This course of study is the first of three designed to help you prepare for the Certified Masters of Business Administration (CMBA) certification exam as well as meet Western Governors University MBA program requirements.

The CMBA exam has been divided into three smaller exams (ABC1, ABC2, and ABC3). This course of study will prepare you for ABC1, which covers the subject areas of organizational behavior, strategy, and operations management. This course of study may take up to eleven weeks to complete depending on your educational background, work experience, and the time you are able to dedicate to your studies. Consult with your mentor if you wish to accelerate your progress through this course of study. Activities for each of the CMBA courses of study are presented sequentially and address competencies and learning objectives described in the CMBA. The learning resources have been carefully selected to prepare you to take the ABC1.

### Introduction

Welcome to the Advanced Business Concepts: Management and Strategy Course of Study! As a future leader in business and industry, it is vital that you understand how organizations manage resources and develop strategy. As you work through this course of study, you will explore ways of managing individuals and teams, using tools for decision making, and plotting strategy for an organization.

### What is the CMBA?

The CMBA is an objective measurement of a student's mastery of ten core business content areas. "As a universal measurement of the core business fundamentals, the CMBA levels the playing field for all MBA graduates by emphasizing an individual's business education and neutralizing the influence of graduate program reputation or rank" (International Certification Institute, 2007). You can feel confident that when you complete this course of study you will have mastered three of the ten core business contents areas.

The ABC1 assessment covers the following content areas:

- Organizational Behavior - 28 questions
- Strategy - 33 questions
- Operations Management - 28 questions

The ABC1 is a proctored objective assessment consisting of 86 multiple-choice questions requiring a passing score of 57%. To take the assessment, complete the referral in your Academic Action Plan (AAP). Your mentor can assist in placing the referral if you have questions about how to do this. There are no preassessments for this exam, which underscores the importance of avoiding preparation shortcuts by completing this course of study.

When you pass the CMBA exam and receive your MBA degree, you will receive certification from the International Certification Institute and be invited to join the Association of Certified Master's of Business Administration. The CMBA is designed to enhance your MBA by communicating to employers that you are a competent business graduate. Graduates with the distinction of CMBA certification have already found that their certification has given them a competitive advantage in the job market. Your completion of this study program and exam will bring you one step closer to securing the CMBA and the privileges that accompany it!

### Why organizational behavior, strategy, and operations management?

Your life is constantly touched by organizations that employ, educate, serve, inform, feed, protect and entertain you (Kreitner & Kinicki, 2008). Think about the number of organizations that you interact with on a weekly basis. As an MBA student, your goal is take a leadership role in one or more of these organizations. Leading requires that you understand how people behave in
organizations, how organizations set strategy and how organizations make decisions around products and services.

You will first study organizational behavior. Organizational behavior is an interdisciplinary field dedicated to understanding and managing people at work (Kreitner & Kinicki, 2008). You will study individuals, groups and organizations. Organizational behavior also helps you to learn more about yourself and how you can leverage your strengths and learn new skills to use in group situations.

After studying how people behave in organizations, you will study strategy and how organizations develop strategies for competing in the global marketplace. A strategy is an integrated set of commitments and actions designed to use company resources to gain a competitive advantage in the marketplace. Consider how two automakers, like General Motors and BMW, both produce automobiles, but have different strategies in how they compete in the marketplace. BMW is focused on high performance, high cost products. General Motors is focused on providing a wide range of vehicles that offer both low cost and high cost options.

The final part of this course of study will address operations management. Operations management focuses on the management of systems and processes that create goods and/or provide services (Stevenson, 2007). In the past, the field of operations management focused more how to develop effective production processes, but the field has evolved to include systems and processes that support products and services. Organizations want to produce goods and services as efficiently as possible so that they can add value to outputs.

In this course of study you will learn about the approaches, principles, and theories embodied in organizational behavior. You will learn how to craft and analyze corporate strategies, and you will learn how to translate and manage operations that pull it all together. Discover, through your studies, how these common threads influence organizational behavior, strategic thinking, and operational implementation and management.

This course of study covers the following competencies:

**Competency: Operations**
The student understands concepts associated with operations.

**Competency: Strategy**
The student understands the concepts associated with strategy.

**Competency: Behavior of Individuals Within Organizations**
The student understands concepts associated with the behavior of individuals within organizations.

**Required Learning Resources:**

**Textbooks**

Preparing for Success

In order to successfully complete ABC1, you need the appropriate resources to support your learning. The various learning resources included in this course of study are essential to your success, as they will provide the necessary knowledge to pass the objective assessment.

After completing this week’s activities, you should have:

- Purchased your textbooks.
- Logged in to the Certified MBA Learning Community and posted an introduction.
- Logged into SkillSoft.

Topics

Acquire Learning Resources

Arrange to obtain or enroll in the learning resources listed below so there will be no delays in your studies. These items are essential as the course of study guides you weekly in the use of these resources.

Resources

Purchase Textbooks

Order your textbooks. The WGU Bookstore will have these textbooks available for immediate purchase and delivery. You may shop at other online bookstores, but be sure to order early and use the correct ISBN to get the correct edition.


Log In to SkillSoft

Throughout this course of study, you will have the opportunity to use SkillSoft courses, simulations, books, SkillBriefs, and Job Aids to enhance your understanding of various organizational behavior, strategy and operations management topics. The following activities will confirm that you have access to SkillSoft and will provide you with an opportunity to get a feel for the SkillSoft learning environment.

Resources

Log In to SkillSoft
Use the instructions you received to log in to SkillSoft. Notify your mentor when you are able to successfully log in. If you are unable to log in, ask your mentor for assistance. You can access your SkillSoft library by clicking on the above link.

Navigating in SkillSoft

Take some time to become acquainted with the SkillSoft learning environment. Search for information on "leadership" as a practice topic. Were you able to find books, courses, simulations, SkillBriefs, and Job Aids from this search? If you have questions on how to navigate in SkillSoft, ask your mentor for assistance.

