

Brandeis University
International Business School

BUS 263a
Strategy and Innovation

Course Syllabus

V2

Summer 2019

Tuesdays, 10:00-12:50 and
Thursdays, 10:00-12:50

Lemberg 54

Ben Gomes-Casseres
Professor of International Business

Contact information

Office: Lemberg 258

Email: bgc@brandeis.edu (best way to contact me)

Office hours: After class by appointment (email me to set time)

Course website: www.strategygroove.com

Course Outline

- **Cases** and articles are in case packet: <https://hbsp.harvard.edu/import/631538>
- **SM** = *Strategic Management* (Wiley); **RS** = *Remix Strategy* (HBR); “**Strategic Partnerships**” is a Lynda.com online course; **Drawdown** book will be provided in first class

| DATE | TOPIC | SECTOR | REQUIRED CASES AND READINGS |
|--------------------------------------|---------------------------|------------------|---|
| Part I: Competitive Strategy | | | |
| #1 6/18 | Intro to strategy | Food | <ul style="list-style-type: none"> • <i>Prelude Corp. (case)</i> • SM, Chapter 1, 2. |
| #2 6/20 | Industry analysis | Beverages | <ul style="list-style-type: none"> • "The Five Competitive Forces..." (Porter) • <i>Cola Wars: Coke vs Pepsi (case)</i> • SM, Ch. 6, sec 6.3 and pp. 136-144. |
| #3 6/25 | Industry structure | Industrial | <ul style="list-style-type: none"> • <i>Crown Cork & Seal in 1989 (case)</i> • SM, Chapter 7, sec. 7.2-7.3. • Discussion of questions from <i>Drawdown</i> |
| #4 6/27 | Analyzing competitors I | Beer | <ul style="list-style-type: none"> • <i>Adolph Coors and Brewing Ind'y (case)</i> • SM, Chapter 3, sec. 3.2-3.3 and 3.7 |
| #5 7/2 | Analyzing competitors II | Retailing | <ul style="list-style-type: none"> • <i>Wal-Mart Stores in 2003 (case)</i> • SM, Chapter 9, sec. 9.2. • Industry Analysis of select <i>Drawdown</i> sectors |
| Part II: Remix Strategy | | | |
| #6 7/9 | M&A and partnerships | Movies | <ul style="list-style-type: none"> • <i>Walt Disney Company and Pixar (case)</i> • RS, Ch. 1 or “Strategic Partnerships” videos • Competitor Analysis of select <i>Drawdown</i> co’s |
| #7 7/11 | MIDTERM EXAM | Surprise! | <ul style="list-style-type: none"> • In-class exam -- case analysis and writeup. Case distributed two days before (7/9) |
| #8 7/16 | Alliance strategy | BioPharma | <ul style="list-style-type: none"> • <i>Strategic Deal-making at Millennium (case)</i> • RS, Ch. 2 or “Strategic Partnerships” videos |
| #9 7/18 | Joint venture dynamics | Office machinery | <ul style="list-style-type: none"> • <i>Xerox and Fuji Xerox (case)</i> • RS, Ch. 4 or “Strategic Partnerships” videos • Partnership Analysis of <i>Drawdown</i> co’s |
| Part III: Innovation Strategy | | | |
| #10 7/23 | Technology strategy | Computers | <ul style="list-style-type: none"> • Intel Corporation: 1968-2003 (case) • “Information Economy” Shapiro/Varian |
| #11 7/25 | Disruptive technologies | Media | <ul style="list-style-type: none"> • <i>Netflix in 2011 (case)</i> • “Disruptive Tech” (Bower/Christensen) • Innovation Analysis of <i>Drawdown</i> new ideas |
| #12 8/30 | Lean business development | Fashion | <ul style="list-style-type: none"> • <i>Rent the Runway (case)</i> • “Lean Start-Up Changes Everything” (Blank) |
| #13 8/1 | OPEN | TBD | <ul style="list-style-type: none"> • <i>TBD</i> |
| 8/12 | FINAL PAPER DUE | Your choice | <ul style="list-style-type: none"> • Content discussed in class |

Course Objectives

Course objectives. The performance of any firm depends on the design and implementation of its strategy. This strategy must take account of the industry environment around the firm, the position and strategies of rivals, and the firm's own capabilities and goals. A special category of these strategies are useful in innovation.

This course is a fast-moving and intensive survey of the most important concepts and techniques in business strategy, with special emphasis on the process of innovation. The course is organized in three parts. First, we study fundamental frameworks in competitive strategy, and apply these to classic cases. Second, we examine how business create new value by combining assets in M&A and partnerships. Third, we use the ideas from both of these sections to explore how business and industries innovate.

