MGMT 612: MANAGING THE EMERGING ENTERPRISE
Spring 2020

TEACHING TEAM

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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, industries, and markets as they scale and develop over time. We offer an integrated view of the human capital, strategic, and international opportunities and challenges in these contexts. The course has three main parts, and two "bookend" events. The first bookend is a session in which you meet the entire teaching team and receive a roadmap for the entire semester. The culminating event will be the presentation of your team project, which will give you and your team the opportunity to analyze a real-world organization of your choosing using the tools you have accumulated in the course.

The first part of the course, taught by Professor Nary, 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 strategic thinking, industry analysis, value creation strategies and business models, platforms and ecosystems, disruptive innovation, scaling, and boundaries of the enterprise. While we often discuss these topics from the perspective of emerging enterprises, it is important to note that strategic competition cannot ignore incumbents, and so our frameworks also need to take into consideration the perspective from established competitors' position.

The second part of the course, taught by Professor Cameron, 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 third part of the course, taught by Professor Hernandez, stresses the deep and persistent cross-national differences in economic, political, legal and social institutions that affect the strategy, business model, and performance of firms. We will focus on the core questions managers need to answer in the process of taking a business abroad. We begin by asking when crossing national borders creates value for the firm (the 'why'). We then address where the firm should locate its activities (the 'where'). Inseparable from location decisions are choices about how the firm modify its business model to conditions in different countries and about the entry mode by which the firm enter new markets (the 'how'). After covering these timeless global strategy issues, we consider timely global topics: how globalization helps firms innovate, how to operate in emerging markets with poorly developed institutions, and how to manage relations with governments and other stakeholders. The module will give you a toolkit to evaluate opportunities for improving a firm performance through internationalization.

CLASS SESSIONS AND PARTICIPATION

Each class will consist of a combination of case discussions, hands-on activities, and lectures. We expect you to read all of the assigned materials for each session before class and to participate actively during class. Participation is an important component of your grade, and we will assess the quantity and quality of your participation during each class. Speaking a lot in class will not necessarily lead to a better grade. We will focus on quality more than quantity, but we cannot evaluate your participation if you do not speak up. The best way to be prepared to make a quality comment in class is to read the materials carefully and prepare answers to the study questions in the syllabus. You should also be attentive and ask questions of the professors and of your peers—another excellent way to participate.

The most basic form of class participation is attendance, which we will take every day. We will follow the MBA office policy to excuse absences. If you are sick, email us to explain your condition within a reasonable time frame and you will be excused. If you are facing a personal setback, please communicate your situation to us or an MBA office advisor and we will determine if the absence can be excused. If you have children and cannot make childcare arrangements, your child is welcome in the class. If possible, let us know ahead of time so we can make the necessary accommodations. If you have a sick child and cannot find childcare, please let us know and we will excuse the absence as if you were sick. Most other reasons for missing class are **not** excused, including recruiting-related events.

We will be following the Wharton MBA policy of **no electronic devices in class** (computer, tablet, or phone), **even to take notes**. This policy is based on significant research, coupled with our past experience here at Wharton, demonstrating that learning outcomes are superior without electronic devices. We will be posting slides and other materials used in class on Canvas, usually after class, to facilitate note-taking and avoid having you write down what is on the slides. If an in-class activity requires a laptop or tablet, we will notify you ahead of time.

We will adopt the following practices:

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

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." Below is the Ethics matrix for the course.

MGMT 612 Managing the Emerging Enterprise	Materials							People				
	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. The Wharton MBA Code of Ethics 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.

TEXT AND READINGS

All readings can be purchased from Study.Net and accessed directly from the course Canvas site.

GRADING

Your grade will be determined by the following assignments:

- Strategy write-up due on Sunday, February 16 by 11:59 pm (15%)
- Human & social capital write-up due on Sunday, March 29 by 11:59 pm (15%)
- Global strategy memo due on Sunday, April 19 by 11:59 pm (15%)
- Class participation (25%)
- Team project (30% total; 5% for presentations, 25% for paper)
    - Proposal due on Feb 27
    - Presentations on April 21 and 23
    - Final paper due on May 1

ASSIGNMENT DETAILS

(1) Strategy Write-up: You will answer the questions associated with the case assignment that will be distributed via Canvas on January 30th (Strategy Session #3). Your main task is to answer the questions and to provide a recommendation using the frameworks and concepts learned in class. The write-up should be uploaded on Canvas by 11:59 pm on **Sunday, February 16**. Your paper should be a maximum of 1,000 words, not including exhibits, titles, and the header. There will be a penalty for being over the maximum word count. This is an individual assignment: you cannot discuss this case with anyone. You may choose to attach 1 or 2 exhibits based on your analysis if they directly support the arguments you make, but this is not a requirement.