Set Up Study Plan in SkillSoft

URL:
SkillSoft

Using Your SkillSoft Account

The SkillSoft library contains several modules that will assist you in preparing for the ABC1 assessment. Some preselected lessons are included throughout this course of study. As a new student, you will be automatically enrolled in SkillSoft during EWB. You will use your Western Governors University (WGU) student portal login and password to access SkillSoft.

For additional information on using your SkillSoft account, read the "Using Your SkillSoft Account" document at the link above.

Logging in to SkillSoft: Log in to SkillSoft to access the modules that are listed in this course of study:

1. Log in to SkillSoft.
2. Enter the module number that is listed in the various sections of this course of study in the "Search For" box.
3. Click on the course.
4. Read the SkillSoft lesson overview.
5. Take the SkillSoft course pretest for each section where available.
6. Complete the modules where your pretest scores are low.
7. Take the posttests after completing all of the modules.
8. For additional information, review the SkillBriefs, job aids, and Books24x7 resources associated with each module.

Organizational Behavior - Part 1

CMBA topics in organizational behavior have been divided into three parts. Part 1 contains a series of topics and activities that address subject areas that are tested on the ABC1 assessment.

When you join a company, you enter into a unique work environment governed by an organizational culture descriptive of norms and mores that communicate its unique vision, mission, and strategic
purposes. Issues that are important to society as a whole are also governed by law and affect the way interpersonal interactions function within the work environment. This week you will examine many of these legal societal connections that govern organizational culture and how organizations perform their work. Look for the answers to the following questions as you move through each activity in this week’s study program:

- What is the legal basis of sexual harassment?
- What are the major laws behind equal employment?
- Are there times when employment discrimination is legal?
- What type of issue is associated with gender discrimination in the workplace?
- What are the cognitive bases that motivate employee behavior?
- What is organizational citizenship, and how do interpersonal relations affect organizational citizenship?
- How does work stress affect individuals and organizations?
- What are the environmental bases of work motivation?

Topics

Diversity and Individual Differences

Whether you work for a large corporation or a small private business, you need to understand the concepts of sexual harassment, employment discrimination, and gender discrimination. As a leader in business, you must recognize harassment and discrimination and know how to address these issues in the workplace.

Resources

Gender Discrimination

Read chapter 2 in . Your goal is to be able to analyze the issues associated with gender discrimination in the workplace. Is the glass ceiling a myth, or is there evidence that it exists?

Sexual Harassment

Read chapters 3, 6, 7, and 8 in and the SkillSoft module "Sexual Harassment and Work." Your goal is to be able to explain the legal basis of sexual harassment. Have you seen any of the behaviors mentioned in the readings occur in your working environment?

Employment Discrimination

Review chapter 3 in and the SkillSoft modules associated with "Equal Employment Opportunity (EEO)" and "Affirmative Action." Your goal is to be able to specify the legal basis of employment discrimination and how EEO and affirmative action law remedies this problem. How does a corporate focus on diversity address the EEO and affirmative action remedies mentioned in the reading?

Motivation, Work Behavior, and Quality

You will examine the role of motivation on work behavior and quality. Is there a link between motivation and employee productivity? As you move through the following activities, you will learn
how productive employee behaviors are critical to quality performance in the workplace.

Resources

Work Motivation and the Environment

Read chapter 9 in . As you read this chapter, analyze employee behavior in terms of how the work environment affects employee behavior. Can you reflect back on an experience when performance feedback helped you or a colleague improve performance?

Complete the chapter 9 quiz at the textbook companion website.

Interpersonal Relations

Search SkillSoft using the keywords that address interpersonal relations in the work environment. Your goal is to learn how to analyze interpersonal relations in the work environment based on the concept of organizational citizenship behavior. From this activity, can you identify how corporate citizenship affects organizational interpersonal relations?

Motivation and Employee Behavior

Read chapter 8 in . Your goal after completing the reading is to be able to analyze employee behavior in terms of cognitive bases of motivation. How do the cognitive bases of motivation affect employee behavior?

Complete the chapter 8 quiz at the textbook companion website.

Work Stress and Change

Read chapter 18 in . Your goal in this activity is to understand the issues associated with work stress in an organization. What are the contributing factors within the workplace that create stress? What is the impact of stress on work performance? How can individuals manage stress?

Go to the discussion questions for chapter 18 on the textbook website and answer questions 8, 9, and 10 in your study notebook. You will use your notebook to review for the assessment.

Organizational Behavior - Part 2

CMBA topics in organizational behavior have been divided into three parts. Part 2 focuses on human resource topics ranging from performance appraisals to the process used to form unions.

This week you will be examining key human resource activities that affect performance, feedback, pay, training, employee rights, and unionization. You have already been introduced to some of these concepts below from HMP1. Pay particular attention to how human resource functions affect employee performance or how they enhance your ability to lead and manage employees within
After completing this week’s activities, you will be able to answer these questions:

- What are rating errors, and how do they affect performance appraisals?
- What are the benefits of performance appraisal?
- Why would a company adopt multisource (360-degree) assessments of performance?
- What are the major organizational constraints on employee compensation?
- How do you define the components of a pay structure?
- How are employee benefits systems administered?
- What are the costs and benefits of various systems of employee recruitment?
- What major methods are used for personnel selection?
- Why would a firm conduct a training needs analysis?
- What legal issues does a firm need to be concerned about with occupational health and safety?
- What rights do employees have in terms of the employment relationship?
- What is the process for unionizing a workforce?

Topics

Performance, Assessment, and Compensation

Performance evaluation and assessment crosses all functional lines and is a critical activity necessary to highlight what works and spotlight what does not work with the intent to correct and improve. The activities under this topic will introduce you to performance appraisal and feedback systems designed to improve and reward employee performance.

Resources

Performance Appraisals and Rating Errors

Read chapter 7 in and chapter 8 in . The goal of this activity is to be able to detect and analyze performance appraisals for manifestations of rating errors. Have you experienced rating errors in your performance evaluations? In your study notebook, define rating errors and list the different type of errors that can happen in the workplace.