Learning goals. The readings, study assignments, class sessions, projects, and papers in this course are designed to help you:

- Learn to analyze industries
- Learn to design competitive strategies
- Learn to evaluate business combinations
- Understand strategy in technology sectors
- Understand the process of innovation
- Flexible learning goals: We will try to get everyone in this class “up to speed” on business analysis, by incorporating any special topics needed to fill gaps in students’ prior training.

Course content. This course deals with issues of general management, not with technical economics or finance. Among the main topics covered are the following:

- Industry structure and dynamics
- Sources of competitive advantage
- Competitor analysis
- Logic of business combinations
- Managing business combinations
- Information economics
- Disruptive technologies and business models
- National technology clusters and policy

Course materials

The workload will be heavy. Required readings will be Harvard Business School (HBS) cases, *Harvard Business Review* (HBR) articles, and book chapters; two textbooks are used, which are available on Amazon.com and on reserve in Goldfarb Library. Students will need to read and

analyze at least one case for every class and are expected to contribute actively to class discussions.

All required readings are free online, or at the Brandeis LTS, or in the case packet available from HBR, as follows:

- The **case packet** that includes HBR articles will be available for purchase online here: <https://hbsp.harvard.edu/import/631538>
- **Lectures and some handouts** will be available on www.strategygroove.com. Students are strongly encouraged to subscribe to this WordPress site (it's free), so that they are notified when materials are added to the site. **This site will be used instead of LATTE, which is not used.**

Relationship to other courses. There are no formal prerequisites, but it is assumed that students have a background in micro-economics and business studies, and are able to analyze financial statements. **If you need a refresher on business management, review Ronald J. Ebert and Ricky W. Griffin, *Business Essentials*, any edition (Englewood Cliffs, NJ: Prentice Hall, 1999 or later).** This text is used in the undergraduate course BUS 10a ("Functions of the Capitalist Enterprise") and is on reserve in Goldfarb Library. The course will be flexible to adapt to the background of students – we will select special topics to review, if that is useful to the class.

Keeping up with current trends. News sites every day share stories of strategy and innovation. This course will encourage and enable you to keep up with current trends and help you to understand them. To do this, we will discuss a number of current trends in class, beyond the cases that are assigned. I encourage you to **subscribe and scan daily one or all three of these free newsletters:**

- **Data Sheet, by *Fortune*.** This is focused on general technology news, with links to excellent analysis in *Fortune*. Go to: <http://fortune.com/getdatasheet/>
- **DealBook, by *New York Times*.** The single best source for daily news on major deals and contains excellent analysis, with links to articles in top business periodicals. Go to: <http://www.nytimes.com/newsletters/dealbook>
- **Term Sheet, by *Fortune*.** An excellent source of investment news, including private equity, IPOs, and large deals, with links to excellent analysis in *Fortune*. Go to: <http://fortune.com/gettersheet/>
- **Login, by *Axios*.** This is one of a new series of daily newsletters, with very condensed and punchy news, that cover everything from politics to tech. This one is the tech one. Go to: <https://www.axios.com/technology/>

Learning by the case method

Because this course is based on the case method of learning, class participation by all students is critical. This method of learning is based on three premises. First, we can all learn a great deal

from each other's points of view and experience. Second, we often learn more by questioning each other and debating issues than by listening passively or by reading alone. Third, there is no "one best way" to manage complex business problems; rather, we must search for alternatives and weigh them critically.

In order for this method to work, we must all be prepared to go beyond case facts in the discussion. We will assume that everyone has prepared the case and readings thoroughly--there is simply no time to explain or reiterate case facts. Our discussions will aim to be analytical, not descriptive. This does not mean that we will ignore the facts; to the contrary, students should strive to back up their arguments with the facts of the case. In sum, I will expect three P's from students in every class:

- **Presence:** You are expected to prepare for and attend all class sessions. It is your responsibility to catch up on material for any class that you miss. You may be excused from class if you are ill, or for urgent family or personal reasons. Under those circumstances, you may make up work by submitting a written analysis, upon agreement with instructor (optional). Attending career fairs, interviews, lunches, internships, team meetings, or other career-related events are **not** excused absences. You need to make your own trade-offs about these, i.e. decide which are important enough for you to miss class. You will not be penalized for the fact that you missed an occasional class for such reasons, but you will obviously miss the material presented and miss a chance to participate in class; there will be no make-up assignments for these absences. Multiple unexcused absences may carry a penalty in class participation.
- **Preparation:** You are expected to do the class assignments on time. This means that you are ready to start class or answer assigned questions if called on. In addition, it means that you have analyzed the case and exhibits, not just read them lightly. Where there is numerical analysis to be done to understand the financials or economics of the case, you will be expected to do this. It is often extremely useful to work in groups in preparing the cases for each class; you are encouraged to do this.
- **Participation:** You are expected to share your views and questions in class. Your class participation grade will depend on the cumulative quality of your contributions in class (see further below). This means that frequency of contributions counts, but also the quality of your comments. A good quality comment is one that applies relevant concepts to the facts of the case and that advances the discussion of issues on the floor. Listening patiently to your peers and engaging them respectfully will be valued.

