



MGMT 223: Business Strategy Syllabus – Fall 2023

INSTRUCTOR

Professor: **Francisco Ruiz-Aliseda**
Email: franruiz@wharton.upenn.edu
Website: <https://sites.google.com/site/franraliseda/homepage-of-francisco-ruiz-aliseda>
Office hours: By appointment
Sections 1 (Monday and Wednesday at 10:15 AM - 11:45 AM)
2 (Monday and Wednesday at 3:30 PM - 5:00 PM)

TEACHING ASSISTANTS

Section 1: TBA
Section 2: TBA

COURSE DESCRIPTION

MGMT 223 introduces concepts and analytical techniques for creating a sustainable advantage in difficult competitive environments. The perspective adopted for this course is that of the top manager who has overall responsibility for the performance of the firm or of a business unit within the firm. Such a manager needs to understand the basis for the current performance of the firm and to identify those changes (inside or outside the firm) that are most likely to affect future performance adversely or that provide opportunities for the firm to improve its performance. The manager must then use the firm's resources to formulate and implement strategies to compete successfully in its new environment. The strategy must define the scope of the firm's activities, the logic through which the activities result in better performance, and what it is about the firm that allows it to carry out those activities in order to outcompete rival firms. Having a solid understanding of strategy is not only vital for top managers, but is also important for external consultants, auditors, financial analysts, and bankers in evaluating and valuing other firms.

LEARNING OBJECTIVES

The content and coursework in MGMT 223 are structured to achieve the following learning objectives:

- Develop proficiency in business strategy concepts, tools, and frameworks.
- Develop data-gathering and analytical skills to identify strategic problems and opportunities.
- Develop leadership and interpersonal skills as a team member.
- Develop integrative thinking about the concepts learned in MGMT 223 and other courses.

OFFICE HOURS

You are encouraged to meet with me either as an individual or in groups. I will be available by appointment. To set up an appointment, please send me an email specifying the reason why you would like to meet.

COURSE MATERIALS

Readings and cases are available on Canvas. There is **no** required textbook. If you would like to read more, I recommend the following optional textbook: Rothaermel, F. 2020. "Strategic Management" (5th ed.).

FORMAT

To capture the pragmatic but complex nature of the top manager's job, this course is taught through the **case method**. MGMT 223 develops theoretical and conceptual frameworks for strategic management and dedicates itself to apply these frameworks to simulated and real-world situations. These theories and frameworks are designed to help us better understand and analyze managerial problems and opportunities and to develop solutions to deal with these situations. This case-based approach will require students to not only become familiar with the details of the frameworks but learn about many industries. The analysis and discussion of different industry and company situations is the primary class activity. Preparation of the cases and active participation in the discussion are paramount to your learning experience in MGMT 223.

EXPECTATIONS

Our collective goal is to create and enjoy an engaging classroom environment with diverse views and centered on knowledge applicable to our students' future careers. It is our shared responsibility to help each other in the learning process, and we are expected to hold each other accountable to the standards outlined in the Wharton Learning Agreement.

Classroom Conduct:

- Arrive on time, ready to begin, and minimize disruptions throughout the session.
- Display a name tent if appropriate or requested.
- Turn off and put away your phone. If you must keep a phone on because of a personal emergency, you should inform the instructor before class begins.
 - Do not use your laptop or tablet unless for educational purposes as permitted by the instructor.
- Maintain classroom cleanliness.

Preparation and Interaction:

- Be prepared to engage fully in each session through the completion of required work before the session, and your focused attention and active involvement during the session.
- Respect the classroom as an inclusive learning environment where diverse points of view and experiences can be shared to facilitate everyone's learning.
 - Maintain the privacy and intellectual property of everyone in the class by, for example, not sharing recorded images or audio of student or instructor interactions, or course content.