Benefits of Performance Appraisal

Chapter 8 in discusses 360-degree assessments of performance. The goal of this exercise is to be able to explain the benefits of multisource or 360-degree assessments of performance. Go to SkillSoft and complete the following modules and associated SkillBriefs on 360-degree performance evaluations and feedback:

- MGMT0151: About 360-Degree Performance Feedback
- MGMT0152: Elements of a 360-Degree Performance Review
- SkillBrief: Reasons to Implement 360-Degree Feedback
- SkillBrief: 360-Degree Feedback vs. Traditional Feedback

Direct Employee Compensation

Read chapter 9 in on financial compensation. In your study notebook, answer the first five questions from the end of the chapter questions for review.
SkillSoft Module on Compensation

Complete the following SkillSoft module on designing compensation plans. You will find that this will help codify your understanding of compensation planning.

- HR0269: Compensating Employees (HRCI/PHR - 2007-aligned)

Components of Pay

Reflecting on the material in chapter 9 in , develop a list of components that you identified as part of a pay structure. The textbook does not provide a list of components; you will have to develop your own list based on the reading. Record your list of components in your study notebook.

Multisource Assessments

Review what you have learned in the previous activity and analyze the rationale for multisource or 360-degree assessments of performance. Answer the following question in your study notebook:

- How does this method of performance appraisal inform the organization, management, and the individual with the intent to improve organizational performance?

Managing Human Resources

The acquisition and maintenance of human capital is critical to the functioning of all organizations. This topic will introduce you to employee recruitment, selection, training, employee rights, unionization, and the need for a healthy and safe work environment. Whether you are a manager or worker, understanding the material in these activities can be immediately beneficial in your own employment situation. How would you use your new understanding of recruitment to improve your job prospects?

Resources

Employee Rights

Review chapter 11 in and focus your studies on the definition of employee rights. The goal of this activity is to be able to define those employee rights that affect the employment relationship. What are your employment rights at your place of employment?

Read the following SkillBriefs and Job Aids in SkillSoft:

- Purpose, Coverage, and Employee Rights
- Employment Rights Doctrine

Unionization Process

Read chapter 12 in . In this activity you will be introduced to the unionization process. Your goal is to understand the process sufficiently that you can explain it. Do you currently work in a union or know of someone who does? How does what you have learned corroborate your personal experiences?
Training Needs Analyses Benefits

Read chapter 7 in the textbook. In this activity you will learn how to conduct a training needs analysis. Your goal is to be able to explain the benefits that are derived from performing a training needs analysis. As you read chapter 7, ask yourself how you would apply this tool to your own employment situation.

Complete the chapter 7 quiz at the textbook companion website.

Legal Basis for Occupational Health and Safety

Read chapter 11 in and review the SkillSoft module listed below. The goal of this activity is to be able to describe the legal basis for occupational health and safety within an organization. Have you served on a safety committee, and can you describe the function that committee serves within the domain of occupational health and safety within the organization?

- HR0276 Health and Safety in the Workplace (HRCI/PHR - 2007-aligned)

Employee Recruitment

Read chapter 5 in . Your goal in this activity is to learn about the costs and benefits of various systems of employee recruitment. Do any of these seem to be more important? Can you explain why?

Complete the chapter 5 quiz at the textbook companion website.

Selection Methods

Read chapter 6 in . The purpose of this activity is to analyze the major methods of personnel selection in the basis of staffing needs. How would you use these methods to fill personnel shortfalls? Complete the following SkillSoft module on recruitment and selection:

- HR0251 Recruitment and Selection (HRCI/PHR)

Organizational Behavior - Part 3

CMBA topics in organizational behavior have been divided into three parts. This is Part 3, which will round out your studies on organizational behavior.

Key to the successful functioning of organizations is how individuals socialize and interact within groups and teams. This requires an understanding of the bases of social power and how leaders use that power to accomplish the vision of the organization. This week you will learn about these processes and be challenged to find ways to apply them in your own circumstances. The more you find relevance to the material from your own experiences, the greater will be your understanding of
the objectives in the bulleted items below. Do not hesitate to ask your course mentor for clarification as you move through the activities.

After completing this week’s activities, you will be able to answer the following questions:

- What is the basis of the socialization process?
- What issues affect justice and fairness in the workplace?
- What role do group dynamics play as a function of team interaction?
- What is the basis of leadership in organizations?
- What are the bases of social power?
- Why would an organization select one organizational structure over another?
- How do the concepts of job analysis and job evaluation compare?
- What is the basis of organizational culture?
- Why do organizations have a difficult time implementing change?
- What factors differentiate national cultures?

Topics

Organization and Group Dynamics

In this topic you will be completing activities that focus on socialization, group and team effectiveness, and power. Is increasing team effectiveness important to you? As you complete these activities, you will not only learn about increasing team effectiveness, but you will also learn how to use power and the ethics behind its use.

Resources

Justice and Fairness Issues

Read chapter 8 in . The belief that decisions and associations are fair is key to any work environment. Your goal in this activity is to learn about and analyze the issues associated with justice and fairness within the workplace. How do you discern what is fair or just in your own working environment?

Complete the chapter 8 quiz at the textbook companion website.

Group Dynamics and Team Effectiveness

Read chapters 9 and 10 in . Organizations use teams to achieve their goals. In this activity you will learn about group dynamics and how to increase team effectiveness. Your goal is to acquire understanding sufficient to analyze group dynamics as a function of the dimensions of team interaction. Are there any specific group dynamics that confirm what you’ve learned in this activity that could increase team effectiveness?

Complete the chapter 9 quiz at the textbook companion website.

Power, Politics, and Conflict

Read chapter 15 in . As you read, look for the bases of social power within
an organization. Your goal is to be able to analyze the bases of social power in an organization or within a group or team. Answer the following questions in your study notebook:

- From the reading, can you think of a team you have been on where the bases for social power have been prevalent?
- How would you analyze their behavior and effectiveness?

Complete the chapter 15 quiz at the textbook companion website. In your study notebook, write the answers to questions 1, 4, and 7 from the chapter 15 discussion questions at the textbook companion website.

Organizational Structure and Development

This topic examines organizational structure, change, and the development of the organization. Did you know that how an organization is structured will influence not only how an organization implements strategy, but also how it responds to change?

