as the comprehensive examination. Each model or methodology should provide you the structure necessary to answer the questions posed above.

A Framework for Answering Comprehensive Examination Question 1 and Question 2

Items A-E represent the information you should present in analyzing the current situation of the firm.

A.) Mission - what the company is selling, to whom, and the principles underlying its existence. Frequently the case will not specifically state "The Mission is... .." however, from statements made by the CEO, or other top level managers and other information in the case, you should be able to identify a reasonable mission for the company.

B.) Strategies

- **general** - (e.g., low cost, niche/focus, differentiation, or quick response) normally a company pursues ONE general strategy
- **marketing** - what are the strategies they pursue for the 4 Ps (product, place/distribution, price, promotion)?
- **finance** - how do they fund their expansion (debt, stock, retained earnings); what are the financial goals?
- **operations** - how they make what they make (for a service business, it would be how they provide their service)
- **human resources** - what are their strategies for hiring, training, compensation (anything to do with managing the people of the organization)? Describe how the structure of the organization effects performance.

C.) Financial Analysis

- Ratios - liquidity, debt, profit, turnover
- Trends - revenues, profits (what has happened over the past several years)
- Comparisons - over time, vs. other competitors in the industry
- Miscellaneous - stock value, stock trends

Must describe what figures/ratios mean, in addition to their calculation

D.) Opportunities and Threats - External analysis - this includes all factors that are beyond the control of the organization.

- Porter's Five Forces
- Macro environment Analysis - economic, demographic, social/cultural, technological, political/legal, global issues
- Specify whether something is an opportunity or a threat and why. In all cases you should identify both pros and cons (i.e., no case will be totally one-sided)

E.) Strengths and Weaknesses - S & W are internal - they must be under the control of the organization

- Value Chain - inbound and outbound logistics, operations, marketing 8z sales, customer service, firm infrastructure, technology, procurement, and human resource management. In addition, financial strengths and weaknesses should be identified. Specify whether each element is a strength or a weakness and why.
- Competitive Forces Model
- Boston Consulting Group

Items F-H represent recommendations to improve organizational effectiveness. [Your response should demonstrate competency in at least three elective areas.]

F.) Goals and objectives - both long-term and short-term

Goals and objectives should follow from what was stated in the first question, particularly the SWOT analysis. The firm should focus on opportunities and strengths to expand business or keep on track, as well as address weaknesses or potential threats that may impact the business. Goals should be quantifiable (measurable) and short-term goals should be consistent with long-term goals. Identify overall strategy, as well as specific strategies for marketing, finance, operations, and human resource management. Short-term policies should focus on what you plan to do in the next 12-18 months that will help you achieve your long-term objectives. Use specific percentages, if appropriate.

G.) McKinsey's 7Ss - strategy, systems, skills, staff, structure, style, and shared values. For implementation you must state what changes should be made in these seven areas to achieve the goals and objectives previously stated. You should not state status quo {i.e., information identified in Question 1 }. If you suggest "no change," you must specifically support why no change is required (support with two or three points). Remember to demonstrate competency on at least three elective areas, and include measurable indicators.

H.) Evaluation and Control - This should flow directly from what you have stated as your short and long-term objectives. It should address how you will evaluate whether you have achieved your goals. The reason we look for quantifiable goals is that the level of success can be measured, which increases the objectivity of the evaluation. Again, your evaluation mechanism should assess the achievement of both general goals, as well as objectives for each functional area. Customer feedback should be included in this discussion.

NOTE: It is important for you to **apply** the tools discussed above to the case information. A "theory dump" where theory is discussed, but not related to the case information, is **not sufficient** to pass a question. If specific issues facing the firm are discussed in the case, they should be addressed in your response. If certain aspects of the organization are not addressed in the case (e.g., procurement, logistics, etc.) that should be so stated in your response - ignoring them indicates a lack of understanding of the tools or how to apply them. If you make any assumptions not articulated in the case you should explicitly state them in your response.