(2) Human & Social Capital Write-up: 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, you will use your job as the case material that allows you to demonstrate your understanding of course theories/concepts. You may use concepts from the HSC class sessions 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, noting the five separate concepts within it)** from the HSC sessions by making specific links between theories/concepts and key elements of your job experience.
2. 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. The instructor will offer additional guidance with 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.
- Be sure to explore your 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.

The write-up should be double-spaced, with 12-point Times New Roman font and 1-inch margins. The maximum length is 1,000 words (plus or minus 5%). Please include a word count on the top right header on the front page (the title does not count towards the word limit). 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. This is an individual assignment. No teamwork is allowed. The write-up is due **by Sunday, March 26** submitted on Canvas by 11:59 pm.

(3) Global Strategy Memo: The professor will post a short article on Canvas describing the global strategy of a company. Your task is to write a concise memo addressed to the CEO of the firm, evaluating the global strategy based on the concepts covered in class. Detailed instructions regarding the assignment can be found on Canvas under Assignments > Global Strategy Memo. Your memo should be submitted on Canvas by **Sunday, April 19** at 11:59 pm. You are allowed a maximum of 1,000 words. Please include a word count at the very beginning (the memo header does not count towards the word limit). The memo should be single spaced with 12-point font and 1-inch margins. This is an individual assignment. No teamwork is allowed.

(4) Team project (details at the end of the syllabus).

FACULTY LUNCHES

We will schedule a number of informal lunches with the course faculty. These are totally optional. Each professor will provide instructions on how to sign up for their respective lunches.

COURSE OUTLINE

#	DATE	TOPIC & ASSIGNMENTS
1	Jan 21 (T)	**COURSE INTRODUCTION (ALL PROFESSORS)** **Reading:** "'It's Definitely Pretty Empty': Why Saving WeWork Will Be Hard" *New York Times* (24 October 2019) "'You Don't Bring Bad News to the Cult Leader': Inside the Fall of WeWork" *Vanity Fair* (21 November 2019) **Study Questions:** 1. Why do you think WeWork didn't live up to the hype? 2. Come to class ready to justify your answer to the previous question by considering factors related WeWork's approach to managing people, to its competitive strategy, and to its international growth strategy.
2	Jan 23 (TH)	**STRATEGY SESSION 1: INTRODUCTION TO STRATEGY AND STRATEGIC THINKING** **Reading:** Richard Rumelt "The Kernel of Good Strategy", Chapter 5 from "Good Strategy/Bad Strategy..", p. 77-94 (SKIM) Timothy A. Luehrman "Strategy as a Portfolio of Real Options" 98506-PDF-ENG (SKIM) Giovanni Gavetti, Jan W. Rivkin "Use and Abuse of Analogies" 703429-PDF-ENG **Study Questions:** 1. What is strategy in the abstract? What is at the core of a strategy? 2. How do you personally and professionally approach making strategic decisions? Are there some important factors or considerations that you always consider across strategic decisions? 3. What are some examples of what you would consider a great strategy put into action? 4. Who would you consider a world-class strategist? Why?
3	Jan 28 (T)	**STRATEGY SESSION 2: INDUSTRY ANALYSIS AND POSITIONING** **Reading**: Michael E. Porter "Understanding Industry Structure" 707493-PDF-ENG (Case) Andreessen Horowitz 814060-PDF-ENG

		Study Questions: Come prepared to discuss the overall state and structure of the VC industry as described in the case, paying special attention to where, how, and why a24z approached things differently.
4	Jan 30 (TH)	**STRATEGY SESSION 3: BUSINESS MODELS, VALUE CREATION, COMPETITION, COOPERATION, AND.. JUDO?** **Reading**: Pankaj Ghemawat, Jan W. Rivkin "Creating Competitive Advantage" 798062-PDF-ENG (Skim, note the Entrepreneurial Strategy Compass) Joshua Gans, Erin L. Scott, Scott Stern "Strategy for Startups" https://hbr.org/2018/05/do-entrepreneurs-need-a-strategy#strategy-for-start-ups (Case) Freshtec: Revolutionizing Fresh Produce 511059-PDF-ENG **Study Questions:** Consider FreshTec and its technology, its value, the nature of the potential competitive advantage, and where and how it may fit within the existing supply/value chain. 1. What should FreshTec's entry strategy and business model look like? 2. Who benefits from this technology, and how can FreshTec create and capture value in this context?
5	Feb 4 (T)	**STRATEGY SESSION 4: COLLABORATIVE APPROACHES: PLATFORMS, ECOSYSTEMS, COMPLEMENTORS, NETWORK EFFECTS** **Reading**: Feng Zhu, Nathan R. Furr, "Products to Platforms: Making the Leap" R1604-PDF-ENG; (SKIM) Marco Iansiti, Roy Levien "Strategy as Ecology" R0403E-PDF-ENG (Case) HTC and Virtual Reality 718421-PDF-ENG **Study Questions:** 1. Come prepared to talk about the challenges faced by firms that seek to enter or develop platforms/ecosystems. 2. For the HTC case specifically, think about the VR ecosystem and its competitive landscape. How should HTC approach this business, given the options and factors discussed in the case?
6	Feb 6 (TH)	**STRATEGY SESSION 5: COMPETITIVE MOVES: DISRUPTION, BLUE OCEANS** **Reading:** Clayton M. Christensen, Michael E. Raynor, Rory McDonald "What is Disruptive Innovation" R1512B-PDF-ENG