Resources

Structuring the Organization

Read chapter 17 in . Your goal is to become acquainted with various organizational structures and be able to specify their advantages and disadvantages. As you study this chapter, consider not only the types of organizational structures, but also their impact on the organization to support strategy and achieve goals.

Complete the chapter 17 quiz at the textbook companion website.

Job Analysis and Evaluation

Read chapter 9 in . In your study notebook, answer the following questions:

- How is job analysis defined?
- What is job evaluation?
- How are job analysis and evaluation related?
- How does the job analysis process ultimately influence organizational effectiveness?

Differentiating National Cultures

Read chapter 4 in . In this activity you will learn about the factors that differentiate national cultures. Your goal is to be able to analyze the differences between these factors. Quite often national culture or diversity can play a role not only in internal communications, but external communications as well. How have cultural differences affected how your organization communicates? Can you identify these factors in your own organization? Why is it important to understand these factors?

Congratulations! You have completed the organizational behavior section of this course of study. You have learned about how individuals and groups behave within organizations along with techniques and strategies for managing human resources.

Strategy - Part 1
CMBA topics in strategy have been divided into four parts. Part 1 contains a series of topics and activities that address subject areas tested on the ABC1 assessment.

Hitt tells us that the strategic management process "is the full set of commitments, decisions, and actions required for a firm to achieve strategic competitiveness and earn above-average returns" (2007, p. 5). Throughout the next four weeks, you will be addressing this full set of commitments found within the strategic management process. This week you will pay special attention to the building blocks of the strategic management process. Pay special attention to the competency mentioned below, and after completing this week’s activities go back and self-test your knowledge. You are learning the success factors that all successful companies must put in place to be competitive in the market.

After completing this week’s activities, you will be able to answer the following questions:

- What are the key elements of strategy?
- What are the attributes of a good strategy?
- How are the key levels of strategy different?
- What is the difference between vision and mission?
- How do perspectives on strategy vary?
- What are the various steps in the assessment of a strategy?

**Topics**

**Strategic Management Process**

In this topic you will be introduced to the building blocks of strategy. Each of the four activities addresses aspects of strategy making. This includes the key elements, the attributes of a good strategy, the multiple levels of strategy, and strategic assessment. As you move through these activities, look for reference points from your own experiences to anchor the information you are presented with. This will help you put what you have learned into context and make it much easier to retain for the assessment.

**Resources**

**Key Elements of Strategy**

Read chapters 1 and 4 in : Competitiveness and Globalization. As you read, answer the following questions in your study notebook:

- What are the key elements of strategy?
- What elements do you recognize from current or past organizations?
- Where you have been employed?
- What factors contribute to competitive advantage?
- What are the key organizational challenges in globalization?

**Attributes of Good Strategy**

Read chapters 3 and 6 in : . There have been numerous studies that have differentiated attributes within strategy development considered productive or good. Your goal in this activity is to identify what those attributes are that form good strategy.

Complete the online quizzes for chapter 3 at the textbook companion website.

**Levels of Strategy**
Read chapter 11 in Strategy. In your study notebook, answer the following questions:

- What are the key levels of strategy?
- What are network effects?

**Strategic Assessment**

Review chapter 6 in Strategy. Pay particular attention to the various steps taken to conduct a strategic assessment. Can you think of a situation where the assessment of strategy could be beneficial to an organization?

Complete the online quizzes for chapter 6 at the textbook companion website.

**Strategy - Part 2**

CMBA topics in strategy have been divided into four parts. This is Part 2, which contains a series of topics and activities that address subject areas that are tested on the ABC1 assessment.

Michael Porter made a profound comment that impacts this week’s studies. He said, "Strategic fit among many activities is fundamental not only in competitive advantage, but also to the sustainability of that advantage. It is harder for a rival to match an array of interlocked activities than it is merely to imitate a particular sales-force approach, match a process technology, or replicate a set of product features. Positions built on systems of activities are far more sustainable than those built on individual activities" (Hitt, 2005, p. 111). This week you will be studying Porter’s five forces framework, allowing you to understand how to use that framework to do a structural analysis with the intent to increase a corporation’s competitive advantage. You will likely find this week’s studies to be very interesting!

After completing this week’s activities, you will be able to answer the following questions:

- How should a manager use Porter’s five forces framework to do a structural analysis of an industry?
- What are the various ways in which an industry can be defined?
- Who are the strategic groups within an organization, and how are they useful in industry analysis?
- What are the various stages of industry evolution?
- How does an organization’s structure influence strategy?
- What are Porter’s generic strategies?

**Topics**

**Assessing the Competitive Environment**

Strategic development is the conceptualization of strategic purpose focused on the goal of achieving competitive advantage. You will study Porter’s five forces framework and how it is used to achieve and sustain competitive advantage.

Porter’s framework provides a proven tool to assess a corporation’s strategic footing. Like a SWOT analysis, Porter’s five forces framework provides an alternative approach to analyze a firm’s competitive advantage. This is one of those tools you will want to add to your study notebook!

**Resources**
Porter's Five Forces Framework and Industry Analysis

Review chapter 2 in ____. This chapter focuses on the external environment including the industry definition. Answer the seven review questions from the end of the chapter in your study notebook.

Structures and Strategy

Review chapter 4 in ____ and look for sections that address the interrelationship between strategy and structure.

Complete the chapter 4 quiz at the textbook companion website.

Read chapter 5 in ____. Understanding organizational structures and associated strategies is at the core of this activity. In your study notebook, write the answer to the following essay question:

- What are various industry structures and their implications for strategy?

Strategic Groups and Industry Stages

Review chapter 3 in ____. Pay attention to the descriptions of strategic groups and the stages of industry evolution.

View the student PowerPoint for chapter 3 at the textbook companion website.

Strategy - Part 3

CMBA topics in strategy have been divided into four parts. Part 3 will introduce you to economies of scale and analysis techniques to evaluate strategic vulnerabilities and help you identify opportunities to become more strategically competitive.

Most of us like to watch a good football or basketball game. Each team runs plays that are part of their overall game strategy. The tools they use to assess the countermoves by their opponents may cause changes in their game strategy. This week you will study some of the tools corporations use to gain and sustain a competitive advantage over their corporate opponents. Competitive advantage is achieved when they can provide products and services that cannot be replicated. How they do this is endemic to their proficiency in using the tools studied in this week’s activities. Again, look at the questions below. When you have completed this week’s studies, consider testing your knowledge as you review the material.