Teamwork:

- Contribute your fair share.
- Hold teammates and yourself accountable to team goals and assignments.
- Support and encourage your teammates.
- Appreciate the diversity of knowledge, skills, and abilities within the team.
- Be honest and transparent in your evaluation of teammates.

Ethics:

- Adhere to the highest standards of honesty and academic integrity.

ACADEMIC INTEGRITY AND USE OF PRIOR MATERIALS

All students are assumed to have carefully read and understood the Code of Academic Integrity. Graders are instructed to flag any suspicious passages for audit, and any violations will result in significant consequences, including but not limited to, grade deductions and/or reporting to the University. This will apply especially to the use of materials prepared by other students in prior terms, such as previously completed case write-ups or summaries of readings. If a student is unsure whether a certain action constitutes a violation of the Code of Academic Integrity, it is that student's responsibility to consult with the instructor to clarify any ambiguities.

GRADING AND ASSIGNMENTS

Grading:

This course is **only for registered students** (no audits). Students will not be graded on a curve. Instead, your grade will correspond to the sum of the points you have accumulated as a proportion of the total points available. This course uses the following grade distribution:

A+: 99-100%	B+: 87-90%	C+: 75-78%	D+: 63-66%
A: 95-98%	B: 83-86%	C: 71-74%	D: 59-62%
A-: 91-94%	B-: 79-82%	C-: 67-70%	F: 58% and below

Grade Appeal Policy:

For all assignments, you will be given a grade that reflects your efforts and that is fair to all other students. Neither lobbying for a higher grade nor whining about your grade will be accepted. However, human errors can occasionally be made. If you feel that the merits of your work have been underappreciated due to such errors, you may submit a grade appeal in the following way:

- Email me a 1-page memo that justifies the reevaluation of your work. The memo must be submitted within a week of the original grade being distributed. It must be no more than 500 words. It should discuss in a concise and specific manner why your work deserves a reevaluation.
- Once this memo is received, your assignment will be reevaluated within 2 weeks. If the appeal is reasonable, your grade will be adjusted accordingly. Note that your assignment can be given a lower grade for other issues found during this reevaluation.

All grade appeals must conform to this procedure. Those that do not conform (e.g., complaining during office hours) will result in a 2-point deduction from your participation points.

Evaluation:

1. Individual	50 points
(1) Class Attendance and Participation	20 points
(2) Case Write-ups	30 points
2. Group	50 points
(1) Learning Team Assignment	15 points
(2) Final Report	25 points
(3) Final Presentation	10 points
(4) Peer Evaluation	
<hr/> Total	<hr/> 100 points

* **No credit (zero points)** will be given to submissions that do not meet the guidelines mentioned in this syllabus.

* **Late submissions** for any assignment will not be accepted.

* All submissions should be **single-spaced, 1-inch margins, and Times Roman 12 pt. font**. To avoid format-related issues, they should be submitted in **pdf file format** (e.g., "filename.pdf").

* **Typos or careless writing will be penalized**. Please proofread your submissions before uploading.

* To ensure a fair and unbiased evaluation, **please do not mention your name in your submissions**.

Assignments:

1. Individual (Total: 50 points)

(1) Class Attendance and Participation (20 points):

Class attendance and participation represent **20%** of your grade. Regular attendance and active participation are critical to successfully completing this course. All missed classes will be noted. The policy on missed classes is to allow each student **two absences**, no questions asked, no penalty. All further absences over this limit will reduce the student's participation grade by **1 point**. Students with an excessive number of absences are at risk of failing the course.

Your participation will be closely monitored. In grading participation, I will look at both the quality and the quantity. Concerning the quality of all assignments, the dimensions that I look for include:

1. Clarity: Is the comment succinct and understandable?
2. Relevance: Does the comment bear on the subject at hand? Comments that do not link up with what the discussion is focusing on can detract from the learning experience.