		(SKIM) Joshua Gans "Keep Calm and Manage Disruption" SMR550-PDF-ENG;
		(Case) Redfin: Redefine Real Estate 718430-PDF-ENG
		Study Questions:
		1. Why is the real estate industry so inefficient and slow to change?
		2. How are Redfin and Zillow "disrupting" the real estate industry? How does each create value? How are their business models and strategies different or similar?
		3. Where should Redfin go from here?
7	Feb 11 (T)	**STRATEGY SESSION 6: STRATEGIES FOR SCALE AND GROWTH**
		Reading:
		Reid Hoffman, Tim Sullivan "Blitzscaling" R1604-PDF-ENG
		(SKIM) Ron Carucci "Midsize Companies Shouldn't Confuse Growth with Scaling" H030ZN-PDF-ENG
		(Case) Hello Alfred: Come Home Happy 316154-PDF-ENG
		Study Questions:
		1. What is Alfred's business model? Would you suggest any changes or improvements before choosing to scale the business?
		2. How should Alfred approach its scaling strategy, and what factors, opportunities and pitfalls should it consider? Should it aim to expand into new metro areas, or grow its presence where it already operates?
		3. Are there any other scaling opportunities for Alfred to consider, for example through partnerships, and how should it approach those?
8	Feb 13 (TH)	**STRATEGY SESSION 7: TRANSITIONS: CORPORATE SCOPE, EXPANSION, EXITS + STRATEGY MODULE WRAP-UP**
		Reading:
		P. Ghemawat and J. Rivkin. 2010. "Choosing Corporate Scope," Strategy and the Business Landscape (3rd ed.), Ch. 6, pp. 123 – 147
		Mini-cases and activities in class - additional readings may be distributed via Canvas prior to class
		February 16: Strategy memo due by 11:59 pm (via Canvas)

| 9 | Feb 18 (T) | **HSC SESSION 1: MOTIVATING INDIVIDUAL PERFORMANCE**

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 start with the central topic of motivation, introducing a number of different behavioral theories (e.g. needs, goal-setting, expectancy, cognitive evaluation). We also introduce various motivation theories from the behavioral sciences and contrast them with more economics-based views of motivation which emphasize financial incentives and contract-based goal alignment.

Question: *What can the study of human resources tell us that is 'above and beyond' common sense? What are some of the ways new technologies may change the way we are thinking about HR theories and systems?*

Reading:

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.

Steven Kerr, "On the Folly of Rewarding A While Hoping for B," *Academy of Management Journal*

(Case) Uber: Repaying Technical and Organizational Debt. Stanford GSB Case. Access at: http://web.stanford.edu/~lradloff/inklingreviews/uber.html. *Note: Please use the link as this is a multi-media case with videos and interactive exhibits.*

Study Questions:

1. What signals did the leaders of Uber's engineering division have in 2015 and 2016 that things may be heading in a bad direction for the company?

2. What were the primary needs of Uber employees? How did technical and organizational debt influence these needs being (not) met?

3. Could Thuan Pham and his team have done a better job of picking up on signals that the company's technical and organizational debt was reaching a critical point? What might you have done differently?

4. How can Pham and his team measure and manage technical and organizational debt going forward? How can Pham motivate workers to consider the two in their everyday activities? |
| 10 | Feb 20 (TH) | **HSC SESSION 2: DESIGNING REWARDS SYSTEMS**

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. We will discuss reward systems in the context of Netflix and its distinctive culture and management practices. Start with their PowerPoint presentation "Reference Guide on our Freedom and Responsibility Culture". Skim the |

whole thing (many text slides but a quick read), noting in particular the sections "Pay Top of Market" and "Promotion and Development", slides 92-117.