After completing this week’s activities, you will be able to answer the following questions:

- How are economies of scale and scope different?
- What is the difference between core competence and distinctive competence?
- What are the key components of a value chain and value system?
- How is value defined in strategic management?
- How does a manager perform a vulnerability analysis?
- What are the differences between vertical and horizontal differentiation?
- What factors contribute to competitive advantage?
- What factors affect the sustainability of competitive advantage?
- What are the various levels of uncertainty, and how does a firm deal with uncertainty?
- What are the elements of parenting advantage?
What are critical success factors?
Why would an organization be concerned about network effects?

Topics

Assessing Strengths and Weaknesses

In the competitive market—and all markets are competitive—it is important to know how to assess one’s strategic strengths and weaknesses. The activities in this topic will introduce you to economies of scale and scope, and the length and breadth of a value chain.

Resources

Economies of Scale and Scope

Scan chapter 2 in for an explanation of economies of scale and scope. In your study notebook, write the definitions for economies of scale and scope and record some practice examples.

Value Chain

Review chapter 3 in. Adding utility or value to product offerings are marketing terms. Likewise, understanding the key components of an industry’s value system is critical in assessing competitiveness. Your goal at the conclusion of this activity is to be able to describe the key components of a value chain and its value system.

Review the following SkillSoft Module and the associated SkillBriefs and Job Aids at the SkillSoft website:

- stgy_01_a02_bs_enus - Sustaining Competitive Advantage

Building Competitive Advantage

How does one build a competitive advantage? Whether you are selling ball bearings or tacos, it is important to know what the critical success factors are that differentiate one competitor from another. In this topic you will work through activities that will help to answer the initial question and provide specific information that, when applied, builds competitive advantage.

Resources

Competitive Advantage Factors

Review chapter 4 in. Examine different strategies for gaining competitive advantage. In your study notebook, answer all five review questions at the end of chapter 4. Your goal is to be able to define and describe business-level strategies that increase competitive advantage.

Sustainability Factors

Review chapter 3 in. Today’s market leader may not be able to sustain its place without a plan to sustain growth. Your goal in this activity is to learn about and describe the factors that affect sustainability of competitive advantage. Record your findings in your study notebook.
Strategy - Part 4

CMBA topics in strategy have been divided into four parts. In part four you will examine strategies that involve the use of venture capital, alliances, acquisitions, mergers, and other strategic moves that diversify and enhance a firm's competitive position.

Hitt suggests that corporations need to look at strategies to diversify their holdings and enhance their competitive position (2007). These strategies are dynamic and dependent on the strategic orientation, opportunity, and synergistic relationships that can be created to benefit the firm. These decisions relate back to the strategic intent, vision, and mission of the company. If the company decides to go global, how will it approach, evaluate, and implement that strategic decision? For example, a company may consider acquiring another company to complete their product offering portfolio or address specific opportunities after conducting a vulnerability analysis. Acquisitions, mergers, takeovers, other more risky ventures, and understanding how they work within the strategic context will be discussed in this week's studies.

After completing this week's activities, you will be able to answer the following questions:

- What is synergy? What are some examples?
- How are vertical and horizontal integration different?
- What are the key components of a business model?
- What is the difference between integration and diversification?
- Why do corporations seek mergers and acquisitions?
- What process is used for evaluating mergers and acquisitions?
- What is meant by "stuck in the middle"?
- What factors cause an organization to go into decline?
- What process is used for strategic transformation of an organization in decline?
- What forces drive globalization?
- What are the differences between multinational, global, and transnational strategies?
- What are the key organizational challenges in globalization?
- What are the different types of alliances?
- What are the advantages and disadvantages of alliances?
- How does the structure-conduct-performance paradigm work?
- What is the two-dimensional growth vector matrix?

Topics

Corporate Strategy - Leveraging Resources

The development and implementation of strategies is all about leveraging organizational resources. The success or failure of a strategy is dependent on how it can leverage its corporate resources. The activities under this topic focus on the mechanisms used to leverage organizational resources to gain the greatest strategic advantage.

Resources

Vertical and Horizontal Integration

Review chapter 6 in . Your goal is to distinguish between vertical and horizontal integration. These concepts are often confusing for students. In your study notebook, define vertical integration and horizontal integration. List two examples for each one. Also, explain how diversification is different than integration.

Corporate Mergers and Acquisitions
Read chapter 7 in . You will read about the reasons or motives behind the creation of corporate mergers and acquisitions. Your goal is to be able to describe those motives and to explain how mergers and acquisitions are compatible with strategic direction. Can you identify a situation where it would be in the best interest of a company to consider a merger? Consider the merger of Hewlett Packard and Compaq.

Complete the chapter 7 quiz at the textbook companion website.

**Stuck in the Middle**

This may be a strange subject heading for an activity, but there are times when a company may find themselves "stuck in the middle" Read chapter 8 in . After completing this activity you will be able to describe what it means to be "stuck in the middle." In your study notebook, explain what "stuck in the middle" means and how companies avoid this situation.

**Factors that Cause Organizational Decline**

Read chapter 2 in . In your own generation you have seen corporations rise and fall. This is especially evident in the automotive industry. In this activity you will be able to describe the typical factors that cause an organization to go into decline. Do you recognize these factors in play in our current economic situation?

**Strategic Transformation**

Read chapter 12 in . As mentioned, not only do corporations decline, but they can also be reborn. This is especially true when you look at AT&T. At the completion of this activity, you will be able to describe the process involved in the strategic transformation of an organization in decline.

**Synergy**

Review chapters 1 and 6 in . Synergy is often described as the process by which an organization leverages its resources in such a way that the resultant actions are greater than the sum of its parts. Your goal is to describe what synergy is and to identify examples that describe evidence that it exists. Can you identify examples where a company has leveraged its resources?

**Global Strategy**

The competitive market can drive national corporations to go global to sustain their market share. Globalization may be directly related to leveraging corporate resources. You will complete activities that will provide a greater perspective on the forces and the challenges that drive corporations to go global. How does a corporation change perspective when they consider global strategies?

