

**Boston College  
Economics Department**

EC230- Industrial and Social Policy  
Class Time: Wednesday (4:30 -7:00 P.M.)  
Office Hours: Tues. 9:00-10:30; 1:30 - 3:00  
                  Thurs.9:00 -10:30; 1:30 - 3:00

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Course Description:

When businesspeople are formulating and implementing potential “strategies” for their organizations, they need to deal with two environments,namely the internal and the external. In viewing their internal environment , managers need to evaluate the markets and economic structure of the markets in which their businesses compete. How businesspeople deal with this is the subject matter for what has traditionally been called by economists, Industrial Policy.

There is also an external environment, i.e., the political and social forces which play in formulating the strategy of the firm. These political and social forces shape a firm’s relationships with its various stakeholders which include all those individuals and institutions which have a vested interest in the performance of the firm both financially and socially. Usually, the stakeholders include the local community, regional community, Government (at all levels and branches) unions, stockholders, employees,etc..

The purpose of this course is to examine how the firm forms its strategy by looking at both its internal and external environments. One of the method which will be utilized in the course will be case analysis which will involve evaluating the strategy of a firm and how that firm dealt with both its internal and external environments. You will also be asked to do research on an industry and firms in that industry as part of your grade.This is a course which you allow you to put into practice the material that you learned in your theory courses. The material will be current and hopefully you will find it quite interesting as well as challenging in trying to put yourself as a consultant for a firm or industry.

Methodology:

Since variety is the spice of life and we have a 2 1/2 hours class, the class will consist of a combination of lecture, case analysis, films and guest speakers such as the President for the Red Sox (major league baseball), entrepreneurs and a banker. If you have any suggestions on issues, firms or industries which you would like to study, please let me know.

Evaluation:

- 25%- Class participation in the discussion of readings and case studies.
- 20%- Midterm exam on readings
- 15% - One Group Written Case Analysis (3 pages plus exhibits)
- 25% - Group Industry Project and OralPresentation.
- 15% - Final Project (Strategic analysis of a firm)

Readings/Case:

- 1.) Text for the Course: Economics of Strategy Besanko, Dranove,& Shanley (Wiley) 1996
- 2.) Packet of Readings and Cases that will be handed out at each class.

I will be handing out various cases and readings as we go along. Every week I will have an assignment sheet for you along with questions for the case or reading.

Date	Topics	Readings/Cases
Sept. 2	Introduction, Concept of Strategy	Reading: Primer, Chap.1
Sept. 9	Vertical Integration	Reading: Chap. 2, 3, 4 Case: UPS
Sept. 16	Horizontal Integration Diversification	Reading: Chap. 5,6 Case: The Cigarette Industry
Sept. 23	Industrial Analysis	Reading: Chap.7,8 Case:
Sept.30	Positioning &Competitive Analysis	Reading: Chap.12,13 Case: CVS <b>Group Written Analysis</b>
Oct. 7	Sustaining Competitive Advantage	Reading: Chap,14, 15 Case: UPS (Frank Erbrich)
Oct. 14	Midterm Exam	Wrapup Lecture after exam.
Oct. 21	A Model for Social and Political Strategy (Mahon & McGowan)	Reading: Model Article
Oct. 28	Public Policy	Case: Beer Industry(M&M)
Nov. 4	Regulation	Case: Banking Industry(M&M) Jane Walsh, President of Northmark Bank
Nov.11	Negotiation	Case: Baseball Industry John Harrington, CEO of the Red Sox
Nov. 18		<b>INDUSTRY STUDIES DUE</b> Presentations
Dec. 3		Presentations
Dec. 9		Final Exam Due