Class times are Tuesdays and Thursdays 10:00-12:50, with a 15min break in between. **Please be on time; late arrivals are disruptive.** If you need to arrive late or leave early, please warn me beforehand. Please eat something before class or during the break. If you must bring something to eat into class, please avoid snacks that may be distracting to your neighbors.

In most class sessions, we will discuss the assigned case in the **first part of class**, which may last between 90min and 120min. Short lectures may be folded into this part of class at any point – at the start of class, or when a topic comes up that deserves a short lecture. You will be expected to draw lessons from the class discussion with your peers, from the instructor's comments and board notes, and from the lectures. The **second part of class**, after the break, will be devoted to speakers, team presentations and on developing critical skills in analyzing and developing innovation strategy.

Laptops are not needed during class discussion and **should not be open**; even "quiet" screens are distracting to those around you. You should print the materials you need for class and take notes on paper, as it is not possible to analyze a case deeply without marking it up. Calculators are allowed in class, text-messaging and Internet access are not. These rules also apply strictly during the in-class mid-term exam too. They also apply when we have visitors (especially then!) and when your fellow students are presenting.

Grading

Students will be graded on a combination of the following:

- **Contributions to class discussions (40%).** I will keep a record of class performance for each student and determine a grade based on the frequency and quality of in-class comments. Work on occasional exercises and presentations will be counted as class participation. Students will receive a midterm evaluation on class participation. To help me get to know you and remember your comments, you should always have your name card up. If you feel unsure about your participation, ask me.
- **A written midterm exam (25%).** This will consist of analysis of a case. Two days before the midterm, I will send you the case by email. The exam itself will take place during normal class hours. You will then be asked 2-3 questions about the issues in the case, which should be answered in writing during the 2-hr exam period. This is an open-book exam, i.e. you may bring books and printed notes (no computers or reading pads); but hand in only what you write in the exam class. The required analysis will be similar to what we do in class.
- **A final term paper (35%).** The final paper is an opportunity for you to delve more deeply into analysis of a real strategy, as discussed below.

Final Paper

You may choose to study any firm or organization, but your paper must contain the elements described below. To help you in selecting an appropriate topic, case, and approach, I will review and approve your paper proposal in advance. You will **submit a brief outline of 1-3 above in**

the class after the midterm exam. This outline does not need to be detailed, but you should try to define your issue and approach and do some preliminary research to check if data are available to address the issue. If you are not sure about your focus, say so in the proposal, and I will try to guide you. We can meet to discuss the paper topic, but I prefer that you first try to develop a rough proposal.

The **paper outline** should cover these points, briefly:

- **Statement of the issue or question to be addressed.** You may choose any issue from those discussed in the course, but must state up front in the paper what you intend to address. In this section, give a short overview of where your issue fits in the field of competition and strategy and what concepts you will draw on to explore your issue.
- **Statement of the evidence (or case) you will use to address your issue,** that is, the firm or organization you will examine, and why this is a good context for your analysis. In selecting the case(s) you will examine, be sure you can get the information you need before you commit to the topic.
- **Choice of concepts or frameworks to be used in analysis.** You will see that there is often a choice of which approach to use in analyzing a strategic issue. But it is important to follow a systematic approach; the frameworks we will learn will help you do this.

The **final paper itself**, due at the end of the course, include the following elements:

- **Presentation of the most important facts about the case you are examining.** For this, you can use data from the business press, from annual reports, and from other sources. A useful place to start is with the online resources available through the Brandeis library; for a guide, go to: <http://brandeis.libguides.com/Strategy>. At any rate, in your actual paper, you should keep this section to a minimum – describe only what is needed for the reader to understand the context and to begin addressing the issues you are exploring. Do not write a full-fledged descriptive “case.” It is often best to provide the evidence “as you go” during the analysis, rather than as a stand-alone section.
- **Analysis of your evidence.** This is the body and most important part of the paper; use the evidence and the concepts to answer the questions you raised at the start. It is best to choose a clear focus and framework and use it throughout the paper. The grade for the paper will depend substantially on the depth, breadth, and clarity of your analysis.
- **Conclusions.** End with a section drawing the implications of your study for strategic thinking and decision making. What are the main lessons you learned? You do **not** need to provide recommendations to your firm.

