

MGMT 612: MANAGING THE EMERGING ENTERPRISE

Fall 2013

INSTRUCTORS

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COURSE OBJECTIVES

This course deals with central issues in the field of management as illustrated through the context of emerging enterprises and small businesses as they grow over time. We focus the attention on the human capital, strategic, and international opportunities and challenges confronting emerging enterprises. This course will provide you with an integrated view of these challenges and show you that successful management in the 21st century requires a combination of insights drawn from economics, sociology, psychology and political economy. The course has three main parts, and two “bookend” events. The course starts with a class in which you will meet your entire teaching team and receive a road-map for this semester-long journey.

The first part of the course provides a framework for analyzing the issues associated with managing people. It will introduce you to topics such as motivating employees, managing performance, understanding careers, and the interface between management decisions and strategy. The concepts covered in this course will help you gain insight into how to motivate and lead those you manage as well as better understand your own motivation and performance at work. Managerial and professional careers involve frequent changes in responsibilities, so the course also provides concepts for analyzing how managerial approaches may vary in different organizational and industry settings. We will discuss, based on these analyses, how to develop and implement organizational designs and systems that achieve competitive advantage through the management of people. After working for several years, individuals often have developed a number of insights into how people behave in organizations, and how organizations in turn shape that behavior. We will draw upon your experiences to develop ways of understanding and analyzing the issues around the management of people covered in this course.

The second part of the course will deal with fundamental issues of strategy, examining topics that are central to the long- and short-term competitive position of an enterprise. The goal of this module is to help you understand and analyze how firms compete and sustain their competitive advantage. We will discuss a set of analytical frameworks and concepts to identify the opportunities and threats within a given industry, and to formulate a firm’s strategy. The topics will include industry analysis, complements, competitive dynamics, competitive positioning, resources and capabilities, and boundaries of the enterprise. We will discuss these topics mainly from the point of view of an emerging enterprise, though understanding likely strategic interactions with established firms will also be an important theme.

The third part of the course stresses the deep and persistent cross-national differences in economic, political, legal and social institutions that affect the strategy, social structure, performance and value of organizations. We will highlight the historical evolution of global governance institutions which seek to allow nations and the organizations within them to seize the benefits of globalization without falling prey to insecurity and the desire to control, historical and current variation in national governance institutions and variation in strategies deployed by emerging multinational organizations who primarily seek to either adapt to these institutional differences or exploit them to generate value. In particular, we will study the impact of these institutions on the choice between trade and investment, the sequence of markets to enter, and the organization of multinational enterprises.

The culminating event of this course is the “Global Summit.” In the morning of this day, you will present your final paper, which will give you the opportunity to apply all the tools you have learned in the course to a company of interest to your self-selected team. In the afternoon, we will premiere a professionally edited video montage of interviews with Wharton alumni and other stakeholders on a high profile current event that will highlight and make tangible the kinds of problems and opportunities that the global economic, political, legal and social context presents for businesses. A group discussion that follows will challenge participants to evaluate alternative perspectives on complex issues without the benefit of hindsight and compel them to think about persuasive and practical managerial responses.

CLASS SESSIONS AND PARTICIPATION

Each class will consist of a combination of lecture and discussion of the day’s topic. On most days, we will use case analysis to explore the issues at hand. Careful preparation is essential. We expect you to read all of the assigned materials for each session in advance of the class. In class, you should be prepared to analyze the concepts from the case and the readings and to discuss any questions provided in the syllabus. If you cannot answer the questions, you are not prepared for class. We will use cold calling to ensure preparation and to establish an even level of participation throughout the course.

We expect you to participate actively in class to help your learning and that of your peers. A productive learning environment requires active engagement of all class members. Three factors determine good class participation. First, given thorough and careful preparation, you should be able to identify the important managerial issues related to the case and/or readings. Second, you should be able to use that analysis to define a concise and logical position on the issues. Please avoid pure repetition of case facts. You should be able to show how a particular concept is illustrated in the case or suggest how the substantive problem presented in the case can be solved. Third, you should be able to analyze constructively the positions your classmates take. Quality, not quantity, will determine the effectiveness of your comments. “Airtime hogs” will not be rewarded.

Of course, the underlying condition for class participation is attendance. We expect you to attend all sessions. Specifically, according to the MBA office, there is no recruiting reason for which you should miss class. We will be taking attendance. Arriving late is disrespectful to your colleagues and, for attendance purposes, is treated as a distinct event from being present at the start of class. If you cannot come to class, you should notify your instructor by email in advance of the class. Finally, in order to facilitate lively, in-depth discussions and out of respect for each other, there are two simple ground rules regarding mobile devices and laptop computers: 1) please remember to turn off your phone, Blackberry and/or other communication devices; and 2) no laptops open during class.

