

**MGMT 802: INNOVATION, CHANGE AND ENTREPRENEURIAL MANAGEMENT**

**Version 1.7 011815**

**This syllabus is a game plan subject to change, not a contract.**

**Please check weekly to see if the syllabus has changed**

**There may be some changes precipitated by class size and speaker availability.**

**Spring 2015 Q3, Q4**

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Office Hours: Friday **Noon - 1 pm by appointment only**

**TA:**

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**Textbook**

**“Market Busters” by McGrath and MacMillan. HBSP, 2009.**

**Reading assignments**

**Bulkpack**

This course will provide you with a theoretical foundation and a set of practical tools for building an organization capable of continuous dynamic innovation. You will deploy the tools of the course to identify, evaluate and plan ways to continuously change the rules of the game in the domain of business in which you are competing, either in an existing firm or if you are starting up a new enterprise.

This course is not for the faint of heart or the feeble of spirit. It will push your creativity hard.

There are three major components to the course:

1 The first is to conceive of, and develop an assessment report for, an innovation of interest to your team. Your team will identify and evaluate an innovative idea, then put together a plan to implement the innovation. This will culminate in an innovation assessment in the form of a PowerPoint deck which you will hand in at the end of the half semester.

2. The second major component of the course is for your team to apply the tools that you will learn to identify innovative competitive moves which change the “rules of the game” for, and thereby wrest competitive initiative from, existing players in an industry which is currently “under stress”. The term we shall use for such this competitive game-changing is MarketBusting. You will be charged with putting together and delivering a seven minute presentation of your proposed MarketBusting moves. The other teams in the class will rate your presentation, so that we draw off the combined insights and expertise of the class, not just the teaching staff. Call this “crowd-grading”

3. Finally, the theoretical backdrop will be provided by a text book and multiple readings, your knowledge of which will be tested in a final Readings Report by your group. The practical tools will be provided via lecture/discussion sessions.

So, to summarize, in the course your team will develop three types of deliverable.

1. **Innovation Assessment.** Your team will work on a project to introduce a significant innovation and hand in, as a final document, an innovation assessment and a detailed PowerPoint deck supporting this assessment.
2. **Short MarketBusting Presentations.** In the course of the semester your team will deliver **two** short presentations proposing MarketBusting moves using lenses from the course.
3. **Readings Report.** Third you will be submitting a team Readings Report that identifies and explicates the value of the course readings when putting together your innovation assessment

**Class participation.**

Class participation is an integral component of your learning experience as well as your grade. Your class participation score will be based on the assessment of the quality of your comments in class and the consistency of your attendance. To help us learn your name and recognize your participation, please use a tent

card in class. I shall assume for each class that you have prepared the readings – these will not be repeated in class. You may be called on to present a summary of readings at the start of class. It is an explicit condition of signing up for this class that you can expect to be cold called.

**GRADING:**

Class participation	20%
Readings report	15%
Innovation assessment	50%
MarketBusting presentations	15%

**Individual contribution to Group Effort:**

In order to minimize the (mercifully rare) free rider problem with respect to group work, you will be asked to rate the contribution of each of the other group members by assigning a percentage score to each member, using the GROUP MEMBER EVALUATION FORM below. Note that you should assign each member a score from 1 to 100% for your perception of the contribution they made to the group effort. If you think all your other team members contributed equally, you would give **each** member a score of 100%. These scores will be used to calculate a weighting score that will be applied to the individual's group work as follows

PERCENTAGE GIVEN TO PERCENTAGE GIVEN BY	TO A	TO B	TO C
<b>BY A</b>	NA	100	65
<b>BY B</b>	85	NA	55
<b>BY C</b>	75	100	NA
AVERAGE	80	100	60

GRAND AVERAGE  $(80+ 100+ 60)/3 = 80$

**FINAL WEIGHTING:**

= AVERAGE/GRAND AVERAGE =      80/80    100/80    60/80  
                                                                  1.00    1.25    0.75

**SO IF TEAM REPORT SCORE WAS 80 POINTS**

A WOULD GET  $1.00*80 = 80$   
 B WOULD GET  $1.25*80 = 100$   
 C WOULD GET  $0.75*80= 60$

On one extreme occasion one group member (free-rider) got an F while another got an A