Paper length depends on how many students are writing the paper. Papers should be 10-15 double-spaced pages, not including exhibits Exhibits should be used and analyzed in the paper,

not added as “padding.” Exhibits can be included in the flow of the text or at the back of the paper; if at the back, make sure that the text refers clearly to each exhibit, as needed. The final electronic file that is submitted to me (see below) should have exhibits in the same electronic file; do not send two separate electronic files.

Please be sure to **cite your sources and provide references**. All direct quotes, specific data, paraphrased text, all tables and graphics, and important arguments should be properly sourced with foot- or end-notes; a bibliography can be used as reference for general discussions. Every year I downgrade some papers because of insufficient referencing; papers that plagiarize the work of others in a major way are not treated so kindly. If you have any doubts or confusion about what we require, ask me and see <http://www.brandeis.edu/global/current-students/academic/integrity/index.html>. **You are responsible for reading and understanding our standards for Academic Integrity – if you have any questions, ask!**

Papers should be **submitted to me by email in PDF format** no later than the day listed in the schedule. Unexcused late submissions will be penalized. If you have a good reason for missing this deadline (e.g. illness), you will need to get an “Incomplete” from me before this date.

Contacting me

Email is the quickest way to reach me; I usually respond promptly. You will also be expected to check your Brandeis email regularly, as I will send out notices to class from time to time. I will **office hours by appointment** in my office (Lemberg 258), usually after our class. Please contact me by email at bgc@brandeis.edu or in person to set up a time to visit.

Success in this four- credit course is based on the expectation that students spend 160 hours on this class, including preparation and time with the professor in class.

You are expected to be honest in all of your academic work. **This includes proper citation of the work of others in your papers and presentations.** Potential sanctions include failure in the course and suspension from the university. If you have any questions about my expectations, please ask. If you have any doubts or confusion about what we require, see the page on IBS website on Academic Integrity and the related pages on “Plagiarism” and on “Citations.” Start here: <http://www.brandeis.edu/global/current-students/academic/integrity/index.html>

If you are a student with a documented disability on record at Brandeis University and you wish to have a reasonable accommodation made for you in this class, please see me immediately. Please keep in mind that reasonable accommodations are not provided retroactively.

Tips for Preparing, Participating, and Learning in Case Classes

1. **Read the assignment questions and think** about how this case and the questions fit in the course. What have we done so far? What appears to be the topic for this class?
2. **Skim the case**; this means:
 - Read opening paragraphs and the
 - Look at every exhibit to see what kind of data are offered
 - Read quickly a few parts of the case to glean the main themes
 - Go back to the assignment questions: What will you need to focus on in the case?
3. If there is an additional reading that is to be used in analyzing the case, read that next, or decide what other **tools you need to attack the case**. Sometimes additional reading is optional; in that case read it later. Use your judgment in allocating reading time.
4. **Read the case** and mark up useful information. Don't highlight all of it; just scribble and highlight as needed to bring out the most important facts and issues. Keep an eye out for case facts that may be useful in answering the assigned questions or the main issues.
5. **Analyze the exhibits**; this means:
 - Identify what important messages they contain that speak to the issues
 - Do some calculations to get beyond the numbers that are presented (e.g. ratios)
 - Spend extra time on exhibits that seem to be core to the issues, skim over others
6. **Prepare your analysis**, this means:
 - Write down your answers to the assignment questions, in bullet or short form
 - Make reference to case facts to support your answers
 - Write down any additional issues that may be interesting to bring up in class
7. **Discuss your analysis** with fellow students; this means:
 - Get together in a study group or over coffee or dinner
 - Hear the perspectives of others; share insights; get tips for your analysis
 - "Rehearse" with them how and what you would say in class
8. You are now **ready for class!**
 - If you are lucky, you will be called to start class; open with your best shot
 - Otherwise, raise your hand and jump into the discussion with additional thoughts
 - Early in a class, you can usually use your prepared analysis; later, topics may evolve
9. **When you get the floor**:
 - Try to connect (build, debate) to what was said before, or to the issues "on the floor"
 - Try to explain your idea and argument, using facts to back it up, and be ready to elaborate
 - Don't be concerned about your speaking skills or accent: We *will* listen!
10. After class, jot down **what you learned**, including
 - New insights about the topic or about how to approach the subject next time
 - Tips to yourself about case analysis and preparation

Study Assignments

Note: For each class, the assignment usually includes one or more cases and one or more conceptual readings (article or chapter). In class we will discuss the cases, while applying the concepts. In other words, you must study and "prepare" each case, using the assignment questions to guide you. Look carefully at the assigned pages, as in some cases you do not need to read the whole case or chapter.