Question: *What other types of rewards systems have you encountered (e.g., piece-rate, commissions, tournament systems) and how do you think it would affect some of the concepts of motivation we discussed in the previous class?*

Reading:

Stephen P. Robbins & Timothy A. Judge, "Equity Theory," from *Organizational Behavior,* 12th edition, Englewood Cliffs, N.J.: Prentice Hall, pp. 203-207.

Elliot Aronson, "The Rationalizing Animal," *Psychology Today*, p. 67-77.

(Case, *Focus on slides 92 - 117)* Netflix Freedom and Responsibility Culture (company document)

Study Questions:

1. How well does the Netflix approach to compensation, promotions, and dismissal/retention succeed at meeting "strong incentive" and "equity/fairness" criteria?

2. In what ways does the reward system at Netflix fit, and help achieve, its strategy?

3. What might be vulnerabilities or problems that could arise from the Netflix approach to reward systems? From its overall approach to culture?

4. Would you want to work at Netflix? Why or why not?

| 11 | Feb 25 (T) | **HSC SESSION 3: DESIGNING JOBS** |

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.

Question: *How might technology and, more specifically, algorithms shape the way that organizations may design jobs and how workers may craft their jobs?*

Readings:

"Frederick Winslow Taylor: Father of Scientific Management," selection from *Business: The Ultimate Resource*, Cambridge, MA: Perseus Publishing, pp. 1054-55.

Talya Bauer, Berrin Erdogan "Motivating Employees Through Job Design," Section 6.2 in *Organizational Behavior*, Flat World Publishing

(Exercise) **Complete the Job Crafting Exercise and be prepared to discuss your results in-class.** To complete this exercise please think about the last job you held before entering Wharton.

		Optional Podcast (example of personal reflections on today's topic): Podcast - Sierra Reid on Creating Your Own Career**: https://alltogether.swe.org/2019/11/sierra-reid-creating-your-own-career/
12	Feb 27 (TH)	**HSC DAY 4: RECRUITING & SELECTING EMPLOYEES** 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 three shorter cases provide an opportunity to analyze one company's attempt to integrate algorithms into their recruiting and selection practices. Question: *Would you follow a recommendation from an algorithm about who to hire? In what types of hiring decisions would you trust the algorithmic more or less?* **Reading** Benjamin Schneider, "The People Make the Place," *Personnel Psychology,* Vol. 40, pp. 437-53 (Case) Grow: Using Artificial Intelligence to Screen Human Intelligence. HBS Case (Mini-Case) "A startup claims to have finally figured out how to get rid of bias in hiring with brain games and artificial intelligence": Business Insider, Sept 2017 https://www.businessinsider.my/hiring-diversity-brain-games-artificial-intelligence-automation-2017-9/ (Mini-case) Linkedin and Modern Recruiting (Part b). Stanford Case. **Study Questions:** 1. How objective (or not) are the hiring procedures used by Grow, Pymetrics, and Linked-In? 2. What are some of the potential benefits of integrating these AI-practices into each case? Pitfalls? 3. How serious is the threat of potential biases for each of these systems and how would you mitigate them? 4. How might you integrate these AI practices into traditional hiring practices (e.g., interviews soft referrals)?
		February 27: Team Project Proposal due by 11:59 pm (via Canvas)
13	Mar 17 (T)	**HSC SESSION 5: PERFORMANCE APPRAISALS** We will discuss appraisal of individual employees as an important but difficult-to-manage component of any effective performance management system, including: why performance appraisal is crucial to maintaining motivation and aligning incentives; **w**hy nobody likes the process

		– due to built-in conflicts within the individual, within the organization, and between the individual and the organization; and "best practices" for performance appraisal. A specific focus will be the recent trend to eliminate traditional performance appraisal in favor of a variety of new approaches including qualitative assessments and people analytics. Question: *What types of appraisal systems have you experienced in your prior jobs and how was it perceived by employees and leadership? How might people analytics positively or negatively impact performance appraisals?* **Reading:** John J. Gabarro and Linda A. Hill, "Managing Performance" Peter Cappelli and Anna Tavis, "The Performance Management Revolution" (Case) Two Brothers, Two Methods: "Happiness Index" vs. "Data & Analytics" **Study Questions:** 1. How do you think the brothers' upbringing, education, and prior work experience shaped their management styles? 2. What was the impact on the "Happiness Index" on performance? How does it differ from engagement and customer service surveys? 3. How would you characterize the hiring and compensation practices of both companies? How would that impact operations and performance? 4. Which company (ARK or WCC) is more scalable? A better place to work? A place where you would want to work?
14	Mar 19 (TH)	**HSC SESSION 6: ORGANIZATIONAL DESIGN & ARCHITECTURE** Organizational design is hard to get right - especially in the aftermath of rapid growth. In this class, we will explore different types of organizational designs and how they affect information flows and people processes. A specific focus will be how artificial intelligence (AI) is shaping organizational design choices. Question: *How might an organization's structure change as it moves through periods of growth? What transition between structures might be most challenging for workers? How can different work arrangements (e.g., contract/temp work) and technology (e.g., AI, remote work) shape organizational design choices?* **Reading:** Richard M. Burton, Borge Obel and Gerardine DeSanctis "Organizational Design, a Step-by Step Approach, Chapters 4 (pp.59-84) (Case) Algorithms to Style People: StitchFix applies Data to Fashion (Mini-Case) **Focus on the empirical examples of flash teams & bring your laptop for an in-class exercise.** Retelny et al. (2014). Expert Crowdsourcing with Flash Teams. *ACM.* 978-1-4503-3069-5/14/10.