3. Causal Linkage: Are the logical antecedents or consequences traced out? Comments that push the implications of a fact or idea as far as possible are generally superior.
4. Responsiveness: Does the comment react in an important way to others' comments?
5. Analysis: Is the reasoning employed consistent and logical?
6. Evidence: Have data from the case, from personal experience, from general knowledge been employed to support the assertions made?
7. Importance: Does the contribution further our understanding of the issues at hand? Is a connection made with other cases we have analyzed?

To participate, you should review all required cases. You should be prepared to set forth the core challenge facing the case protagonist(s), offer a critical assessment of the situation, and lay out coherently and persuasively a course of action. **Please analyze the case as it is presented.** Although additional data might be interesting, the “Monday morning quarterback” syndrome is not an effective way to learn about strategic management. You are therefore strongly discouraged from using extra- or post-case data. Note that there is generally no “optimal” method of analyzing a business case. One recommendation is to read the case twice; the first time from start to finish without substantial reflection on the details. Your second read should focus on the details and you should have in mind the questions posed for the case. In most cases, there is both valuable and extraneous information for the questions at hand. Sorting through the information to conduct your analyses and craft your recommendations is one of the skills to be developed in this course. Conducting the case analysis in advance, and arriving prepared for the case discussion, is how one comes to act and think more strategically. At the core of this course is the application of the tools, not just understanding what the tools are. Even with extensive preparation, you will no doubt find that you will gain many new insights through a discussion of the case in class. To maximize your learning in this course, you are encouraged to analyze and discuss the case and the underlying concepts with your classmates.

(2) Case Write-ups (30 points):

On an individual basis, students will be required to choose and submit **6 case write-ups (5 points each)**, which represent **30%** of their overall grade. For the list of individual case write-ups, see W1 to W10 in the “Class Schedule and Preparation” section below. In total, there are 10 individual case write-ups, but for the case it presents, the learning team (see below) is exempt from writing the individual case write-up. Out of the remaining 9 write-ups, you can choose 6 – whichever interests you. As this write-up is an individual assignment, it should not be discussed with anyone.

* Although you need to prepare before class your answers for “In-class Discussion Questions” listed in the “Class Schedule and Preparation” section, you do not need to submit these answers.

* Each write-up is limited to **2 pages** of text. This write-up is due by **10:00 am the day before the respective session**. Please submit your write-up electronically on Canvas. Its title should be in the following format: FALL2023_Sec#_PennID_Write-up#.pdf (e.g., for the case write-up W1 by the student with the PennID of 12345678 in Section 001,

“FALL2023_S001_12345678_W1.pdf”). At the top right corner of the document, please write your PennID (not your name).

2. Group (Total: 50 points)

Early in the course, students will be asked to sign up for a business case (for the list of 10 cases, see L1 to L10 in the “Class Schedule and Preparation” section below). Those who signed up for the same case (limited to a **maximum of 6 individuals on a first-come-first-served basis**) will work together as a group during the semester on various assignments. These group assignments, which represent **50%** of your grade, consist of three parts: a learning team assignment (15%), a final report (25%), and a final presentation (10%).

* On **Sep. 6 at 10:00 am**, the group sign-up sheet will be posted on Canvas. On this sheet, please enter your **PennID** (not your name). The sign-up is due by **Sep. 7 at 10:00 am**.

(1) Learning Team Assignment (15 points):

As the learning team of a business case, each group will lead the in-class case analysis (a total of 50 minutes). First, to facilitate this analysis, the learning team will be asked to present in 10 minutes a summary of the case. Then, the class will break out into small randomly assigned groups for 10 minutes to discuss the questions for the individual case write-up. Each breakout room discussion will be moderated by one learning team member. After this discussion, the learning team will gather the students together and ask one student from each breakout room to share what was discussed. Then, the learning team will present for 20 minutes their analyses of the case questions. This presentation will be followed by 10 minutes of Q&A. Based on the quality of the case summary, the analysis, and the in-class discussion, the learning team will be evaluated and assigned one grade.