COURSE OUTLINE – The specifics of course timing may change during the semester

The numbers **without** Ch in front of them refer to the list of readings at the end of this syllabus; the numbers **with Ch** in front of them refer to the Chapters in the textbook

Session	Q3 Date	Q4 Date	TOPIC	Readings
1	14 Jan	16-Mar	Introduction: Strategy as Continuous Innovation	1, 2 Ch1
2	21-Jan	18-Mar	MarketBusting: Attribute Map	3, 24, Ch3
3	26-Jan	23-Mar	Pitches: Students will pitch projects for maximum two minutes to recruit team members MarketBusting: Consumption Chain	4, 7, 8, Ch2
4	28-Jan	25-Mar	DUE: Team member list. If you are not in a team by today you will be assigned to one Description of Assignments: Innovation assessments, elevator pitches, reading reports MarketBusting: Business Model Disruption <a href="http://hardwirednyc.com/gallery/josh-stein-adheretech/">http://hardwirednyc.com/gallery/josh-stein-adheretech/</a>	10, 15, 25, Ch4 View Stein video
5	2-Feb	30-Mar	MarketBusting: Harvesting Change	12, 18, Ch5
6	4-Feb	1-Apr	Guest speaker Josh Stein Team presentation: MarketBusting proposal for Adhere Technology	13, 14,
7	9-Feb	6- Apr	Innovation portfolios	16, 17
8	11-Feb	8-Apr	Engineering uncertain investments	5
9	16-Feb	13-Apr	Discovery Driven Planning	9, 11, 23, Ch7
10	18-Feb	15-April	MarketBusting Exploiting data networks: MasterCard case	19
11	23-Feb	20-April	Team presentation: MasterCard - Data Network Lens: Gary Kearns	20, 21
12	25- Feb	22-April	Competitive Response Drivers of change	
13	2 Mar	27-April	Downsiding: DRAT Analysis and Disengagement	6, 22, Ch8
14	4 Mar	29 April	Strategic management of knowledge: Guest speaker – Martin Ihrig Submit PowerPoint Decks of Team Innovation Assessment Submit Readings Report	

## Innovation Assessment Description

This project is intended to help you refine your skills at assessing the potential of a proposed innovation and designing a system to commercialize it.

Form a team consisting of at least 5 members. Assume the role of a team charged with commercializing an innovation. Select an innovation that really interests your team. Startups are OK, as are innovations being considered by existing firms – even innovations being considered by previous/current employers of group members.

Your goal is to learn enough about the innovation; using whatever data sources you can, to prepare a report in PowerPoint presentation format of your assessment of the innovation's feasibility and an appropriate strategy for commercializing the innovation.

The following outline should serve as a guide, but use your own best judgment as to the best way to present your work. Confine your presentation **no more than 20** PowerPoint slides. Your Discovery Driven Plan, Consumption Chain, Attribute Maps, and other exhibits, supporting materials and additional analyses should not be more than another 12 slides.

1. **Executive Summary**
2. **Impact statement** Description of the innovation, the problem to be solved, how your innovation solves it better than the current alternatives, what the intellectual property issues (if any) are with this innovation, and expected financial benefits
3. **Market analysis.** Analysis of the market for the innovation: the market arenas that will benefit from your project and the benefits, the target revenue segments you selected, (or target application arenas in the case of an internal project), with value propositions, the revenue model and profit model or, in the case of an internal project, the cost/benefit model.
4. **MCA analysis.** The most competitive alternative solutions, benchmarks these MCA's are setting, what makes you better, and what protects you from competitive matching?
5. **Operations Specification** Required scope of your effort, resources and capabilities that must be developed, alliances and partnerships you suggest
6. **Discovery Driven Plan** for implementing the innovation, including reverse financials, operations spec and benchmarks, checkpoint/assumption table, a sensitivity chart and your Barebones NPV. Your DDP should have maximum twelve major CheckPoints and a maximum twenty assumption ranges.
7. **Recommendations and key risks.** What the team should do next, and why you feel this is the best way to proceed. Your recommendation may be to not go forward, in which case your analysis should show why. Critical environmental risks, customer-response issues, competitive reaction scenarios, impact on your base-case discovery driven plan, contingency plan.
8. **Appendices**
  - a. Your consumption chain showing major links with trigger events, attribute maps compared to the MCA
  - b. A completed DRAT table for expected external and internal resistance, if any
  - c. Other appendices that you deem important to support your case.