See page 1-2 of this syllabus for a summary of readings and for reminder of where to get the materials. You are responsible for acquiring the materials and following this syllabus.

Part I: Competitive Strategy

6/18

Introduction to strategy

Required readings:

- “Prelude Corp.,” in case HBS packet. **(Even though this is our first class, you are expected to have acquired and prepared this case by the time we meet.)**
- SM, Chapters 1 and 2.

Study questions:

1. What was Prelude’s strategy up to 1972? Evaluate how the various pieces of this strategy fit together.
2. What key forces in the environment shaped the success of firms in Prelude’s industry?
3. Evaluate how well Prelude’s strategy responds to these forces.

6/20

How to analyze industries

Required readings:

- “The Five Competitive Forces that Shape Strategy,” Porter in HBS case packet. Study this carefully, as we will use this framework extensively. It is also discussed in the textbook.
- “Cola Wars: Coke vs. Pepsi in the 21st Century,” in HBS case packet.
- SM, Chapter 6, especially 6.3 and pp. 136-144.

Study questions:

1. Be sure you understand Porter’s “Five Forces” model discussed in the article and in section 6.3 of the book; many of the concepts in pp. 136-144 elaborate on this model. Apply the model to the case. We will use this model in the next few classes.
2. Why is the soft drink industry so profitable? Consider this question for two separate segments of the industry: (1) concentrate producers and (2) bottlers.
3. Why do concentrate producers want to integrate vertically into bottling?
4. How has the rivalry between Coke and Pepsi affected the industry’s profitability?

6/25

How industry structure shapes strategy

Required readings:

- “Crown Cork & Seal in 1989,” in HBS case packet.
- SM, Chapter 7, especially sections 7.2 and 7.3.

Study questions:

1. What were the most important competitive challenges facing the companies competing in Crown’s industry in the decades up to 1989?
2. Why did Crown perform so well during Connelly’s tenure (1957-1989)?
3. What should Avery do now to respond to emerging threats and opportunities in the industry, and why?
4. Mike Porter has made a distinction between “strategic positioning” and mere “operational excellence” ... how do these concepts fit here?

6/27

How to analyze competitors I

Required readings:

- “Adolph Coors in the Brewing Industry,” in HBS case packet.
- SM, Chapter 3, especially sections 3.2-3.3 and 3.7.

Study questions:

1. Coors was successful throughout the mid-1970s. What was its strategy historically?
2. How did Coors’s operating performance change relative to its competitors between 1977 and 1985? Why? Specifically, compare the performance of Coors and Anheuser-Busch, using the numbers in exhibits. Identify key trends and explain them.
3. What, if anything, might Coors have done differently to avoid its decline?

7/2

How to analyze competitors II

Required readings:

- “Wal-Mart Stores in 2003,” in HBS case packet.
- SM, Chapter 9, especially section 9.2.

Study questions:

1. What are Wal-Mart’s sources of competitive advantage in discount retailing? How did Wal-Mart create these advantages?
2. Compare the performance and cost structure of Wal-Mart to that of an average retailer and explain the differences that you see.
3. Why are many communities so resistant to allow Wal-Mart to establish locally? Is Wal-Mart good or bad for the local community?
4. Is Wal-Mart too big?

Team presentations on Industry Analysis – *These assignments were given out in class. If you are presenting, prepare to do so. If you are not presenting, you are expected to pay attention and engage with the presenters in class.*

Part II: Remix Strategy

7/9

M&A and Partnerships

Required Readings:

- “Walt Disney Company and Pixar, Inc.: To Acquire or Not to Acquire?” HBS case (in online packet)
- Remix Strategy, Ch. 1; Tools #1 and #2
- OR:- “Strategic Partnerships,” watch and think about these chapters:
 - “What is a strategic partnership?”
 - “The three laws of business combination”
 - “Why partnerships are tricky to manage”

To get to this course (for free)

- go to www.Lynda.com
- Select “Sign in with your organization portal” and then use UNET pass to sign in
- Search for the course title or my name
- You may also sign into Lynda.com with your LinkedIn Premium account, or sign up for 30-day free access

Study questions:

1. Does the combination of Disney and Pixar create more value than what the companies could create separately? Why or why not?
2. What are the various forms of combination that Disney and Pixar could use if they were interested in exploiting the joint value that you identify? Think about contracts, joint ventures, reciprocal investments, merger, and so on.
3. Has this calculation of combination value changed over time? Why?
4. Would an acquisition increase the value that Disney and Pixar could create together? If so, who should manage the combined entity?