CASE DISCUSSIONS

In preparing cases for discussion in class, you should be ready to comment on (1) the case's background and context, (2) the key issues and problems, (3) a framework for analyzing the issues and problems, (4) the implications of the assigned readings for understanding the case, and (5) a course of action for designing and implementing solutions.

ETHICS AND USE OF PRIOR MATERIALS

This is a core course for the Wharton MBA. As such, the course covers similar material from year to year. It is **never** appropriate to use materials prepared by students or faculty in this course from previous years. You should not use previously completed case write-ups, summaries of readings or other "cheat sheets." We will work with your ethics liaisons to clarify any issues that may emerge.

TEXT AND READINGS

Wharton Reprographics has a copy of the course pack for MGMT 612, which can be purchased from Study.Net.

The readings listed on the course outline below should be read and prepared before that class session.

ASSIGNMENTS, QUIZZES AND EXAMS

Human & Social Capital Section:

Your assignment is to examine your last job (or an earlier job) and use theories and concepts from the course to analyze and explain your work experience. Essentially, in this assignment, you will use your job as the case material that allows you to demonstrate your understanding of course theories/concepts. You may use course materials from Sessions 1-8 in which we cover such topics as motivation, job design, reward systems, managing individual and group performance, and group and organizational influences on decision-making. Certain readings focus on specific theories (e.g. expectancy theory; equity theory) that provide a full-fledged framework for explaining and predicting behavior; while other readings include concepts that may not be full theories but can be abstracted and applied to a wide range of situations, e.g. Rewarding A While Hoping for B (Kerr).

The choice about what issues to cover and what theories/concepts to apply is yours. In evaluating your answer, we will look to see whether the theories/concepts you use are described accurately (i.e. substantively correct), applied appropriately (i.e. fit the job situation you describe), and most relevant to the situation (i.e. did you pick the theories/concepts that best illuminate your situation).

In analyzing your job, focus on how you were **managed**, not how you behaved in managing others. It does not matter whether you had a good job experience or a bad job experience. You can talk about both the successful and the unsuccessful aspects of the job, and about what was missing for you. The paper presents you with an opportunity to explore in-depth the course readings, master them, and apply them to your experience. *Thus, very good papers do not simply present a lively and detailed description of your past job. Rather, they demonstrate in-depth understanding and application of course concepts and theories.* More specifically, they:

1. Demonstrate in-depth understanding of **five of the main concepts (four if you choose job design)** from Sessions 1-8 by making specific links between theories/concepts and key elements of your job experience.
2. Explore (and demonstrate your understanding of) the similarities, complementarities, or inconsistencies among the theories and concepts (i.e., do the theories/concepts fit together and reinforce each other or do they disagree? How do they complement each other? Conversely, how are they inconsistent or conflicting?)
3. Explain why the theories or concepts you've chosen are important and useful for understanding (and perhaps for suggesting changes to) your prior job or organization.

Here are some tips based on our collective experience with this course assignment. Each instructor will offer additional guidance with his/her specific expectations and recommendations.

- Don't forget that this is an exercise that must be graded. It is easy to get carried away with an interesting story and forget that this is also a way to test your knowledge of and ability to apply the course material.
- In a relative comparison (which is how we evaluate these papers), applying more theories is better than applying fewer theories, with two caveats: you need enough rich descriptive material about your job so we can understand it, and you need to cover each theory thoroughly enough that we are sure you know how to apply it. It is definitely possible to include *too many* theories and concepts if they are covered so superficially that your knowledge cannot be convincingly displayed.
- Be sure to explore your **personal** experience with your job, rather than writing generically about the experience of all people in positions like yours.
- Remember to mention course concepts specifically, so we don't have to read your mind to figure out what concepts you are applying to your work experience. Drawing explicit links between the concepts you identify and the case material is the key. Don't just drop in the names of a few theories or concepts into the midst of describing your job. Show how they apply to your situation.
- It may be useful to develop a comparative angle in the paper, i.e. compare how your job experience varied for two different tasks or compare your job before and after a change in your boss or a company restructuring.
- Comparing and contrasting how two or more different theories can be applied to the **same** aspect of your job situation is another effective strategy. Be sure you make it clear to us why you chose those theories and which you felt provided more insight.

The write-up should be printed double-spaced, using a normal font-size. The maximum length is 1,000 words (plus or minus 5%). Please include a word count on the front page. You will have to be concise and make choices about what issues to discuss. We recommend that you begin work on the paper early, to avoid the mid-semester crunch. This is feasible because the raw material (your work experience) is readily available to you and each class session will introduce new concepts that are potentially applicable. The write-up is due on September 26.