		Study Questions:
		1. What were some of the tasks for which algorithms were employed by Stitch Fix?
		2. Were there tasks that algorithms executed better than human beings?
		3. How did the human stylists augment the tasks performed by algorithms?
		4. How might algorithms shape the way StitchFix adapts its organizational design going forward?
15	Mar 24 (T)	**HSC DAY 7: MANAGING HUMAN RESOURCES FOR ORGANIZATIONAL PERFORMANCE**
		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. We will also revisit Netflix for an example of another high-performance work system.
		Reading:
		Jeffrey Pfeffer, "Producing Sustainable Competitive Advantage Through the Effective Management of People," *Academy of Management Executive*, Vol. 19 (4): pp. 95-106.
		(Case) Southwest Start-up. Also revisit Netflix case (Day 2, slides 92 -117)
		Study Questions:
		1. What are the strategies of Southwest and Netflix? How would they answer the question, 'What business are we in?"
		2. How do Southwest and Netflix's system for managing people and its culture link to the execution of its strategy?
		3. What would cause Southwest to fail? Netflix? What are different safeguards they have in place to lessen that possibilities?
		4. What are similarities between Southwest and Netflix? Differences? Can either of their successes of Southwest and Netflix be easily replicated? Why or why not?
16	Mar 26 (TH)	**GLOBAL STRATEGY SESSION 1: WHY SHOULD FIRMS (NOT) INTERNATIONALIZE?**
		Reading:
		Introduction and summary of ADDING Framework in "Summary of Global Strategy Frameworks"
		(Case) "Haier: Taking a Chinese Company Global." HBS 9-706-401

If needed, review the concept and calculation of net present value (NPV) analysis: "A Refresher on Net Present Value" by Amy Gallo (https://hbr.org/2014/11/a-refresher-on-net-present-value). If you have a strong background in NPV analysis, you can skip this.

Optional Reading (example of academic research on today's topic):

Chang, Kogut, and Yang (2016) "Global diversification discount and its discontents: A bit of self-selection makes a world of difference." *Strategic Management Journal*, 37(11): 2254-2274.

Study questions:

1. What made Haier so successful in China during its startup phase (from 1984 to the mid 1990's)?

2. Do those same factors help Haier succeed internationally as the company matures (post mid 1990's)?

3. Did Haier make the right decision by globalizing first into developed markets?

March 29: HSC write-up due by 11:59 pm (via Canvas)

| 17 | Mar 31 (T) | **GLOBAL STRATEGY SESSION 2: WHERE SHOULD FIRMS INTERNATIONALIZE?**

Reading:

Pankaj Ghemawat, "Distance Still Matters," *Harvard Business Review*, Sep. 2001

(Case) "Uber Growth: The Globalization of a Startup" Wharton School Case
(Download the spreadsheet that goes with this case from Canvas (Files > Global Module > Uber Spreadsheet for use in class.xlsx. Bring your laptop/tablet with the spreadsheet to class.)

(Mini Case) "Uber to Sell Its Southeast Asia Business to Grab, a Regional Rival" *New York Times*, 25 March 2018.

Optional Reading (example of academic research on today's topic):

Exequiel Hernandez (2014), "Finding a Home away from Home: Effects of Immigrants on Firms' Foreign Location Choice and Performance." *Administrative Science Quarterly, 59 (1): 73-108.* (A summary of this article can be found at http://knowledge.wharton.upenn.edu/article/foreign-firms-immigrant-workforce/).

Study Questions:

1. How did Uber choose foreign markets in its first several years? Do you agree with Uber's attempts to standardize its globalization playbook? Why?