* As an incentive, students who sign up for the first learning team (L1) will receive **3 bonus points** (that is, 20% of the learning team assignment grade). Similarly, those in the second learning team (L2) will receive **1 bonus point**. These bonus points will be added to the group assignment grade (that is, the sum of the grades for the learning team assignment, the final report, and the final presentation) before adjusting it based on the peer evaluation. Note that the sum of the group assignment grade and the bonus points cannot exceed 50 points.

* **Before the day of its presentation, the learning team should meet with me at least once to go over its case analysis.** To set up this meeting, please send me an email. At least 24 hours before this meeting, please send me the slides of the case summary and analysis (as a pdf file).

* For the case it presents, the learning team is exempt from writing the individual case write-up.

(2) Final Report (25 points):

For both the final report and the final presentation, each group is required to choose an **emerging privately owned company (that is, less than 7 years old and has not gone public)**. Assuming the role of its top management team, your group will prepare a final

report that discusses (1) strategic analyses of the company (10 points) and (2) three specific recommendations to gain sustainable competitive advantage and achieve long-term performance (15 points). For these analyses and recommendations, your group should apply the concepts and frameworks covered in this course. Your analyses and recommendations should be specific, substantiated with data, executable, and logically coherent.

* As soon as your group has agreed upon the company, please email its name to me. **Only the first group to send me this email will be allowed to choose that company.** Note that every group in both sections of MGMT 223 must choose a different company.

* For your final report and final presentation, it may be useful to consider the “Group Final Project Questions” listed after each session in the “Class Schedule and Preparation” section. Note that you do not need to submit your answers to these questions separately before or after class. These questions are there to help you brainstorm for your final report and final presentation.

* To get full credit, the final report must be supported by relevant data. For the data you use, please cite their sources. The citations should be complete and allow a reader to go to the source if needed.

* The first page of your final report should be a cover page with (1) the company’s name, (2) the section number (e.g., for section 001, “S001”), (3) the group number (e.g., for the learning team for the case on British Satellite Broadcasting vs. Sky Television, “L1”), and (4) the PennIDs (not the names) of the group members. The second page should provide an executive summary of your analyses and recommendations (no more than 400 words). This summary should be followed by the details of your analyses (10 pages) and three recommendations (10 pages), which are limited to a total of **20 pages** of text. Lastly, please provide the references (not included in the page limit).

* Please submit this report electronically on Canvas with the following title format: FALL2023_Sec#_Group#_Report.pdf (e.g., “FALL2023_S001_L1_Report.pdf”). Only one submission is needed per group.

(3) Final Presentation (10 points):

Two sessions near the end of the course are set aside for presentations of your final report. Each group will give a **7-minute presentation** on (1) strategic analyses of its company and (2) three specific recommendations. Each presentation will be followed by **5 minutes of Q&A**, where the other groups assume the role of investors and ask questions about the analyses and recommendations. Based on the quality of the content, the delivery, and the audience engagement, the final presentation will be evaluated and assigned one grade.

* The presentation date and time for each group will be assigned by a random drawing **at the beginning of Session 27**. All groups should be prepared to present during Session 27.

* The first slide should have (1) the company’s name, (2) the section number (e.g., “S001”), (3) the group number (e.g., “L1”), and (4) the PennIDs (not the names) of the group

members. There is no limit on the number of slides, but note that your group will be penalized 2 points if your presentation goes over the given limit of 7 minutes.

* The presentation slides should be submitted by **the day before Session 27 at 10:15 am** electronically on Canvas with the following title format: FALL2023_Sec#_Group#_Presentation.pdf (e.g., "FALL2023_S001_L1_Presentation.pdf"). Only one submission is needed per group.