Strategy Case Write-up: This is an individual assignment of answering the study questions associated with the Vizio case that will be distributed in class on Oct 24 (Class 5). The case is a simple yet powerful demonstration of the value of systematic strategic analysis. The main task is to match questions with frameworks/concepts and then to use the information in the case to provide a conclusion. Each of the questions is related to the specific topics that we have studied within the strategy module. It is important not just to describe the facts but to analyze (and to demonstrate that you know how to use the tools from the course to do this analysis). The write-up is to be uploaded on Canvas by Nov 2. Your answers should be a maximum of 3 pages of text (12 pt. Times Roman font, single spaced, with margins no less than 1 inch). You may attach 1 or 2 exhibits based on your analysis if they directly support the arguments you make.

Strategy Quizzes: For strategy class sessions 1-7, there will be a brief quiz posted on canvas course website. Everyone will be individually responsible for responding to the questions by 7AM the day of class. Answering the quiz will not take much time beyond your normal preparation for the class. If you do not respond, I will assume that you have not prepared for class and will not call on you. Your participation in the online quiz will count towards your class participation grade.

Global reaction paper: A two-page, single-spaced reaction paper on one of the five cases discussed during this module. The assignment will be due before the day the case is discussed in class, and should be uploaded to the appropriate submission folder on Canvas. The reaction paper should focus on the industry or company discussed in the case. It should contain two parts:

1. An assessment of the key entrepreneurial opportunities that in your view exist within the industry or space defined by the case.
2. An assessment of the main challenges (organizational, financial, regulatory, marketing-related, etc.) that an entrepreneur would face when pursuing one or more of the opportunities you identify.

The global reaction papers will be graded on the basis of their creativity, insightfulness, use of concepts learned during each of the three modules of this course, and clarity of the writing. Typos or careless writing will be harshly penalized. Please review and proofread your reaction paper before uploading it. And please remember this is an individual assignment. No team work is allowed.

Final paper and paper presentation (details at the end of the syllabus): December 11.

GRADING

- Human & social capital write-up (20%).
- Strategy case write-up (20%).
- Global reaction paper (10%).
- Class participation (25%).
- Team final paper (25%).

FACULTY LUNCHES

Each professor will establish the rules & procedures for faculty lunches.

CLASSROOM EXPECTATIONS – CONCERT RULES

- Class starts and ends on time
- Sit according to seating chart
- Remain in attendance for the duration of class, except in an emergency
- Name tents displayed
- All phones and electronic devices should be turned off

ETHICS AND USE OF PRIOR MATERIALS

	Materials							People				
MGMT 612 Managing the Emerging Enterprise	Approved calculator	Laptop / other electronics	Summary sheet	Readings/ class notes	Past notes / summaries	Past exams / assignments	Internet content / other outside materials	Learning team / approved work team	Other student(s) in same section	Student(s) in other sections (same term)	Wharton student not taking the class this term	Person outside of Wharton
Readings & Cases	A	A		A			A	W	W	W		
Team Assignments	A	A		A			A	W				
Individual Assignments	A	A		A			A					
	A = Allowed material Blank Cell = Not allowed							W = Allowed to work together Blank Cell = Not allowed				
The information above covers many common situations but will not cover every circumstance. Remember: The Wharton MBA Code of Ethics that you accepted requires, among other things, that you represent yourself and your work honestly, don't try to gain unfair advantage over other students, follow the instructor's guidelines and respect confidentiality of your work and the work of others. Should you have questions, please contact your ethics liaison or professor.												

COURSE OUTLINE

Introduction: Aug 27th Tuesday Overview of the Semester

PART I: HUMAN & SOCIAL CAPITAL MODULE

Class 1: Motivating Individual Performance Aug 29th Thursday

- Description: We begin with an obvious truism about human behavior in organizations – that people will behave according to what actions they perceive are being rewarded. We then begin our exploration of the theme “behavior is not that simple” by pointing out how often organizations “reward A while hoping for B”. We also introduce various motivation theories from the behavioral sciences and contrast them with more economics-based views of motivation (e.g. agency theory) which emphasize financial incentives and contract-based goal alignment.
- Readings: Steven Kerr, “On the Folly of Rewarding A While Hoping for B,” *Academy of Management Journal*, Vol. 18, pp. 769-83.

Stephen P. Robbins and Timothy A. Judge, excerpts from “Motivation” (covers four theories: needs, cognitive evaluation, goal-setting, expectancy), *Organizational Behavior*, 12th edition, Englewood Cliffs, N.J.: Prentice Hall, pp. 192-198, 208-210.
- Case: Teena Lerner: Dividing the Pie at Rx Capital

What motivates the players in this case?

1.