2. What types of CAGE "distances" are most (and least) impactful for expanding Uber's business into new countries?

3. Why did Uber scale back its foreign expansion ambitions—selling its operations in China, Russia, and SE Asia? |

18	Apr 2 (TH)	**GLOBAL STRATEGY SESSION 3: HOW SHOULD FIRMS INTERNATIONALIZE—STRATEGY?** **Reading**: Summary of AAA framework (in "Summary of Global Strategy Frameworks") Mini Cases: • "How Amazon Adapted Its Business Model to India" by Vijay Govindarajan and Anita Warren, *Harvard Business Review*. • "Netflix, Amazon Take Divergent Paths to Reach Indian Audience" by Shalini Ramachandran, *Wall Street Journal* (1 Nov 2016). • "The Globalization of R&D by US Multinationals: What Are the Effects at Home?" by Theodore Moran and Lindsey Oldenski (https://piie.com/blogs/realtime-economic-issues-watch/globalization-rd-us-multinationals-what-are-effects-home) **Optional Reading (example of academic research on today's topic):** Siegel JI, Larson BZ. 2009. Labor Market Institutions and Global Strategic Adaptation: Evidence from Lincoln Electric. *Management Science* 55(9): 1527–1546. **Study Questions:** 1. What are the differences in the global strategies of Amazon, Netflix, and the US firms doing R&D abroad described in the mini-cases? 2. How do these companies create and capture value in each case? 3. What risks is each company taking by the kind of strategy they are following in foreign markets?
19	Apr 7 (T)	**GLOBAL STRATEGY SESSION 4: HOW SHOULD FIRMS INTERNATIONALIZE—ENTRY MODE?** **Reading**: Summary of BBB framework (in "Summary of Global Strategy Frameworks") Mini Cases: • "An Insider's Account of the Yahoo-Alibaba Deal," by Sue Decker, *Harvard Business Review* (August 2014) • "How a 10-month-old startup's founders convinced investors to give them millions of dollars to buy a 93-year-old German razor factory," *Business Insider*, 13 June 2015 • "Lyft, Didi, Ola And GrabTaxi Partner In Global Tech, Service Alliance To Rival Uber," *TechCrunch*, 3 December 2015 **Optional Reading (example of academic research on today's topic):** Sanjeev Agarwal & Sridhar N. Ramaswami, "Choice of Foreign Market Entry Mode: Impact of Ownership, Location and Internalization Factors." *Journal of International Business Studies*, March 1992:1-27.

		Study Questions: 1. Why did Yahoo! go from building its own operation in China, to acquiring another firm, to partnering with Alibaba? 2. Why did Harry's acquire Feintechnik? Why not manufacture its own razors or, if Feintechnik makes unusually good razors, sign a simple supply contract to get the razors it needs? 3. Why did Lyft, Didi, Ola, and GrabTaxi establish an alliance? Why not build their own ridesharing services in foreign markets, like Uber has done?
20	Apr 9 (TH)	**GLOBAL STRATEGY SESSION 5: MARKETS WITH POORLY DEVELOPED INSTITUTIONS** **Reading**: Summary of Institutional Voids (in "Summary of Global Strategy Frameworks") (Case) "Mobile Banking for the Unbanked," HBS 9-511-049 **Optional Reading (example of academic research on today's topic):** Tarun Khanna, Krishna Palepu, & Jayant Sinha, "Strategies that Fit Emerging Markets." *Harvard Business Review*, June 2005:4-18. **Study Questions:** 1. Which was the better business model: the third-party (WIZZIT) or the MNO (M-PESA) model? Why? 2. What country-specific factors influenced the performance of WIZZIT in South Africa and M-PESA in Kenya? (Consider infrastructure, institutions, population, regulations, etc.) 3. How would you modify the business models of WIZZIT and M-PESA if you were to take these products into other emerging markets?
21	Apr 14 (T)	**GLOBAL STRATEGY SESSION 6: VENTURE CAPITAL ACROSS BORDERS** **Guest Speaker**: Arun Mathew, Partner at Accel Today we will have the privilege of learning about the globalization of venture capital from Arun Mathew, a Partner at Accel—one of the most globally oriented VC firms in the world. Accel has offices in the Bay Area, London, and Bangalore and has successfully invested in startups all over the world. Some of its most well-known foreign investments include Spotify, Flipkart, Deliveroo, Rovio, Ola, and Curefit. **Reading:** "Venture Pulse Report – Global Trends" by KPMG (This reading is NOT in your study.net course pack. The professor will circulate the most recent report at least a week before class.)