**Resources**

**Multinational, Global, and Transnational Strategies**

Review chapter 8 in . In this activity you will learn about the differences between multinational and global strategies. At the end of the activity, your goal is to be able distinguish between multinational, global, and transnational strategies.

**Forces Driving Globalization**
Review chapter 11 in . Study those forces that drive corporations to go global. Your goal at the end of this activity is to be able to describe those forces.

**Strategic Alliances**

Hitt tells us that a strategic alliance is "a cooperative strategy in which firms combine some of their resources and capabilities to create a competitive advantage" (2007, p. 271). Understanding how alliances can leverage scarce organizational resources and move a company toward a competitive advantage is crucial. In this topic you will be completing activities that give you a clearer insight regarding types of alliances and their advantages and disadvantages. How can a joint venture develop a competitive advantage?

**Resources**

**Advantages and Disadvantages of Alliances**

Read chapters 9 and 13 in . Record the advantages and disadvantages of alliances in your study notebook.

Congratulations! You have completed the strategy section of this course of study. You have learned about strategic management and competitiveness and how internal and external environments affect the development of a firm’s strategy. Understanding strategy and strategic management is an integral part of your studies as an MBA student and a future leader in the business world.

**Types of Alliances**

Read chapter 9 in . After completing this, you will be able to describe different types of alliances.

**Operations Management - Part 1**

CMBA topics in operations have been divided into three parts. This is Part 1, where you will be introduced to the principles of operations management.

As you begin, keep the vision from which operations are derived in perspective. Stevenson provides this perspective by describing operations management as an engine at the core of the organization. He says, "Operations management is the management of systems or processes that create goods and/or provide services" (2007, p. 4). In essence, it is the inputs and outputs that transform strategic concepts into the systems or processes that make it all work. Look to the questions mentioned below as you begin your studies. As has been suggested previously, use an effective self-monitoring technique and review each item for understanding. For example, do you know how to calculate the capacity cushion of a process? Use your course mentor to provide clarity to any questions you do not understand.

After completing this week’s activities, you will be able to answer the following questions:

- What are the characteristics of processes?
- How does a company's process match the characteristics of the markets for its products?
- What does a Pareto chart look like, and why is it used?
- What are the steps for calculating the capacity cushion of a process?
- If a process were made up of a series of linked events, how would you calculate the capital costs of increasing the capacity of the process?
How does the degree of customer contact affect the efficiency of a service?
When would a manager use waiting line analysis?
What are the inputs to a waiting line problem?
How would a manager rank call center scenarios in terms of efficiency?

Topics

Product, Process, and Service Design

In this topic you will be learning about the key components of operational system design. Understanding how processes are selected, their types, and characteristics will be presented in the activities below.

Resources

Identifying Processes and Characteristics

Read chapter 4 in . Each process has a characteristic. Your goal is to be able to identify a specific process by its primary characteristic. You may want to look at processes from your workplace. Can you identify the characteristics?

Matching Process to Market

Read chapter 6 in . Similar to the previous activity, your goal is to be able to match a process to the characteristics of the markets for its products. Can you recognize a process layout in the supermarket or in a cafeteria?

Charts

Read chapter 9 in . The management of process uses charts in operations management. Learn about the different charts used to manage processes. Your goal is to be able to differentiate between several charts after being given a verbal or written description and pick out the Pareto chart. Use the simulation at the link above to learn more about how to use Pareto charts.

Assessing Facility Capacity

Air Force planners will attempt to calculate the maximum on ground or MOG capability to determine the total number of aircraft that can be supported during an airlift operation during a specified time period on a single airfield. The same concept holds true when looking at assessing a production facility's capability. The activities under this topic will focus on how to determine a facility's capability.

Resources

Calculating Capacity Cushion

Read chapter 5 in . Pay special attention to the calculation of capacity cushion of a process. Your goal, given a scenario, will be to demonstrate and know how to calculate the capacity cushion of a process. Use the resources at the end of the chapter to work capacity cushion problems. Need help? Contact your course mentor for assistance.

Service Operations
In management operations, managers are constantly looking for ways to improve efficiency. In this topic you will be introduced to management techniques that are designed to improve services and reduce waiting lines or bottlenecks. Can you find an application of this concept from your own interactions with business, maybe while waiting on the telephone for a customer service representative or moving through security screening at the airport?

Resources

Customer and Service Relationships

Read chapter 18 in . Have you ever been in a long line at a big department store waiting on one checker when there are unmanned checkout stands? Have you every waited 10 or 15 minutes on the telephone for a customer service representative? How do you determine what is the most efficient relationship between customer contact and the efficiency of a service. This is what you will be looking to answer in this activity. Your goal is to be able to describe the relationship between the degree of customer contact and the efficiency of a service.

When to Use Waiting Line Analysis

Read chapter 18 in . Your goal from this activity is to identify situations where waiting line analysis can be useful. At the end of the chapter are a number of problems identifying situations where using waiting line analysis is appropriate.

Solving Waiting Line Problems

Read chapter 18 in . In this activity you will practice the mechanics of solving a waiting line problem. Your goal is to identify the inputs to a waiting line problem. Practice the simulation at the link above using problems at the end of the chapter.

Operations Management - Part 2

CMBA topics in operations have been divided into three parts. Part 2 will focus on project management aspects of operations management.

Stevenson describes a project as a nonroutine work event or series of events in which "a unique set of objectives [are] to be accomplished in a limited time frame" (2007, p. 232). The frequency of those nonroutine events is debatable. This week you will be exploring some of the tools project managers use to manage these nonroutine work events. Use the questions below to focus your studies.

After completing this week's activities, you will be able to answer the following questions

- What are the relationships between activities in a critical path diagram?
- If the activities that compose a project were provided, how would a manager identify the project's critical path?
- How does a manager calculate slack time for an activity not on the project's critical path?
- How does a manager identify the most cost-effective way to complete the project at an earlier date than planned?
- What are basic aggregate planning strategies?
- What is a bottleneck in a diagram of linked activities, and how would you identify it?
- What is the EOQ (Economic Order Quantity) formula?
- What is the nature of the basic lot-sizing trade-off made by the EOQ formula?
What terms are associated with costs or benefits associated with carrying inventory?