(4) Peer Evaluation:

Peer evaluation of your effort by group members will influence your individual grades on (1) the learning team assignment, (2) the final report, and (3) the final presentation. First, these group assignments will be graded based on their quality. These three grades will then be adjusted based on the peer evaluation of each group member's efforts and contributions. For the peer evaluation, you will be asked to distribute 100 points across the group members (including yourself) and provide specific comments on each member's efforts and contributions.

* Each student should submit the peer evaluation **before Friday Dec 17th ends** (electronically on Canvas). Students who submit the peer evaluation late will be deducted 3 points from the class participation grade. The format for the peer evaluation will be posted on Canvas later.

CLASS SCHEDULE & PREPARATION

Date	Session	Title	Case	Indiv. Case Write-up	Learning team
08/30	1	Course Logistics and "What is Strategy?"			
09/04		No class (Labor Day)			
09/06	2	Industry Analysis			
09/11	3	continued	<i>BSB vs Sky</i>	W1	L1
09/13	4	Strategic positioning and cost-based competitive advantages			
09/18	5	continued	<i>Walmart</i>	W2	L2
09/20	6	Strategic positioning and differentiation-based competitive advantages			
09/25	7	continued	<i>Gucci</i>	W3	L3
09/27	8	Resources and sustainable competitive advantage			
10/02	9	continued	<i>Airborne</i>	W4	L4
10/04	10	Technological innovation			
10/09	11	continued	<i>HP</i>	W5	L5
10/11	12	Ecosystem disruption and ecosystem defense			
10/16	13	continued			
10/18	14	continued	<i>Spotify</i>	W6	L6
10/23	15	Ecosystem offense			
10/25	16	continued	<i>Alexa</i>	W7	L7
10/30	17	Platforms			
11/01	18	continued	<i>Google</i>	W8	L8
11/06	19	Blue Ocean Strategy			
11/08	20	continued	<i>Cirque du Soleil</i>		
11/13	21	Performance measurement and incentives in firms			
11/15	22	Continued	<i>Safelite</i>	W9	L9
11/20	23	Coordination, adaptation and organizational structure			
11/22		No class (Thanksgiving break)			
11/27	24	continued	<i>Jacobs Suchard</i>	W10	L10
11/29	25	Synthesis			
12/04	26	Group-work day			
12/06	27	Group presentation			
12/11	28	continued			

* **Syllabus is subject to change.** For updates, please closely monitor communications from me on Canvas.

Part I: INTRODUCTION TO STRATEGY

Session 1. Course Logistics and “What is Strategy?”

Readings:

- [Optional] Collis, D. J., and Rukstad, M. G. 2008. “Can you say what your strategy is?” HBR.
- [Optional] Porter, M. E. 1996. “What is Strategy?” HBR.

In-class Discussion Questions (not to submit):

1. In your assessment, what is strategy? Does it matter? What role does it play in the management of companies?
2. Discuss an example of a firm whose strategy you admire and one example of a firm whose strategy is unclear or in your opinion, poorly structured.

Part II: INDUSTRY-LEVEL STRATEGIC ANALYSIS

Session 2. Industry Analysis

Reading:

- [Optional] Porter, M. E. 2008. “The Five Competitive Forces that Shape Strategy.” HBR.

Case: How Tyson Broke the Meat Supply Chain [\[link\]](#)

Group Final Project Questions (not to submit):

- Analyze the industry by assessing each of the five forces of the industry your company is in, perhaps complementing it by value net analysis. How attractive is its business?

Session 3. Industry Analysis (continued)

Case: British Satellite Broadcasting vs Sky Television (HBS #: 9-794-031)

Individual Case Write-up #W1:

1. From 1986's standpoint, use Porter's five forces framework to analyze how the future industry looks like and argue whether it should be complemented by value net analysis.
2. Not using the benefit of hindsight, argue whether BSB made avoidable mistakes, paying special attention to the role of technological innovation.
3. Was standard incompatibility a relevant competitive aspect?
4. Why was being first to market so important to Sky?
5. Does any of the two firms have a relevant advantage over the other once both are in the market? Does it make sense to merge?