Class 2: Designing Reward Systems Sept 3rd Tuesday

- Description: Here we focus on the design of reward systems, keeping in mind various cognitive processes that affect motivation. We introduce concepts from equity theory, which describes how individuals assess the ratio of outcomes (pay, recognition) in relation to inputs (of effort, skill, experience) for themselves in comparison with others. We then consider the actions (and shifts in perception) individuals may undertake to establish a sense of equity. The case discussion emphasizes how the compensation and reward system of an organization must balance incentive and equity concerns. We also explore the role of the labor market in constraining the kinds of compensation systems firms can implement. Please come prepared with examples of reward systems you have encountered and we will examine them for cross-industry and cross-cultural differences.
- Readings: Elliot Aronson, “The Rationalizing Animal,” *Psychology Today*, p. 67-77.

Edward Lazear, “Relative Compensation,” Chapter 3 in *Personnel Economics*, Cambridge, MA: MIT Press, 1995, pp. 25-37.

Stephen P. Robbins & Timothy A. Judge, “Equity Theory,” from *Organizational Behavior*, 12th edition, Englewood Cliffs, N.J.: Prentice Hall, pp. 203-207.
- Case: **Brainerd, Bennis, and Farrell – Partnership model**
 1. How should the lawyers listed at the back of the case (A-F) be paid?

2. Please meet with your learning team and decide how to apportion 100 points between them. Come to class ready to present and defend your choice.

Class 3: Designing Jobs Sept 5th Thursday

- **Description:** We next examine job design – one important source of implicit rewards at work. We compare Frederick Taylor’s scientific management approach, first put forth in the early 1900s but still influential today, with Hackman and Oldham’s job design theory, which analyzes the five characteristics of a job that contribute to its motivational potential. We then explore how poor job design can kill motivation even when explicit incentives are well-designed – or how even an excellent job design can’t overcome poor incentives or poor leadership.
- **Readings:** “Frederick Winslow Taylor: Father of Scientific Management,” selection from *Business: The Ultimate Resource*, Cambridge, MA: Perseus Publishing, pp. 1054-55.

J. Richard Hackman, Greg Oldham, Robert Janson, and Kenneth Purdy, “A New Strategy for Job Enrichment,” *California Management Review*, Vol. 17, pp. 57-71.
- **Case:** **Jennifer Henderson and the International Division at Trustworthy Trust**
 1. Why are analysts such as Henderson demoralized?
 2. How do you explain the motivation level of senior managers? What do you draw upon for your assessment?
 3. What recommendations would you offer the Executive Vice President Marshall Wilde?

Class 4: Recruiting and Selecting Employees Sept 10th Tuesday

- **Description:** In this class, we turn our attention to employee recruitment and selection. Researchers have identified a number of strategies likely to yield fair, valid, and effective hiring decisions. We review these strategies and discuss possible reasons why many companies do not put these strategies into place. We then explore the attraction-selection-attrition cycle and the implications of recruiting and selection for organizational culture and performance. The SG Cowen case provides an opportunity to analyze one company’s MBA recruiting and selection practices; to “select” two of their applicants for hire; and to examine our own beliefs and assumptions about what makes for an effective hire.
- **Readings:** Ann Marie Ryan & Nancy T. Tippins, “Attracting and Selecting: What Psychological Research Tells Us”, *Human Resource Management*, Vol. 43: p. 305-318.

Benjamin Schneider, “The People Make the Place,” *Personnel Psychology*, Vol. 40, pp. 437-53.
- **Case:** **SG Cowen: New Recruits**
 1. Who would you hire and why?
 2. How will the change in recruiting strategy proposed by Chip Rae affect the nature of the company and its culture?
 3. What are SG Cowen’s goals for its recruiting process? Is SG Cowen meeting its goals?

Class 5: Driving Performance Sept 12th Thursday

- Description: Here we emphasize the power of group norms and information provided by coworkers, subordinates, and bosses as influences on individual behavior. These social influences can, if well-managed, help align group and individual goals with organizational goals, yield higher performance than individuals provide, especially when tasks are complex and demand complementary skills, and build a common language and shared experience base to facilitate coordination and creativity. If poorly managed, however, group norms and information can foster inappropriate conformity and compliance, diminishing individual, team, or organizational effectiveness and integrity. We explore both the potentially positive and the potentially negative consequences of social influence in this class and take a close look at how managers create (and respond to) groups that are “hot” – lively, high-achieving, dedicated groups, usually small, whose members are turned on to an exciting and challenging task.
- Readings: “Social Influence,” from Thomas Gilovich, Dacher Keltner, and Richard E. Nisbett, *Social Psychology*, NYC: WW Norton and Co., two excerpts, pp. 213-230 and pp. 240-253.
- Case: **Soul of a New Machine**
 1. Why is the Eclipse group working so hard?
 2. In what ways does West give and receive feedback from his group and the organization?
 3. Do you think West’s leadership of the group is successful in the short-run? In the long-run? What are the risks involved in his style?