**Topics**

**Project Management**

We know what a project is; the question is how do you manage one? Stevenson likens projects as "unique, one-time operations designed to accomplish a specific set of objectives in a limited time frame" (2007, p. 793). This topic will address how to manage project events to critical paths and how to reduce slack time and speed-up task completion. Maybe some of these principles can be applied to monitoring the completion of our children's chores! Look for ways to apply what you are learning. Are there projects at work or at home that could use the tools presented under this topic?

**Resources**

**Understanding Critical Path Relationships**

Read chapter 17 in . In this activity you will study critical path relationships. Your goal is to understand the relationships between activities in a critical path diagram.

**Calculating Project Completion Time**

Review chapter 17 in . Learn the most cost-effective way to complete a project at an earlier date than planned. Your goal is to practice these calculations from the problems presented at the end of the chapter. Use the critical path simulation in the above link to practice your calculations.

**Identifying a Project's Critical Path & Calculating Slack Time**

Complete problems 1-6 at the end of Chapter 17 in the textbook. You need to feel comfortable with determining critical path, expected project duration, start times, finish times and slack times.

**SkillSoft Exercise**

Log in to SkillSoft and complete the following SkillSoft module and its associated SkillBriefs and Job Aids:

- proj_08_a03_bs_enus

Pay particular attention to the "Critical Path Method" SkillBrief. The expected duration for this exercise is two hours. In this exercise you will:

- Be able to match the inputs to developing a schedule.
- Recognize examples of the outputs of the Control Schedule process.
- Calculate a schedule variance and schedule performance index.
- Monitor and measure schedule performance.

**Production and Aggregate Planning**
We learn that "aggregate planning is intermediate-range capacity planning that typically covers a
time horizon of 2 to 12 months" (Stevenson, 2007, p. 601). In this topic you will learn about
aggregate planning strategies and be able to identify bottlenecks of linked activities from a
diagram.

Resources

SkillSoft Exercise

Log in to SkillSoft and complete the following SkillSoft module:

- OPER0503

Review the "Three Aggregate Planning Strategies" SkillBrief.

Identifying Bottlenecks

Read chapter 5 in . In this activity you will be able to identify the bottleneck in a diagram of linked activities.

Reflection

Each of these previous three activities addresses aggregate planning and strategies to improve
efficiency. Summarize what you have learned in your study notebook. Contact your course mentor
for assistance if you have any remaining questions about aggregate planning.

Aggregate Planning Strategies

Read chapter 13 in . In this activity you will be able to identify basic
aggregate planning strategies.

Inventory Management

Stevenson tells us that an inventory is a "stock or store of goods" (2007, p. 541). Under this topic
you will learn basic terms and concepts in inventory management that will be tested in the ABC1
assessment. Pay particular attention to the EOQ formula and the terms introduced under this topic.
Can you distinguish the EOQ formula from a list of other formulas if it was presented to you on a
test?

Resources

Basic Lot-Sizing

Read chapter 12 in . You might be asking yourself what a lot is. Well, it is
not a piece of real estate. In this activity you will be able to determine the nature of the basic
lot-sizing trade-off made by the EOQ formula. You may want to go back to the EOQ simulation in the
previous activity. Do not hesitate to contact the course mentor if you have questions about the use
of EOQ.

Defining Inventory Management

Read chapter 12 in . In this activity you will differentiate basic inventory
management terms. Your goal is to be able to select the correct definition from a list of inventory
management terms. Do you know the difference between the shortage cost and excess cost?

**Recognizing the EOQ Formula**

Read chapter 12 in [link]. In this activity you will be introduced to the EOQ formula. Your goal is to be able to identify the EOQ formula from a list of several other formulas. To become more acquainted with EOQ, go to the simulation at the link above.

**Inventory Terms**

Review chapter 12 in [link]. This activity is similar to the previous activity. Your goal is to be able to identify those terms that address costs or benefits associated with carrying inventory. Do you know what the fill rate is?

**SkillSoft Exercise**

Log in to SkillSoft and complete the following SkillSoft module and its associated SkillBriefs and Job Aids:

- OPER0322

The expected duration for this exercise is three hours. In this exercise you will:

- Recognize the strategic value of learning about systematic inventory management.
- Identify primary objectives of inventory management.
- Identify inventory functions.
- Identify inventory types.

**Operations Management - Part 3**

CMBA topics in operations have been divided into three parts. In Part 3 you will study the purpose of a bill of materials and job sequencing and revisit waiting times in the assembly process and associated concepts.

We learn from Stevenson that a bill of materials is "a listing of all of the assemblies, subassemblies, parts, and raw materials that are needed to produce one unit of a finished product" (2007, p. 638). In essence, each product has its own bill of materials. Using a product structure tree, one can see an exploded view of the detail encompassing a bill of materials. How a bill of materials is managed during production is this week’s study topic. Review the questions below when you are finished with this week’s studies. Review the activity and consult with your course mentor if you need additional assistance.

After completing this week’s activities, you will be able to answer the following questions:

- What end items or components of a bill of materials are dependent on demand?
- How does a manager calculate the number of component items needed to produce an end item if you had a bill of materials?
- How does a manager identify the job sequence resulting from a shortest operating time job priority rule?
What job priority rule always results in the shortest average waiting time for a single machine?
What are the effects of balance delay in assembly line layout?
How is charting useful in managing quality in a process?
How are control charts used in operations management?
What is the relationship between statistical variance and six-sigma quality improvements?
What are the tradeoffs between job enrichment, operational flexibility, and workforce training?

Topics

Resource Requirement Planning

The real question associated with a bill of materials is when is the stuff needed? Under this and subsequent topics you will learn how to calculate and manage demand. The bill of materials represents what is needed to produce a specific item. Providing the materials in the bill of materials in a timely manner within the production process is the topic of study.

Resources

SkillSoft Exercise

Log in to SkillSoft and search for the book, ISBN number: 0071406115. Read chapter 5 on Bills of Material. Pay attention to the different ways in which bills of material are developed.