## **READINGS REPORT DESCRIPTION (NOTE: THIS IS A GROUP PROJECT)**

You will be required to submit a five-page report describing how the bulkpack (not textbook) readings applied to your innovation project.

The structure is simple: Pick five of the readings that you think were particularly appropriate for shaping the decisions your team made about your innovation. Explain what concepts and conclusions were useful to you and how you incorporated the learnings into your innovation assessment.

**Appendix:** List all readings (including your top five) and rate each reading's usefulness along the spectrum: 0= no value, 1= some value, 2= useful, 3= very useful.

At the end of the appendix also include any recommendations of readings that your team is aware of that did not appear in the required readings list, but you feel should be included.

Finally list any readings that have been used in other courses, and specify the course

This report will then be used to improve the readings for this course.

THE READINGS REPORT WILL COUNT 10% TOWARDS YOUR FINAL GRADE

**(NOTE: THIS IS A GROUP PROJECT)**

GROUP MEMBER EVALUATION FORM: E-mail to your TA on the day the Innovation Assessment is submitted

GROUP NAME  
GROUP LEADER

YOUR NAME: SOCIAL SECURITY NUMBER:

GROUP MEMBER'S NAME (PLEASE PRINT)	PERCENTAGE EFFORT
<b>DO NOT RATE YOURSELF</b>	

## 802 READINGS

1. Bower, Joseph L. and Christensen, Clayton M. 1995. 'Disruptive Technologies: Catching the Wave' Harvard Business Review January/February, 1995.
2. Drucker, Peter. F. "The Discipline of Innovation". Harvard Business Review, November/December, 1998.
3. Mullens, John W. "Why Business Plans Don't Deliver", MIT Sloan Management Review, June 22, 2009.
4. Von Hippel, E. 1986. 'Lead Users: A Source of Novel Product Concepts' Management Science v32n7.
5. Lynn, Gary S., Morone, Joseph G., Paulson, Albert S. "Marketing and Discontinuous Innovation: The Probe and Learn Process". California Management Review, Spring 1996, Vol. 38, Issue 3, p. 8.
6. Horn, Lovallo and Viguerde. "Learning to let go: Making better exit decisions" McKinsey Quarterly online journal; mckinseyquarterly.com.
7. Selden, L and MacMillan, I.C. "Manage Customer-Centric Innovation - Systematically" Harvard Business Review April 2006. pp. 108-116.
8. L. Selden and Ian C. MacMillan. "The Incumbent's Advantage" Harvard Business Review, October 2008 pp 111-122
9. Rice, M, O'Connor, G. and Pierantozzi, R. "Implementing a learning plan to counter project uncertainty" MIT Sloan Management Review, Vol. 49, No 2 (Winter 2008) 54-62.
10. Gourville, J.T. "Eager Sellers and Stony Buyers: Understanding the Psychology of New-Product Adoption" Harvard Business Review June 2006.
11. Clark, Gilbert and M. J. Eyring "Beating the Odds When You Launch a New Venture" Harvard Business Review Reprint R1005G
12. Schwartz, Nelson D. "Online Banking Keeps Customers on Hook for Fees". New York Times, October 15, 2011.
13. Gladwell, Malcolm,, "Creation Myth" The New Yorker, May 16, 2011.
14. W. Brian Arthur. "The second economy" McKinsey Quarterly, October, 2011.
15. Finding the Right Job for Your Product
16. How to Manage Outside Innovation
17. The 12 Different Ways for Companies to Innovate
18. The 4 Ways IT Is Revolutionizing Innovation
19. The 5 Myths of Innovation
20. The Era of Open Innovation
21. The Innovation Catalysts
22. Why Companies Should Have Open Business Models
23. McGrath and MacMillan Discovery Driven Planning
24. Draw the Hassle Map of Flyers to Truly Understand Their Journey
25. Economist: Super subs