Team presentations on Competitor Analysis – *These assignments were given out in class. If you are presenting, prepare to do so. If you are not presenting, you are expected to pay attention and engage with the presenters in class.*

Midterm Evaluation

7/9

Be on the lookout: I will email the exam case to you, by 5pm today.

If, for any reason, you cannot receive the email in this way, talk to me beforehand. You will need this case in order to do take the exam the following day. The exam itself is open-book; bring the case itself to the exam.

7/11 10:00-12:00

Midterm exam (in normal class time and place)

No class after you complete the exam.

You will be asked to answer 2-3 questions about the situation in the case; please bring the case with you, but do not hand in the case. You will get exam booklets to use and that is the only material you should hand in.

Material covered in the midterm will be everything up to and including the “Walmart” case and readings. The “Remix Strategy” section of the course is not required for the midterm, though if you learned something in that section (so far) that is useful in your answer, feel free to use it!

7/16

Alliance Strategy

Required Readings:

- “Strategic Deal-making at Millennium Pharmaceuticals,” HBS case (in online packet)
- Remix Strategy, Ch. 2; Tools #3, #4, and #8
- OR
- “Strategic Partnerships,” watch and think about these chapters:
 - “Five steps to a good partnership”
 - “Step 1: Know why you need a partner”
 - “How many partners do you need?”
 - “Step 2: Choose your partner wisely”
 - “Step 3: Set partnership terms”

To get to this course (for free)

- go to www.Lynda.com
- Select “Sign in with your organization portal” and then use UNET pass to sign in
- Search for the course title or my name
- You may also sign into Lynda.com with your LinkedIn Premium account, or sign up for 30-day free access

Study questions:

1. Evaluate Millennium’s alliance strategy. Why is the company pursuing this strategy?
2. What does Millennium have to do right to make the strategy succeed? What can go wrong?
3. Compare the various alliances that Millennium created over time. Is there a pattern? Is there a progression? Do the alliances fit together?

7/18

Relational Contracts

Required Readings:

- “Xerox and Fuji Xerox,” HBS case (in online packet)
- Remix Strategy, Ch. 4; Tools #11 and #12
- OR
- “Strategic Partnerships,” watch and think about these chapters:
 - “Why partnerships are tricky to manage” (watch this again)
 - “Step 4: Manage partnership life”
 - “Step 5: Earn your share”
 - “Be the MVP”

To get to this course (for free)

- go to www.Lynda.com
- Select “Sign in with your organization portal” and then use UNET pass to sign in
- Search for the course title or my name
- You may also sign into Lynda.com with your LinkedIn Premium account, or sign up for 30-day free access

Study Questions:

1. What were the key success factors in this JV in the 1970s and 1980s?
2. What are likely to be the keys to success after that date, in the 1990s?
3. Focus on one of the issues raised at the end of the case: How should Xerox and Fuji Xerox manage the low-end laser-printer business?

Team presentations on Partnership Analysis – *These assignments were given out in class. If you are presenting, prepare to do so. If you are not presenting, you are expected to pay attention and engage with the presenters in class.*

Part III: Innovation Strategy

7/23

Technology Strategy Fundamentals

Required readings:

- “Intel Corp.--1968-2003” (in case packet)
- “Information Economy: What Every Manager Should Know,” Carl Shapiro; Hal R. Varian

Study questions:

1. How would you explain Intel’s initial dominance and subsequent decline in DRAMs?
2. Why did Intel succeed in microprocessors?
3. Using the concepts in the article, how was the microprocessor business different from the DRAM business?
4. How did Intel create value and capture value in the microprocessor business?

Note: *The article by Shapiro and Varian is chapter one in their book Information Rules, which is highly recommended as background reading for this course, or for your general education in tech strategy. The full citation is in Selected Bibliography at the end of the syllabus.*

Another excellent book on strategy of Intel, Microsoft, and Apple – and the lessons for others – is Yoffie and Cusumano’s Strategy Rules, listed in Selected Bibliography. If you are in this field, buy or borrow this book and skim or read – not for this class, but later.

7/25

Disruptive Technologies and Business Models

Required readings:

- “Netflix in 2011” (case in packet)
- Disruptive Technologies: Catching the Wave (HBR article), Joseph L. Bower; Clayton M. Christensen -- [AVAILABLE ON BUSINESS SOURCE PREMIER](#)

Study questions:

1. What were the differences between Blockbuster’s and Netflix’s business models?
2. Was Netflix disruptive? How – and what precisely does this term mean?
3. Evaluate Blockbuster’s response to Netflix.
4. Did Hastings make the right move in trying to separate the DVD-by-mail business from the streaming business?
5. Think of major examples of disruptive technologies or business models. Be prepared to share.