Class 6: Improving Organizational Processes Sept 17th Tuesday

- Description: A central topic in management is how to change organizations. We consider the processes needed to make changes stick as well as the organization of work and the human resource policies associated with “lean” production systems pioneered by Toyota. These practices are increasingly seen as useful in many contexts for improving quality and productivity.
- Readings: James P. Womack, Daniel T. Jones, and Daniel Roos, “How Lean Production Can Change the World,” *New York Times*, pp. 20ff.

Jeffrey Pfeffer and Robert Sutton, “Change or Die? An Evidence-Based Approach to Change Management,” from *Hard Facts, Dangerous Half-Truths, and Total Nonsense: Profiting from Evidence-Based Management*, Harvard Business School Press.
- Case: **Leaping Tiger**
 1. What would your plan be for turning around this guest house?
 2. Specifically, how would you try to ensure that quality customer experiences we put in place and executed over time?

Class 7: Managing Performance Sept 19th Thursday

- Description: Here we explore the sources, and consequences, of a strong, performance-oriented organizational culture. The readings provide definitions and frameworks for thinking about organizational culture and point out how difficult culture change can be. The case, Mary Kay Cosmetics, reveals how a strong performance-oriented culture emerges from the early choices of the firm’s founder and is reinforced through the skillful use of ritual and ceremony. We will discuss the ways in which a manager’s job involves the creation and shaping of meaning for a firm’s employees. We will also consider the

transferability of an organization's high-performance culture to settings very different from those in which it arose.

- Readings: James N. Baron and Michael T. Hannan, "Organizational Blueprints for Success in High-Tech Start-Ups," *California Management Review*, Vol. 44, No. 3, pp. 8-36.

Charles O'Reilly, "Corporations, Culture, and Commitment: Motivation and Social Control in Organizations," *California Management Review*, p. 9-25.

John J. Gabarro and Linda A. Hill. *Managing Performance*. 9 496 022.

- Case: **Automated Travel Systems**

1. **How did ATS get itself in this situation?**
2. **What should they do at the end of the case?**

1.

Class 8: Aligning Human Resources and Business Strategy Sept 24th Tuesday

***** Team report from People Express simulation exercise due at beginning of class *****

[This is a computer simulation that your learning team needs to, so schedule at least two hours this week when you are available to do it. The simulation is loaded on every Huntsman computer.]

- Description: In this capstone session, we highlight the alignment (or misalignment) between human resources systems and business strategy as a source of competitive advantage. We also discuss debates over whether there is "one best way" for all companies in all industries to organize their systems for managing people. In the case discussion, we will untangle the factors behind the high performance of Southwest Airlines, perhaps the most successful airline in the U.S. over the past 10-15 years. We will compare Southwest with examples, past and present, of airlines that have taken different approaches to combining their "managing people" practices with their business model and operational practices, and discuss the significance of these differences for achieving sustainable competitive advantage in this very tough industry.
- Readings: Peter Cappelli and Anne Crocker-Hefter, "Distinctive Human Resources Are Firms' Core Competencies," *Organizational Dynamics*, Vol. 24, No. 3.

Jeffrey Pfeffer, "Producing Sustainable Competitive Advantage Through the Effective Management of People," *Academy of Management Executive*, Vol. 19 (4): pp. 95-106.

- Case: **Southwest Airways: Sustainable Start-up**

1. What is Southwest's strategy? How would it answer the question, "What business are we in?" Why has it been successful for so long?
2. Can its success be replicated by a competitor? Why or why not?
3. How does Southwest's system for managing people link to the execution of its strategy?
4. How would you describe the culture of the organization?
5. What would cause Southwest to fail?

PART II: STRATEGY MODULE

Thu Sep 26

Strategy Class #1

Introduction to Strategy and Industry Analysis

Reading: M. Porter, "The Five Competitive Forces that Shape Strategy," *Harvard Business Review*, Jan, 2008.

Case: SunPower: Focussed on the future of Solar Power, MIT Case 07-042

Case Discussion Questions:

1. What are the key drivers of profitability in the Solar Photovoltaic Industry?
2. What are the main challenges and opportunities in the industry?
3. What should SunPower do to sustain its competitive advantage?

Tue Oct 1

Strategy Class #2

Complements and Competition

Reading: A. Brandenburger and B. Nalebuff. Chapter 2, "Co-opetition", *Co-opetition* Doubleday: New York.