Part III: FIRM-LEVEL STRATEGIC ANALYSIS

Session 4. Strategic positioning and cost-based competitive advantages

Reading:

- [Optional] Grant, R. M. 2016. "Cost Analysis." Contemporary Strategy Analysis (9th ed.). Wiley. pp.178- 186.

Session 5. Strategic positioning and cost-based competitive advantages (continued)

Case: Wal-Mart: In Search of Renewed Growth (HBS #: CU20)

Individual Case Write-up #W2:

1. Walmart has been far more profitable than the average competitor in the discount retailing industry. What are the sources of its competitive advantage?
2. Even though one might think that Walmart would be amongst the most hated companies by suppliers, year after year they are voted best to work with. Why?
3. Explain how Walmart's distribution works and what it does to unit costs.
4. Explain why it chose a concentric pattern of expansion and why it keeps competitors from opening locations near its stores.
5. Explain why Walmart was satisfied with the grocery business even though its margins are relatively small.
6. What are the main elements on which Walmart should rely in order to fuel growth in online sales?

Session 6. Strategic positioning and differentiation-based competitive advantages

Reading:

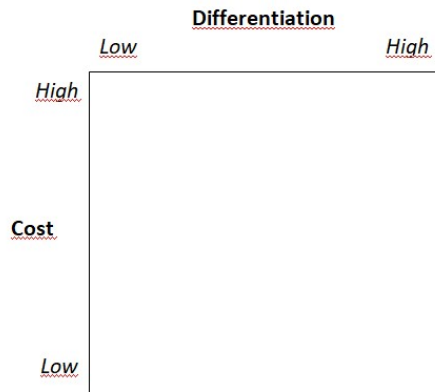
- [Optional] Grant, R. M. 2016. "Differentiation Analysis." Contemporary Strategy Analysis (9th ed.). Wiley. pp.186- 196.

Session 7. Strategic positioning and differentiation-based competitive advantages (continued)

Case: Gucci Group N.V. (A) (HBS #: 701037)

Individual Case Write-up #W3:

1. Map the competitive positions of the different players in the luxury goods business in the diagram below. Identify the best positioned players with some argumentation.



2. What are the critical moves made by De Sole to reposition the company? Why were these moves made? How did it change the positioning of Gucci (plot the changes in the chart above)?
3. Given its current position and its competitors' positions, provide two strategic recommendations for Gucci.

Group Final Project Questions (not to submit):

- Map the competitive positions of your company and its competitors in the chart above. Should your company pursue a cost-based or a differentiation-based competitive advantage? Why?

Session 8. Resources and sustainable competitive advantage

Reading:

- [Optional] Rothaermel, F. 2016. "The Resource-based View." Strategic Management (3rd ed.). McGrawHill. pp.111-118.

Session 9. Resources and sustainable competitive advantage (continued)

Case: Airborne Express (HBS #: 798070)

Individual Case Write-up #W4:

1. Consider the structure of the express mail industry and explain how it has evolved in the recent years, including the reasons for such evolution. Draw conclusions on why this market is so difficult for small competitors.
2. Despite all that, how did Airborne survive, or even prosper in such a hostile industry? The answer should address Airborne's competitive advantage, including type pursued and scope, building on how Airborne carries out a great number of activities differently from its competitors.
3. Looking into the future, what should Robert Brazier, Airborne's President and COO, do in order to strengthen the company's position?

Group Final Project Questions (not to submit):

- Identify the key resources and capabilities of your company. Are they valuable, rare, inimitable and organized? Why?

- Does your company have a competitive advantage? Is it sustainable? Why?

Part IV: INNOVATION

Session 10. Technological innovation

Reading:

- [Optional] Scotchmer, S. 2004. Chapter 3. Innovation and Incentives. MIT Press. pp.65-92.
- [Optional] Christensen, C.M., M.E. Raynor, R. McDonald 2015. “What is disruptive innovation?” HBR.