Bill of Materials - Dependent and Independent Demand

Read chapter 14 in . In this activity you will learn about independent and dependent demand. Your goal is to be able to identify end items or components, which characterized dependent or independent demand from a given bill of materials. Look for ways to capture this concept from examples presented in the reading as well as examples from other production operations you may be familiar with. Have you ever put together a bookshelf? Remember the instructions and the list of materials that came with the box? Remember the order in which the materials were used to assemble the bookshelf?

Bill of Materials - Calculations

Review chapter 14 in . Adding to what has been learned in the previous activity, your goal is to learn how to calculate from a given bill of materials, the number of component items needed to produce an end item. Contact your course mentor if you need additional help.

Manufacturing Operations Scheduling

In this topic you will learn how to schedule a production line operation. Each of the activities listed below will acquaint you with the level of detail you need to know for the exam. Keep in mind that each of these activities mirror the earlier objectives presented for this week's study. If you do not understand the material, contact your course mentor for assistance.

Resources

Job Sequencing

Read chapter 16 in . Your goal is to be able to identify the job sequence
resulting from a shortest operating time job priority rule from a given scenario.

**Job Priority Rule**

Review chapter 16 in . In this activity your goal is to identify the job priority rule that always results in the shortest average waiting time for a single machine.

**Reflection**

Reflect on these activities. Look for mental anchors that will help you remember the terms and how they are applied. Reread the material or discuss with your course mentor the concepts you may be struggling with. Jot down what you have learned in your study notebook.

**Effects of Balance Delay**

Read chapter 16 in . At the end of this activity you will be able to identify the effects of balance delay in assembly line layout.

**SkillSoft Exercise**

Log in to SkillSoft and review the following SkillSoft module and its associated SkillBriefs and Job Aids:

- OPER0322

The expected duration for this exercise is two hours.

**Quality Control**

The key to quality is quality control. Quality control involves the use of control charts using statistical methods to measure quality throughout the production process. The activities under this topic will further acquaint you with quality control methods. Do you know what a control chart looks like and how it is used?

**Resources**

**Study Notebook**

Answer discussion questions 1-5 at the end of Chapter 10. In this activity, you goal is to be able to explain the purpose of control charts and explain how they are used in operations management. Record your answers in your study notebook.

Review chapter 10 in . Identify the relationship of statistical variance to six-sigma quality measurements. In your study notebook, explain how six sigma is used as a quality measure.

**SkillSoft Exercise**

Log in to SkillSoft and complete the following SkillSoft module and its associated SkillBriefs and Job Aids:
OPER0192

Pay particular attention to the "Benefits of Using Six Sigma to Draw Valid Statistical Conclusions" SkillBrief. The expected duration for this exercise is two hours. In this exercise you will draw valid statistical conclusions using the DMAIC system, measure step in six-sigma. Did you have a new understanding after you finished this activity?

Charting Quality to Manage Quality

Read chapter 10 in . In this activity your goal is to understand how charting is useful in managing quality in a process. Can you identify one aspect where charting would help to manage the quality of a process?

Employee Productivity

The question for management is how do you increase employee productivity? This activity will address the issues that influence employee productivity. Can you find commonality to some of the ideas presented in the three weeks of organizational behavior study?

Resources

Employee Productivity Trade-offs

Read chapter 7 in . When you have completed this activity you will be able to identify the trade-offs between job enrichment, operational flexibility, and workforce training. Is it possible to take care of your people and still require from them greater productivity? How does job enrichment and training enhance productivity?

SkillSoft Exercise

Log in to SkillSoft and complete the following SkillSoft module and its associated SkillBriefs and Job Aids:

- oper_13_a02_bs_enus

Pay particular attention to the "Empowering through Management" SkillBrief. The expected duration for this exercise is two hours. In this exercise you will do the following:

- Review modern motivation theories.
- Apply motivational theory to job enrichment.
- Learn about empowering through management.

Conclusion

Congratulations! You have completed a difficult and comprehensive course of study. We recognize just how difficult this course of study has been and believe that the fruits of your labors will be well rewarded when you take the ABC1 objective assessment. Consider the remaining activities as you make final preparations for the assessment.

Topics

Review of Major Points
Now that you have completed the ABC1 course of study, take some time to review and reflect on what you’ve learned. Under each Subject in the Course of Study, you will see study questions. These questions address the items you will be tested on in organizational behavior, strategy, and operations. If you have questions about them, go back and review the associated activities before referring for the assessment. Do not hesitate to take your questions to the learning community and your course mentor. Seek a personal assurance that you understand each bulleted question before scheduling the ABC1 assessment.

Transfer/Application

One of the objectives of the CMBA exam was to address common core competencies that are found in most MBA programs. In essence, this is an attempt to level the playing field. Following program completion, you will have the opportunity to continue studying and applying organizational behavior, strategy, and operations competencies in the workplace with opportunities to refresh your learning through continued access to SkillSoft as an alumnus. Our objective is not just to level the playing field, but also to give you the advantage as you develop a lifelong learning program that will give you the competitive edge in the job market and enhance your productivity in the workplace. As you complete this assessment and the remaining CMBA assessments (ABC2 and ABC3) and enter the capstone phase of the program, you will have the opportunity to take a competency and skills assessment identifying those subject areas that need further strengthening after program completion.

Next Steps - Take the Assessment

Once you have thoroughly reviewed the course of study materials, you will be ready to take the ABC1 objective assessment. To take the assessment you will need to complete an assessment referral from your AAP and schedule to take the assessment at a proctored site. Refer yourself by following these steps:

1. Log in to your WGU portal.
2. Select "AAP."
3. Select the "ABC1" course code link on the left hand side of your AAP.
4. On the assessment detail screen, select "Assessment."
5. Follow the instructions for placing the referral.
6. Coordinate with your mentor, who will approve the referral.

Note: Keep a keen eye on the required completion date when scheduling your objective assessment. Objective assessments take 14 days to schedule.

References


Feedback
To provide feedback on this or any other course of study, please use the Course of Study Feedback form.

**ADA Requirements**

*Please review the University ADA policy.*