Course Overview

This course examines the technical and managerial challenges presented by emerging and evolving technologies. Particular consideration is given to the forces affecting the nature and rate of technological innovation and the managerial options available to both established and entrepreneurial organizations. In doing so, we explore both internal and external sources of innovation as well as the appropriate strategies and processes for capitalizing on them.

Time:       Tuesday/Thursday 1:30-3:00 p.m.
Place:      SHDH 107
Instructor: Dr. Saikat Chaudhuri
            Assistant Professor of Management
            saikatc@wharton.upenn.edu; 215-898-6387
Course Assistants: Phillip Baker, Tyler Citek, Karan Dhruve, Parth Doshi, Nora Turek
webCafé:    https://webcafe.wharton.upenn.edu/eRoom/mgmt/237-sp12-1

Course Requirements

The course will be taught in seminar fashion with substantial class discussion. Thorough preparation and active class participation and attendance are essential. Assigned and supplementary readings will be augmented by cases and occasional guest lectures. Students will prepare a variety of written assignments, including case analyses and two research papers dealing with selected technologies, firms and industries. Research topics will be selected by students with instructor approval. The final course grade will be based on: (a) case analyses, annotated bibliographies, and the course concepts and perspectives assignment (30%); (b) research papers and presentations (45%); and (c) class participation (25%).

Course Materials


Bulk Pack (BP): Assigned articles and cases from Wharton Reprographics
WebCafé (WC): Supplementary assigned articles on webCafé

Lippincott Websites:  http://gethelp.library.upenn.edu/guides/business/mgmt237.html (general resources)
                      http://gethelp.library.upenn.edu/PORT/ (research guidelines)
RULES OF COURSE CONDUCT

I will be expecting a lot from each of you in this course, just as you should be expecting a lot from me. Together we can make this a very positive and valuable excursion into the intersection of Management and Technology. Toward that end, please review and observe the following:

1. Be on time and well prepared.

2. Participate actively and constructively in class discussions – whether offering observations, answering questions or challenging other’s positions (including mine!). You may find this to be a challenge in a large class and this will be more difficult for some than for others.

3. Bring your name card to every session to help ensure that the class is highly interactive.

4. Do not open your laptops when class is in session – I have found that computer use distracts from the learning experience and active interaction during class.

5. Pay careful attention to what is going on in each class and be alert to opportunities to participate. This includes not only what is being presented from the front, but also what your classmates are contributing.

6. Eating food is absolutely forbidden once each class session begins. I realize that this may impose some hardship on those of you whose schedules preclude a lunch period. The only exception is if you bring enough for every one! Water and other drinks are permitted.

7. In the rare event that you are forced to miss a class, be sure to alert me IN ADVANCE by email with an explanation. It will be your responsibility to obtain class notes and/or handouts from your classmates and/or the M&T office. Only in exceptional circumstances will make-ups be arranged for missed unannounced quizzes.

8. Written assignments are due on the date indicated unless prior approval has been granted. Late assignments will receive a minimum of a one grade reduction.

9. All written assignments in this course are to be your individual work – unless explicitly indicated otherwise. And, while most of you are aware of the accepted conventions for citing material and ideas, this has occasionally posed problems in the past. Anything reproduced verbatim should be indicated by quotation marks with the source appropriately cited. Anything drawn from others but not quoted verbatim, such as ideas or concepts, must also be appropriately cited. See http://gethelp.library.upenn.edu/PORT/ and/or consult the Lippincott Library staff for further guidance if needed.
I. UNDERSTANDING TECHNOLOGICAL INNOVATION

1. TH 1/12  THE NATURE OF TECHNOLOGICAL INNOVATION
   Introduction *(Skim)* T: 1
   Sources of Innovation *(Skim)* T: 2
   Innovation in Industry *(Skim)* BP: 1
   Out of the Dusty Labs *(Skim)* BP: 2
   This Way to the Future *(Skim)* WC: 1
   The Unexpected Science to Come *(Skim)* WC: 2
   10 Emerging Technologies 2011 *(Skim)* WC: 3
   Century of the Sciences *(Skim)* WC: 4

2. TU 1/17  THE STRATEGIC IMPACT OF TECHNOLOGICAL CHANGE
   Types and Patterns of Innovation T: 3
   Why Good Companies Go Bad *(Skim)* WC: 5
   Timing of Entry T: 5
   Technological Innovation in the Photographic Industry *(Skim)* BP: 3

3. TH 1/19  INNOVATION PATTERNS AND EMERGING VS. ESTABLISHED TECHNOLOGIES
   Patterns of Industrial Innovation BP: 4
   The Dynamics of Technology and Strategy *(Skim)* BP: 5
   Timex Corporation (A) and (B) BP: 6