Case: Wintel (A): Cooperation or Conflict?, HBS 9-704-419

Case Discussion Questions:

1. What are the key drivers of profitability in Intel's business model? What are the key drivers of profitability in Microsoft's business model?
2. Given the drivers of profitability, in what areas should we expect conflict? Cooperation?
3. Why has NSP generated so much heat?
4. If you were Andy Grove making a decision on NSP, what would you do?

Thu Oct 3

Strategy Class #3

Competitive Dynamics

Reading: B. Greenwald and J. Kahn. "Games companies play: A structured approach to competitive strategy. Part II: Entry/preemption games" in B. Greenwald and J. Kahn (2005) *Competition Demystified*.

Case: Dogfight over Europe: Ryanair (A), HBS 9-700-115

Case Discussion Questions:

1. What is your assessment of Ryanair's launch strategy?
2. How do you expect Aer Lingus and British Airways (BA) to respond? Why? (Think about what each brings to the party.)
3. What are the different payoffs to Aer Lingus/BA (treat them collectively as one actor) for different strategic actions? Said differently, how costly would it be for Aer Lingus/BA to retaliate against Ryanair's launch rather than accommodate it? (It will help to develop, using assumptions where needed, a view on the cost structures of Ryanair vs. Aer Lingus/BA.)

Fall Break

Tue Oct 22

Strategy Class #4

Competitive Positioning

Reading: P. Ghemawat, "Creating Competitive Advantage," Chapter 3 in *Strategy and the Business Landscape*, pp. 44-54.

Case: Matching Dell, HBS 9-799-158

Case Discussion Questions:

1. How and why did the personal computer industry come to have such low profitability?
2. Why has Dell been so successful despite the low average profitability in the PC industry?

3. Prior to the efforts by competitors to match Dell (circa 1997), how big was Dell's competitive advantage? See if you can use the numbers in the case and reasonable estimates to quantify the advantage on a per-PC basis. How has Dell used this advantage in the market? (Think about the customer willingness to pay.)
4. How effective have competitors been in responding to the challenges posed by Dell's competitive advantage?

Thu Oct 24

Strategy Class #5

Resources and Capabilities

Reading: C. Montgomery and D. Collis, Chapter 2 "Resources and Rents" in *Corporate Strategy: Resources and the Scope of the Firm*. Irwin: New York, NY.

Case: Tesla Motors, Wharton Case

Case Discussion Questions:

1. What are Tesla Motors' key resources and capabilities? How were they developed? How are they being leveraged?
2. Is Model S a good or a bad idea?

Tue Oct 29

Strategy Class #6

Bridging Business Strategy and Corporate Strategy

Case: Sunrise Medical, HBS 9-794-069

Case Discussion Questions:

1. How do Quickie's and Guardian's strategies in wheelchairs compare? Does either have a competitive advantage in wheelchairs and, if so, is it sustainable?
2. Should Chandler allow Guardian to introduce a lightweight standard wheelchair? Consider the pros and cons of Quickie participating in this effort.

Thu Oct 31

Strategy Class #7

Corporate Scope

Reading: P. Ghemawat, "Choosing Corporate Scope," Chapter 6, *Strategy and the Business Landscape*, pp. 124-140.

Case: Extending the "easy" Business Model: What should easyGroup do Next?, INSEAD Case 303-093-1

Case Discussion Questions

1. Evaluate easyGroup's corporate scope. Whether and how would the different businesses (airline, car rental, internet cafes) be profitable? To what extent are these businesses leveraging common resources?
2. Should easyGroup enter the Cinema business? If so, how?

PART III: GLOBAL MODULE

Tue Nov 5

Global Class #1

Global Strategy and Entrepreneurship in a World of Nation-States

Reading: Thomas L. Friedman, "It's a Flat World, After All" *New York Times Magazine* April 3, 2005.

Reading: Pankaj Ghemawat, "Why the World Isn't Flat," *Foreign Policy*, March-April 2007, pp. 54-60.

Reading: Richard Florida, "The World is Spiky," *The Atlantic Monthly*, October 2005, pp. 48-50.

Reading: *Global Entrepreneurship Monitor: 2011 Global Report*.

Reading: Leora Klapper, Raphael S. Amit, and Mauro F. Guillén, "Entrepreneurship and Firm Formation across Countries." In *International Differences in Entrepreneurship*, edited by Josh Lerner and Antoinette Schoar. Chicago: University of Chicago Press, and National Bureau of Economic Research, 2010, pp. 129-158.

Thu Nov 7

Global Class #2

Creating and Leveraging Entrepreneurial Ecosystems

Reading: Daniel J. Isenberg, "How to Start an Entrepreneurial Revolution." *Harvard Business Review* (2010), reprint R1006A.

Reading: Kenneth W. Harris, "Bike to the Future." *The Futurist* (March-April 2011):25-28.