A Model Outline for the Comprehensive Exam

Overall Objective	Courses from which to draw upon
<p style="text-align: center;">Define the Business:</p> <p>Vision, Mission, Philosophy, Values</p>	Ethics, Organizational Behavior Models, Organization Theory, Management Strategy
<p style="text-align: center;">External Environmental Analysis:</p> <p>Porter's Five Forces, Strategic Group Model, Competitive Forces Model</p>	Economics, Marketing, Finance, Management Strategy
<p style="text-align: center;">Internal Environmental Model:</p> <p>Situational Analysis (social, environmental, etc.), SWOT Analysis, Situational Analysis, Key Success Factors Formulating Long Term /Grand Strategy</p>	Finance, Accounting, Organizational Behavior, Organization Theory, Human Resources, Systems, Management Information Systems, Labor Law, Marketing, Operations Management
<p style="text-align: center;">Economic Forecasting:</p> <p>Environmental Analysis: Remote, Industry, Operational</p>	Economic Forecasting, Finance, Management Strategy
<p style="text-align: center;">Strategic Analysis/Choice</p> <p>Formulating Long Term Objectives and grand Strategy: Market and Company Situation Theorists like Drucker: MBO, Leadership</p>	Marketing, Organization Theory, Management Strategy
<p style="text-align: center;">Implementation</p> <p>Types (compare and contrast)</p>	Human Resources, Operations Management, Management Information Systems, Finance, Accounting, Labor Law
<p style="text-align: center;">Control</p> <p>Measurement and Feedback</p>	Systems, Research Methods, Management Strategy

Suggested Case Analysis Outline

I. INTRODUCTION

- A. Short paragraph introducing case.
- B. Short paragraph introducing apparent strategic issues and generic strategies.
 - 1. low cost leadership
 - 2. broad differentiation
 - 3. best cost provider
 - 4. niche low cost leader
 - 5. niche differentiation

II INDUSTRY ANALYSIS

- A. Economic characteristics
 - 1. How big is market?
 - 2. How fast is it growing? (Stage of industry life cycle.)
 - 3. Technology
 - 4. Learning curve and economies of scale effects?
- B. Porter's Five Forces - how each affects industry profitability
 - a) Rivalry
 - b) Power of suppliers
 - c) Power of buyers
 - d) Substitute product
 - e) Threat of new entry
- C. Drivers of change (Pick 3 or 4 most important)
 - a) Changes in long term growth rate
 - b) Changes in who buys and how the product is used
 - c) Product innovation
 - d) Technological change or spread of technological knowledge
 - e) Marketing innovation
 - f) Globalization
 - g) Demographics
 - h) Regulatory influences
 - i) Changing social concerns, attitudes or lifestyles
- D. Key Success factors (Pick 3 or 4 most important)
- E. Strategic group map - use two most important (uncorrelated) KSF
- F. Predict competitor behavior
- G. Summarize Industry attractiveness
 - a) Opportunities for industry (e.g. integration / alliances / global etc...)
 - b) Threats (e.g. economy, leapfrog technology etc...)

III. COMPANY SITUATION ANALYSIS

- A. what is the current strategy? (low cost leadership, broad differentiation, best cost provider, niche low cost leader, niche differentiation leader)
- B. Is it working -Assess both strategic objectives and financial objectives.
- C. Company Strengths - Refer to Value Chain relative to competition
 - a. Distinctive Competence - Something that you can do that no one else can do
 - b. Competitive advantage - Something that you do better than your competition
 - c. Core Competence - something that you do well consistently
 - d. Technology - 2 types Process & Product
 - e. Integration if Applicable
- D. Company Weaknesses
 - a.. Lack of core competencies.
 - b. violations of good management practices
 - c. Weaknesses in Value Chain

- E.. Competitive Strength Assessment

IV. SWOT ANALYSIS

S & W are internal / O & T are external

V. RECOMMENDATIONS

Base on SWOT and needed actions to capitalize on SWOT's

VI. IMPLEMENTATION

Develop limited actions based on management theories that have been learned in core courses.