Team presentations on Innovation Analysis – *These assignments were given out in class. If you are presenting, prepare to do so. If you are not presenting, you are expected to pay attention and engage with the presenters in class.*

7/30

Lean Business Development, and closing

Required readings:

- “Rent the Runway” (case in packet)
- Why the Lean Start-Up Changes Everything (HBR article), Steven G. Blank -- [AVAILABLE ON BUSINESS SOURCE PREMIER](#)

Study questions:

1. Create a timeline of actions taken by Runway’s founders. Do you agree with the decisions they made along the way?
2. Which actions were important in validating the business model and in refining the concept?
3. Can you suggest different actions that they could have taken?

On “Lean” as a process of innovation

4. The model described in the article is applicable across a large range of innovations. When and where do you think it is most useful, and when and where less so?
5. What is your own experience with lean start-up processes? Be ready to share.

8/1

OPEN

Readings and study questions TBD

Final Paper

Monday, 8/11 **All final papers due to bgc@brandeis.edu in PDF format**

See pp. 5-6 of this syllabus for paper requirements and suggested content. Unexcused late submissions will be penalized. If you have a good reason for missing this deadline, you will need to get an "Incomplete" from me *before* this date.

Remember to reference your sources properly. Improperly references papers will be returned ungraded and may be subject to disciplinary action. If you have any doubts about our standards of Academic Integrity or the processes by which these are enforced, see:

<http://www.brandeis.edu/global/current-students/academic/integrity/index.html>

Course requirements differ; in this course, the minimum you should cite are:

- All direct quotes and verbatim text
- All major ideas and arguments
- All graphics, charts, and data series (if you compile a chart or calculate a series, say where the raw data is from and say what you did)
- Any text taken verbatim from the web or another source
- Major portions of text that are paraphrased or drawn from another source

Further Reading in Strategy

Strategy and General Management

Amram, Martha and Nalin Kulatilaka. *Real Options: Managing Strategic Investment in an Uncertain World*. HBS Press, 1999.

Andrews, K. A. *The Concept of Corporate Strategy*. Irwin, 1987.

Barnard, Chester I. *The Functions of the Executive*, 30th edition. Cambridge, MA: Harvard University Press, 1968.

Barney, Jay B. *Gaining and Sustaining Competitive Advantage*. Addison Wesley, 1996.

Brandenburger, Adam and Barry Nalebuff. *Co-opetition*. Currency/Doubleday, 1996.

Brown, Shona L. and Kathleen M. Eisenhardt. *Competing on the Edge*. HBS Press, 1998.

**** Ebert, Ronald and Griffin, Ricky. *Business Essentials*, any edition (Englewood Cliffs, NJ: Prentice Hall, 1999.** (This is a good general introduction to business functions, and can serve as brush-up reading, if you feel that is useful in your study.)

Ghemawat, Pankaj, "Sustainable Advantage," *Harvard Business Review*, September-October, 1986, pp. 53-58.

Lax, David A. and James K. Sebenius. *The Manager as Negotiator*. New York: The Free Press, 1986.

Mintzberg, Henry and James Brian Quinn. *The Strategy Process*. 2nd Edition, Prentice Hall, 1991.

Nalebuff, Barry and Avinash Dixit. *Thinking Strategically*. Norton Press, 1991.

Oster, Sharon. *Modern Competitive Analysis*. Oxford University Press, 1990.

Porter, M. E., "From Competitive Advantage to Corporate Strategy," *Harvard Business Review*, May-June 1987, pp. 43-59.

Firm Strategy and Industry Structure

Caves, R. E., "Industrial Organization, Corporate Strategy, and Structure," *Journal of Economic Literature*, March 1980, pp. 64-92.

Chandler, A. D. *The Visible Hand*. Belknap Press, Harvard University Press, 1977.

Chandler, A. D. *Strategy and Structure*. MIT Press, 1962.

Christensen, Clayton. *The Innovator's Dilemma*. HBS Press, 1997.

Porter, M. E. *Competitive Advantage*. Free Press, 1985.

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Tirole, Jean. *The Theory of Industrial Organization*. MIT Press, 1988.

Richard H. K. *Contrived Competition*. Harvard University Press, 1994.

Yoffie, David B. *Competing in the Age of Digital Convergence*. HBS Press, 1997.

Scope of the Firm and Firm Capabilities

Chandler, Alfred D., Jr. *Scale and Scope: The Dynamics of Industrial Capitalism*. Cambridge, MA: Harvard University Press, 1990.

Gomes-Casseres, Benjamin. *Remix Strategy: The Three Laws of Business Combinations*. Boston: HBS Press, 2015.

Gomes-Casseres, Benjamin. *The Alliance Revolution: The New Shape of Business Rivalry*. Cambridge, MA: Harvard University Press, 1996.