Reading: John Pucher and Ralph Buehler, "Cycling for Everyone: Lessons from Europe." *Transportation Research Record* 2075(2008):58-65.

Case discussion questions:

1. What are the key elements of the bicycle ecosystem from the point of view of fostering entrepreneurship?
2. What types of subsidies or cross-subsidies do you believe would be most effective to foster bicycle use?
3. What new business ideas do you envision in this space?

Tue Nov 12

Global Class #3

Foreign Direct Investment as Global Strategy

Reading: Pankaj Ghemawat, "Differences Across Countries: The CAGE Distance Framework." *Harvard Business School Publishing Reprint 2919BC*.

Reading: "To Conquer Wind Power, China Writes the Rules." *The New York Times* (December 15, 2010), p. 1.

Case: The Suzlon Edge, HBS 9-708-051

Case discussion questions:

1. What are the key drivers of profitability in the wind power generation industry?
2. What are the best government incentives from the point of view of entrepreneurs?
3. What are the best entrepreneurial opportunities available in the wind power industry?

Thu Nov 14

Global Class #4

Entering International Markets

Reading: Franklin R. Root, "Designing Entry Strategies for International Markets." In *Entry Strategies for International Markets*. New York: Lexington Books, 1990, pp. 1-23.

Case: The Huffington Post, HBS 9-810-086

Case discussion questions:

1. What are the HuffPost's distinctive competitive advantages?
2. Do you agree with the decision to sell the HuffPost to AOL?
3. Should the HuffPost accelerate its international expansion?

Tue Nov 19

Global Class #5

Doing Well while Doing Good in International Business

Reading: Jenny C. Aker, and Isaac M. Mbiti, "Mobile Phones and Economic Development in Africa." *Journal of Economic Perspectives* 24(3):207-232.

Case: Mobile Banking for the Unbanked, HBS 9-511-049

Case discussion questions:

1. Why did m-pesa succeed?
2. Is its success replicable elsewhere?
3. What recommendations would you make to Wizzit?

Thu Nov 21

Global Class #6

Wharton Global Summit Case: Apple in China

No class Nov 26 and Nov 28

Tue Dec 3

Paper presentations (during the usual class time)

7:00-9:30 pm: Wharton Global Summit

Thu Dec 5

Paper presentations

Wed Dec 11: Final Paper due at Noon

Term Team Project

The project should be worked on in a team of six students. Your assignment is to use theories and concepts from the course to analyze and explain the activities of a given firm located in a given country, vis-à-vis the firm's employment practices and organizational and human-resource systems, its corporate strategy, and its global strategy. Essentially, in this assignment, you will use an actual firm as the case material that allows you to demonstrate your understanding of and ability to apply course theories/concepts. The project can incorporate such competitive strategy topics as industry analysis, positioning, firm capabilities and resources, and the horizontal, vertical and geographic boundaries of the firm; such human and social capital course topics as motivation, job design, reward systems, recruiting and selection, managing individual and group performance, improving organizational processes, and links between the HR system and business strategy; and global strategies of aggregation, adaptation and arbitrage, the role of business groups and the tension between shareholder value maximization and stakeholder demands. This assignment requires you to prepare a report (25 pages in length) and a presentation summarizing its main themes and findings. For both, you should consider the drivers of the firm's recent relative performance as well as the sustainability of these drivers over time.

The choice about the relative weight to put on different issues, theories and concepts in explaining the firm's activities and its performance is yours. In evaluating your paper, we will look to see whether the theories/concepts you use are described accurately (i.e. substantively correct), applied appropriately (i.e. fit the context you describe), and most relevant to the situation (i.e. did you pick the theories/concepts that best illuminate the firm's situation). In choosing a focal firm, remember that you may not choose a firm highlighted in the cases from the course; and that the firm must, to some degree, be global, i.e. involved in cross-border activities (not only serving a domestic market).

Please consider the following suggested sections to include in your report:

- 1) Short history/overview of the focal firm, its strategy, and its management practices, including the influence of its home country's political, economic and social institutions;
- 2) Short history / overview of the economic, political, legal or social context in the focal country and the focal firm's perceptions of their likely evolution over time, as it pertains to the evolution of the focal firm's strategy and management practices;
- 3) Industry analysis, both globally and in the focal national market;
- 4) Management challenges, including (but not limited to) organizational design, structure, and processes; culture, i.e., how the firm's culture deals with differences in national culture that affect its activities; and HR practices related to rewards, skills/talent, hiring and retention, job design, supervision and performance appraisal;
- 5) Global strategy (i.e., Aggregation, Adaptation or Arbitrage) of the firm in the focal market differentiating by product or function as appropriate, and including mode of entry and sequence of entry by which the firm entered the focal market where appropriate;
- 6) Impact of different national employment laws, policies, institutions, and norms on the focal firm when it operates in different countries;
- 7) What is the nature of the competitive forces within the industry currently and how are these dynamics likely to change in the near and medium term?
- 8) How this firm is positioned with respect to its industry competitors? Note that this analysis should include both external (i.e. execution of the strategy vis-à-vis customers) and internal (i.e. organizational practices that develop capabilities underlying the strategy) activities. Do these activities reinforce each other, per the concept of an activity system?
- 9) National positioning analysis – How does the focal country position itself to attract firms and investment from within and outside national borders? Why did the focal firm choose to locate in this particular country? What location choices are competitors making?
- 10) Overall assessment of this firm's competitive advantage – its sources, distinctiveness, imitability, and the sustainability of its competitive position.