4. TU 1/24  TECHNOLOGY POLICY
   Guest Resource: Dr. Graham Mitchell, formerly U.S. Assistant Secretary of
   Commerce for Technology Policy, U.S. Department of Commerce
   2012 Global R&D Funding Forecast Report WC: 8
   The Fading Lustre of Clusters WC: 9

5. TH 1/26  TECHNOLOGICAL INNOVATION AND STRATEGIC MANAGEMENT RP #1 Proposal
   Defining the Organization’s Strategic Direction T: 6
   Technology Leadership Can Pay Off BP: 7
   Technology and Competitive Advantage: The Role of General Management BP: 8
   Managing Technology as a Strategic Asset WC: 6

6. TU 1/31  PERSPECTIVES ON EMERGING TECHNOLOGY AB #1
II. MANAGING TECHNOLOGICAL INNOVATION AND NEW PRODUCT DEVELOPMENT

7. TH 2/02  TECHNOLOGY AND COMPETITIVE ADVANTAGE
Standards Battles and Design Dominance (Skim)  T: 4
The Art of Standards Wars  WC: 10
Battle for Cloud Productivity: Office 365 vs. Google Apps  WC: 11

8. TU 2/07  GLOBAL TECHNOLOGY AND INNOVATION
Strategies for Global R&D  BP: 9
Technology Map of the World  BP: 10
Toyota and Sony: R&D Alone Is Not Enough  BP: 11
India and China Wise Up to Innovation  BP: 12
Revving Up  WC: 12
Growing Through Innovation  WC: 13

9. TH 2/09  MANAGING TECHNOLOGY STRATEGIES AND THE INNOVATION PROCESS
Choosing Innovation Projects  T: 7
Managing Real Options (Skim)  BP: 13
Managing the New Product Development Process  T: 11
Developing Products on Internet Time  BP: 14
Silicon Valley Specialists  BP: 15

10. TU 2/14  LESSONS FROM INNOVATIVE FIRMS
Masters of Innovation: How 3M Keeps Its New Products Coming  BP: 16
GE Sees the Light  BP: 17
Built for Innovation  BP: 18
Putting the "I" into HP  BP: 19
3M's Innovation Crisis  WC: 14
The World's Most Innovative Companies  WC: 15
Lessons from Apple  WC: 16
Radical Collaboration: Lessons from IBM's Innovation Factory  WC: 17

11. TH 2/16  TECHNOLOGICAL INNOVATION, ENTREPRENEURSHIP, AND ORGANIZATION
Organizing for Innovation  T: 10
Entrepreneurship (Skim)  BP: 20
Hermes Systems  BP: 21

12. TU 2/21  WINDOW ON TECHNOLOGICAL INNOVATION
Guest Resource: Dr. Terry Fadem, Director, Corporate Alliances, University of Pennsylvania School of Medicine, Consultant and Senior Fellow, Mack Center for Technological Innovation

13. TH 2/23  EMERGING TECHNOLOGIES—PAST, PRESENT, FUTURE  RP #1
III. LEVERAGING EXTERNAL SOURCES OF INNOVATION: STRATEGIC PARTNERSHIPS

14. TU 2/28  DECIDING BETWEEN INNOVATION STRATEGIES  
Organizing for Innovation: When is Virtual Virtuous? (Skim)  
When to Ally and When to Acquire  
Monsanto’s March into Biotechnology (A)  

15. TH 3/01  VENTURE CAPITAL AND TECHNOLOGICAL INNOVATION  
Guest Resource: Ted Schlein, Managing Partner, Kleiner Perkins Caufield & Byers  

SPRING BREAK 3/5/12 – 3/9/12

16. TU 3/13  MANAGING STRATEGIC ALLIANCES  
How to Make Strategic Alliances Work (Skim)  
The Relational View: Cooperative Strategy…  
Lipitor: At the Heart of Warner-Lambert  

17. TH 3/15  MANAGING ALLIANCE NETWORKS  
Constellation Strategy: Managing Alliance Groups  
Strategy as Ecology (Skim)  
Star Alliance, 2000  
Smarter Ways to Do Business with the Competition  
Star Alliance Seeks Integration  
Star Alliance Cuts Costs to Stay Ahead  

18. TU 3/20  ENGAGING IN STRATEGIC OUTSOURCING  
Guest Resource: Sandeep Kishore, Executive Vice President and Global Head of Sales & Practice, Engineering and R&D Services, HCL Technologies  
HCL Technologies Brochure  
HCL Engineering and R&D Services Pre Reading Material  
Looking Beyond the Product: How Top Medical Companies…  

19. TH 3/22  ENGAGING IN CORPORATE VENTURING  
Making Sense of Corporate Venture Capital  
Intel Capital: The Berkeley Networks Investment  