Hamel, Gary and C. K. Prahalad, "Core Competence of the Corporation," *Harvard Business Review*, May/June 1990.

Milgrom, Paul and John Roberts. *Economics, Organization, and Management*. Englewood Cliffs, NJ: Prentice Hall, 1992.

Penrose, Edith. *The Theory of the Growth of the Firm*. Basil Blackwell, 1968.

Teece, D., "Economies of Scope and Scope of the Enterprise," *Journal of Economic Behavior and Organization*, June 1980, pp. 223-247.

Teece, D., "Toward an Economic Theory of the Multi-Product Firm," *Journal of Economic Behavior and Organization*, March 1982, pp. 39-63.

Williamson, O. E. *Markets and Hierarchies*. Free Press, 1975.

Williamson, O. E. *The Economic Institutions of Capitalism*. Free Press, 1985.

Technology Strategy and Innovation

Burgelman, Robert, Christensen, Calyton, and Wheelwright, Steven. *Strategic Management of Technology and Innovation*. New York: McGraw-Hill, 2004.

Evans, David and Schmalensee, Richard. *Catalyst Code: The Strategies Behind the World's Most Dynamic Companies*. Boston: HBS Press, 2007.

Gomes-Casseres, Benjamin. *Remix Strategy; The Three Laws of Business Combinations*. Boston: HBR Press, 2015.

Kelly, Kevin. *What Technology Wants*. New York: Penguin, 2010.

Kelly, Kevin. *The Inevitable: Understanding the 12 Technological Forces That Will Shape Our Future*. New York: Viking Press, 2016.

Lessig, Lawrence. *Code and Other Laws of Cyberspace*. New York: Basic Books, 1999.

Osterwalder, Alexander and Pigneur, Yves. *Business Model Generation*. New York: Wiley, 2010.

Shapiro, Carl and Varian, Hal. *Information Rules: A Strategic Guide to the Network Economy*. Boston: HBS Press, 1999.

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Sundararajan, Arun. *The Sharing Economy: The End of Employment and the Rise of Crowd-Based Capitalism*. Cambridge, MA: MIT Press, 2016.

Vullings, Ramon and Heleven, Marc. *Not Invented Here: Cross Industry Innovation*. Amsterdam: BIS Publishers, 2015.

Yoffie, David and Cusumano, Michael. *Strategy Rules: Five Timeless Lessons From Bill Gates, Andy Grove, and Steve Jobs*. New York: Harper Collins, 2015.

International Strategy and Management

Austin, James E. *Managing in Developing Countries: Strategic Analysis and Operating Techniques*. New York, NY: Free Press, 1990.

Bartlett, Christopher, Yves Doz, and G. Hedlund, eds. *Managing the Global Firm*. New York, NY: Routledge, 1990.

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Hamel, Gary and C.K. Prahalad, "Do You Really Have a Global Strategy?" *Harvard Business Review*, vol. 63, no. 4, July-August 1985, pp. 139-148.

Hout, Thomas, Michael E. Porter, and Eileen Rudden, "How Global Companies Win Out," *Harvard Business Review*, September-October, 1982, pp. 98-108.

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Prahalad, C.K. and Yves L. Doz. *The Multinational Mission: Balancing Local Demands and Global Vision*. New York, NY: Free Press, 1987.

Vernon, Raymond, and Louis T. Wells, Jr. *Manager in the International Economy*. Englewood Cliffs: Prentice Hall, 1986. Fifth edition.

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Yoffie, David B., ed. *Beyond Free Trade: Firms, Governments, and Global Competition*. Boston, MA: Harvard Business School Press, 1993.

Corporate Social Responsibility, Social Entrepreneurship, and Sustainable Development

Bogle, John C. *The Battle for the Soul of Capitalism* Yale University Press, 2006

Borstein, David *How to Change the World: Social Entrepreneurs and the Power of Ideas*. Oxford University Press, 2003.

Hart, Stuart L. *Capitalism at the Crossroads: The Unlimited Business Opportunities in Solving the World's Most Difficult Problems*. Philadelphia, PA: Wharton School Publishing, 2005

Prahalad, C.K. *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits*. Philadelphia, PA: Wharton School Publishing, 2006

Savitz, Andrew and Karl Weber. *The Triple Bottom Line: How Today's Best-Run Companies Are Achieving Economic, Social and Environmental Success -- and How You Can Too*. Jossey-Bass, 2006

Stiglitz, Joseph E. *Making Globalization Work* W. W. Norton, 2007

Werbach, Adam. *Strategy for Sustainability: A Business Manifesto*. Harvard Business Press, 2009.