Here are some tips based on our collective experience with this course assignment. Each instructor will offer additional guidance vis-à-vis specific expectations and recommendations.

- Don't forget that this is an exercise that must be graded. It is easy to get carried away with an interesting story and forget that this is also a way to test your knowledge of and ability to apply the course material.
- Remember to mention course concepts specifically, so we don't have to read your mind to figure out what concepts you are applying to your case. Drawing explicit links between the concepts you identify and the case material is the key. Don't just drop in the names of a few theories or concepts into the midst of a description. Show how they apply.
- Do not expect the reader to "crunch the numbers" that you display in your exhibits to see what is really happening; this is the difference between a case and a paper: you have to provide the data *and* the analysis.
- When facing a choice as to whether to narrow your paper to a more focused topic, recognize the benefits of this strategy in terms of richness, thoroughness and completeness but balance these benefits against the costs of reduced data availability and difficulty in legitimately speaking to all three elements of the course. Choose the narrowest possible topic that offers sufficient data and allows you to describe and integrate a discussion on corporate strategy, human and social capital and global strategy.
- It may be useful to
 - Develop a comparative angle in the paper, i.e. compare your firm to another firm in the same country or your firm's operations in the focal country to those in another country. Doing so, however, enhances the risk of spreading yourself too thin so be cognizant of this risk if you choose this approach.
 - Compare and contrast how two or more different theories or frameworks can be applied to the same case. Be sure you make it clear to us why you chose those theories and which you felt provided more insight.

PLEASE NOTE THAT ANY QUOTATIONS OF LONGER THAN A PHRASE MUST BE EXPLICITLY NOTED IN THE TEXT. INSUFFICIENT ATTRIBUTION TO EXTENDED QUOTATIONS FROM EXTERNAL SOURCES WILL RESULT IN FORMAL CHARGES OF PLAGIARISM TO THE OFFICE OF STUDENT CONDUCT. IF YOU HAVE ANY QUESTIONS ON POLICY, SEE http://gethelp.library.upenn.edu/PORT/documentation/plagiarism_policy.html

The write-up should be printed double-spaced, using 12-point Times New Roman Font. The maximum length is 25 pages not including Exhibits. Please include an Executive Summary and Word Count on a title page. You will have to be concise and make choices about what issues to discuss. We recommend that you begin work on the paper early, to avoid a last minute crunch. This is feasible because some corporate and national material is readily available and each class session will introduce new concepts that are potentially applicable. You will also do a presentation to the faculty and your classmates of your report's primary themes and conclusions.

You may want to explore and draw from the following sources of information (this is a partial list, to which we will be adding other suggested resources). This list will also be posted on Canvas.

- Country-level
 - [World Economic Forum Global Competitiveness Report](#)
 - [Economist Intelligence Unit Country Reports](#)
 - World Bank
 - [Doing Business Guides](#)
 - [Business Environment](#)
 - [Investment Climate](#)
 - [Investing Across Borders](#)
 - [Enterprise Surveys](#)
 - [Private Sector Data](#)
 - [Governance Indicators](#)
 - United Nations
 - [Foreign Direct Investment Report](#)
 - [Investment Prospects](#)
 - [International Labor & Employment Statistics \(compendium of web resources from Int'l. Labor Organization \(ILO\)\)](#)
 - [International Comparative Labor Statistics from U.S. Bureau of Labor Statistics](#)
 - [Transparency International Corruption Perceptions](#)
 - [Business Monitor International](#)
 - [CIA World Factbook](#)
 - [Heritage Institute Index of Economic Freedom](#)
 - [IHS Global Insight](#)
 - [ISI emerging markets](#)
 - [Factiva](#)
- Industry- and Firm-level
 - [Business Monitor International](#)
 - [Euromonitor](#)
 - [Orbis \(includes Datamonitor\)](#)
 - [EBSCO Business Source Complete](#)
 - [ISI emerging markets](#)
 - [Factiva](#)
 - [PROMT](#)