20. TU 3/27  PERSPECTIVES ON STRATEGIC TECHNOLOGY MANAGEMENT  

Updated 03/13/2012
IV. LEVERAGING EXTERNAL SOURCES OF INNOVATION: MERGERS AND ACQUISITIONS

21. TH 3/29  GROWING THROUGH ACQUISITIONS
   Capturing the Real Value in High-Tech Acquisitions  BP: 37
   The Influence of Organizational Acquisition Experience… (Focus on concepts/findings)  BP: 38
   Cisco’s Acquisition Strategy (1993 to 2000): Value Growth…  BP: 39

22. TU 4/03  DETERMINING INTEGRATION STRATEGIES
   Buying Innovation: Managing Technology-Based Acquisitions  BP: 43
   Vermeer Technologies (D), (E), (F)  BP: 44
   Post-Merger Integration: How IBM and Lotus Work Together (Skim)  BP: 45

23. TH 4/05  GLOBAL M&A BY EMERGING-MARKET MULTINATIONALS
   What Have We Learned About Emerging-Market MNEs? (Skim)  BP: 46
   China’s Track Record in M&A (Skim)  BP: 47
   Lenovo Evolves with Its IBM PC Unit in Tow  BP: 48
   Big Deal? (Skim)  BP: 49
   Merger, Indian Style: Buy a Brand, Leave It Alone  BP: 50
   Global Integration the Cemex Way  BP: 51
   No Small Beer Empire  BP: 52

V. PROJECTS AND REVIEW

24. TU 4/10  RP #2 PRESENTATIONS (1/2)

25. TH 4/12  RP #2 PRESENTATIONS (2/2)

26. TU 4/17  KEY ISSUES & OPTIONS IN TECHNOLOGY MANAGEMENT  C&P

27. TH 4/19  WINDOW ON TECHNOLOGICAL INNOVATION
   Guest Resource: Ken Glass, Angel Investor (M&T, ’82)

   TU 4/24  Research Papers Due by 5:00pm (No Class)  RP #2
# Bulkpack Readings

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1. Innovation in Industry
2. Out of the Dusty Labs
3. Technological Innovation in the Photographic Industry
4. Patterns of Industrial Innovation
5. The Dynamics of Technology and Strategy
6. Timex Corporation (A) and (B)
7. Technology Leadership Can Pay Off
8. Technology and Competitive Advantage: The Role of General Management
9. Strategies for Global R&D
10. Technology Map of the World
11. Toyota and Sony: R&D Alone is Not Enough
12. India and China Wise Up to Innovation
13. Managing Real Options
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22. Organizing for Innovation: When is Virtual Virtuous?
23. When to Ally and When to Acquire
24. Monsanto’s March into Biotechnology (A)
25. How to Make Strategic Alliances Work
26. The Relational View: Cooperative Strategy and Sources of Interorganizational Competitive Advantage
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28. Constellation Strategy: Managing Alliance Groups
29. Strategy as Ecology
30. Star Alliance, 2000
31. Smarter Ways to Do Business with the Competition
32. Star Alliance Seeks Integration
33. Star Alliance Cuts Costs to Stay Ahead
34. Making Sense of Corporate Venture Capital
35. Intel Capital: The Berkeley Networks Investment
36. R&D Services at Wipro Technologies: Outsourcing Innovation?
37. Capturing the Real Value in High-Tech Acquisitions
38. The Influence of Organizational Acquisition Experience on Acquisition Performance…
39. Cisco’s Acquisition Strategy
40. Making M&A’s Work: Strategic and Psychological Preparation
41. HP and Compaq Combined: In Search of Scale and Scope
42. DaimlerChrysler Merger: The Quest to Create “One Company”
43. Buying Innovation: Managing Technology-Based Acquisitions
44. Vermeer Technologies (D), (E), (F)
45. Post-Merger Integration: How IBM and Lotus Work Together
46. What Have We Learned About Emerging-Market MNEs?
47. China’s Track Record in M&A
48. Lenovo Evolves with Its IBM PC Unit in Tow
49. Big Deal?
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# WebCafé Readings

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1. This Way to the Future
2. The Unexpected Science to Come
3. 10 Emerging Technologies 2011
4. Century of the Sciences
5. Why Good Companies Go Bad
6. Managing Technology as a Strategic Asset
8. 2012 Global R&D Funding Forecast Report
9. The Fading Lustre of Clusters
10. The Art of Standards Wars
12. Revving Up
13. Growing Through Innovation
14. 3M's Innovation Crisis
15. The World’s Most Innovative Companies
16. Lessons from Apple
18. HCL Technologies Brochure
19. HCL Engineering and R&D Services Pre Reading Material
20. Looking Beyond the Product: How Top Medical Companies are Engineering Solutions, Not Just Devices…