		Please spend time learning about (1) Accel (https://www.accel.com) and (2) Arun (https://www.accel.com/team/arun-mathew). Focus on the international (non-U.S.) startups in which they have invested. **Study Questions:** 1. Your main assignment is to come prepared to ask questions to our guest speaker. Make sure those questions are informed by the background reading and your research about Accel. 2. Put yourself in the shoes of a venture capitalist. What are the unique opportunities and risks of cross-border deals compared to domestic deals? What frameworks from the global module (e.g. ADDING, CAGE, AAA, BBB) are relevant in the context of venture capital? What frameworks are not relevant?
22	Apr 16 (TH)	**GLOBAL STRATEGY SESSION 7: MANAGING NON-MARKET STAKEHOLDERS** (Case) "Uber's Challenges in Foreign Markets (A)" (Wharton School Case) **Study Questions:** 1. What were Uber's main challenges in Germany and India as of late 2014? 2. Who were the key stakeholders making demands on Uber in each market? What did they want? Did Uber do a good job of responding to those stakeholders? 3. If you were Travis Kalanick, what changes would you make to Uber's approach towards dealing with regulators, the public, and other stakeholders?
		April 19: Global Strategy write-up due by 11:59 pm (via Canvas)
23	Apr 21 (T)	**TEAM PRESENTATIONS**
24	Apr 23 (TH)	**TEAM PRESENTATIONS**
		Friday, May 1: Team paper due by 11:59 pm (via Canvas)

Team Project

You will be randomly assigned to a team for purposes of this project. Your assignment is to analyze a company of your choice from the lenses of the three major themes of this course: strategy, human and social capital, and global. The purpose of the project is twofold: (a) to showcase your ability to apply concepts (frameworks, theories, models) covered in class to a real company and (b) to integrate concepts covered in separate modules by exploring the relations and interactions across strategic, human/social capital, and global issues faced by your chosen company. While we will be teaching each module separately and sequentially for didactic purposes, management is a holistic discipline in which strategic, human, and international factors have to be dealt with jointly. This project gives you a chance to develop and showcase such a holistic view.

This assignment has three main deliverables:

1. **Proposal** (due February 27): You will submit, via Canvas, a very brief document (1-page maximum) proposing the company your team will analyze, offering a rough outline of the main topics and concepts you intend to cover, and providing a sense of what sources of information you will draw upon. This proposal will not be graded, but you will receive feedback on whether the choice of company is appropriate and some brief comments on your proposal. The most important issue at this point is to make sure you select a company that fits with the "emerging" theme of MGMT 612: choose an emerging company (e.g. startup or relatively young) or choose an emerging issue faced by a more established company (e.g. entry into a new product space, adoption of a novel technology, etc.).

   You may not select any of the companies that we will be covering during case discussions in class (e.g. Uber, Freshtec, Upwork, WeWork).

   In addition, the following companies are off limits because they have been extensively covered by student groups in past years: ActivisionBlizzard, AirBnb, Beyond Meat, Bonobos, Blue Bottle, Chipotle, Chobani, Etsy, Expedia, FitBit, GitHub, GoPro, Groupon, GrubHub, GymPass, Jet.com (Walmart e-commerce) Kind, Lending Club, LinkedIn, Lululemon, Netflix, NVIDIA, Peloton, Regeneron, Rent the Runway, Shake Shack, Shopify, Spotify, Square, TaskRabbit, Tesla, Tough Mudder, Uber, Wayfair, Wealthfront, Yelp.

   We will follow the rule that a company can only be studied by one team within each section of MGMT 612. If multiple teams within a section propose studying the same company, we will randomly choose one of the teams.

2. **Team Presentation** (April 21 and 23 in class): The presentation, worth 5% of your final grade, provides an opportunity for your team to showcase the main findings of your analysis to the entire class. You will have approximately 8-10 minute to present, followed by a few minutes of Q&A from your classmates. With limited time, you will have to focus on the most important and interesting aspects of your analysis—we do not expect you to cover as much ground as your final paper will. We will be grading the presentations based on the following criteria:

   a. Did you cover topics representing all three modules of the course (strategy, human and social capital, and global)? The coverage need not be equal across modules—often the most interesting issues apply to some modules more strongly than others.
   b. Did you apply at least one concept (theory, framework, model) from each module?
   c. Did you provide clear conclusions or recommendations? In other words, did you actually analyze instead of just describe?
   d. Was there something particularly interesting or creative about the analysis or conclusions?

We will also pay attention to how well your team organized and crafted the presentation itself. While we will not be grading your presentation skills per se, a poor presentation will make it harder for you to deliver on the criteria outlined above. We expect all team members to contribute to the presentation (most if not all members should present, and all should help prepare the presentation). We will provide logistical details—schedule, time limits, etc.—as the presentation day approaches.

3. **Team Paper** (due May 1): The paper is your main deliverable for the project and worth the most points (25% of your final grade). It should be between 6,000 and 6,500 words maximum (approximately 25 pages long double spaced, 12-point Times New Roman font, 1-inch margins). You are allowed to include additional materials (tables, charts, figures) in an appendix that does not count toward the length limit.

   This project and paper are intentionally somewhat open ended because each company and the issues it faces are unique, and thus you should tailor your analysis accordingly. We prefer not to straitjacket you into a certain format or to tell you exactly what kinds of concepts to use to evaluate the company. 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. We will evaluate your paper based on whether the concepts you use in the analysis are relevant to the situation (i.e. did you pick the theories/concepts that best illuminate the firm's situation), applied appropriately (i.e. fit the context you describe), and connected within and across the strategic, human, and global portions of the paper.

   With that in mind, here are some tips and guidelines based on several years of collective experience with this assignment:

   o Be analytical and evaluative! Because you will choose a company that you find interesting, it will be tempting to get carried away with telling the story of the company or with describing its "cool" product or business model. It will also be tempting to "drink the kool-aid" and see everything the company does as good. This is especially the case for young/startup companies that don't have a long track record of performance. To avoid these pitfalls, remember that the purpose of the assignment is to evaluate (not describe) the company: take a stand and defend it using class concepts.

   o The paper must cover concepts from all three modules of the class. But not all modules need to receive equal coverage. Do not think that the more concepts/theories/frameworks you apply, the better. Indeed, if you tried to apply all the concepts covered across all three modules of MGMT 612, you would end up with a shallow paper full of buzzwords! Instead, apply a handful of concepts from each module according to the issues most salient and interesting for your company. Remember to mention course concepts specifically. We shouldn'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—show how they apply.

      ▪ An important corollary to this issue: Beware of over-relying on one favorite or easy-to-use framework. This can lead to a myopic and uninsightful analysis. For example, we see this happen frequently with the use of Porter's 5 Forces in the strategy portion of papers and presentations. Teams at times engage in an overly lengthy and tedious coverage of the 5 Forces model because it is intuitive, easy to apply, and familiar. This often comes at the expense of many other issues that are much more interesting and relevant to the specific company you have chosen. While the 5 Forces may be very important in some cases, they may not in others. The same applies to any framework.

   o These first two points lead to our next recommendation: you do not need to cover everything about the company or its history (although providing adequate context is important). The best papers focus

on one or very few key events or challenges or opportunities, and then take a holistic look at the chosen issue from the three angles represented by each module. For example, one team may choose to focus on their company's choice to enter a new product space, another team may focus on the challenges of scaling from 100 to 2,000 employees, and another on their company's difficulties in expanding into foreign markets. In all three cases, those companies are likely facing or faced other issues that the wisest teams chose to not focus on.

o   Rely on data and documented facts as much as possible. Surely you will do your own fact-finding using Google and other sources with which you are familiar. An excellent list of sources of information on companies, industries, and countries is available at http://guides.library.upenn.edu/mgmt612. Gathering some "primary" data through interviews and discussions with company insiders can be a powerful way to add richness and insight to your paper, though doing so is not required. Inasmuch as you provide quantitative and qualitative data to support your ideas, do not expect the reader to "crunch the numbers" that you display exhibits to see what is really happening. You have to provide the data *and* the analysis.

o   Make sure to choose a company for which you can get sufficient data and information. This is often a challenge for the human and social capital aspects of the firm, because information about the internal workings of a company are not always disclosed—especially for very young firms. In the past, teams get around that challenge by having an inside connection to the company, by conducting interviews with key personnel, and by using the Wharton alumni network to gain access.

o   Because many young or emerging enterprises have not internationalized, students commonly ask if the chosen company needs to have global operations. The short answer is no, the company need not have international operations. You can still apply the frameworks of the global module to determine if it might make sense for the company to internationalize certain activities and, if internationalization makes sense, which locations, strategies, and entry modes would be most appropriate.

o   In addition to applying concepts each module independently (e.g. Porters 5 Forces, CAGE, motivation theories), you should demonstrate the ability to integrate concepts *across* modules (e.g. What implications does a certain strategy have for human and global issues? How does the company culture support the firm's general strategy? As the firm scales globally, can it and should it replicate the organizational- and people-related systems it currently uses?). Such integration can be interspersed throughout the paper or concentrated in one designated portion of the paper. As you work on such integration, don't just state that issue/concept A affects issue/concept B—be explicit about why those interactions across issues arise and how the company should deal with the interactions.

o   Have a section in the paper in which you bring it all together by providing clear conclusions and/or recommendations.

o   Make sure to appropriately cite and give credit for any material upon which you draw. To avoid plagiarism, follow these guidelines: https://guides.library.upenn.edu/copyright/plagiarism.

We believe the team project is an excellent vehicle for you to consolidate your learning from a complex and multidimensional class like MGMT 612, and we hope that these guidelines help make this a rewarding assignment. You and your team should feel free to reach out to the TAs and the professors with any additional questions.