Session 11. Technological innovation (continued)

Case: Hewlett’s Packard Merced Decision (HBS #: 699011)

Individual Case Write-up #W5:

1. Does the market need the Merced chip?
2. Who will benefit the most from the introduction of the Merced chip in the markets served by ESG? Who will benefit least, and why?
3. What should Jim Davis recommend?

Group Final Project Questions (not to submit):

- Is your company innovative? How does it protect its innovations? Is/was it in a situation of disruptive innovation (whether an attacker or not)?

Part V: ECOSYSTEMS

Session 12. Ecosystem disruption and ecosystem defense

Reading:

- [Optional] Adner, R. 2021. Chapters 1 and 2. Winning the right game: How to disrupt, defend and deliver in a changing world. MIT Press. pp.1-70.

Session 13. Ecosystem disruption and ecosystem defense (continued)

Reading:

- [Optional] Adner, R. 2021. Chapters 1 and 2. Winning the right game: How to disrupt, defend and deliver in a changing world. MIT Press. pp.1-70.

Session 14. Ecosystem disruption and ecosystem defense (continued)

Case: Spotify: Face the music (Update 2021) (HBS #: IESE)

Individual Case Write-up #W6:

1. Apple's iTunes was offering most of the margin per downloaded song to the major music labels. Even though these companies did not stop business with Apple, why were they so eager to turn to Spotify as well, even accepting equity stakes?
2. When Apple Music was initially launched in 2015, it had a qualitatively similar value architecture to the one already built by Spotify. What was Spotify's initial value architecture? Recall it is useful to derive it from what one conceives as the value proposition offered by Spotify to its customers.
3. Spotify reacted to Apple's entry with innovation: it greatly promoted social features, including the revolutionary Spotify for Artists, thanks to its algorithms used for building customized playlists with the help of AI. What was its enhanced value architecture?
4. In mid-2018, Spotify announced that it would allow artists to upload their music directly to Spotify, in an attempt to give a chance to independent artists. Because this bypassed music labels, they reacted harshly, threatening not to provide licenses for growth in India, so Spotify backed down. Explain how this is linked to the subsequent introduction of podcasts.
5. What is Spotify's value architecture after podcasts were introduced?

Group Final Project Questions (not to submit):

- Is your company part of an ecosystem? If yes, what is its value architecture?
- Is/was there ecosystem disruption going on?

Session 15. Ecosystem offense

Reading:

- [Optional] Adner, R. 2021. Chapter 3. Winning the right game: How to disrupt, defend and deliver in a changing world. MIT Press. pp.71-106

Session 16. Ecosystem offense (continued)

Case: Alexa: Who will win the smart home race? (prepared by the professor)

Individual Case Write-up #W7:

1. Perform a five forces analysis of the voice assistant industry in 2014 and argue why it will miss the grand vision that Amazon had for Alexa in its business strategy.
2. Identify five phases of the staged growth process followed by Amazon with Alexa, explaining how each builds on the previous ones.
3. Identify the key assets used by Amazon and their long term impact.
4. If Amazon did not plan to perform substantial innovations in order to carry out its business strategy, why didn't it approach GE early on so as to speed up the growth it envisioned?

Part VI: PLATFORMS

Session 17. Platforms

Reading:

- [Optional] Van Alstyne, M. W., Parker, G. G., and Choudary, S. P. 2016. "Pipelines, Platforms, and the New Rules of Strategy." HBR.

Session 18. Platforms (continued)

Case: Google, Inc. in 2014 (HBS #: 9-915-004)

Individual Case Write-up #W8:

1. What are the factors (e.g., resources) that explain why Google succeed so quickly after it was founded? What was the time horizon of their impact?
2. Argue whether one could expect the online search business to become concentrated (few firms left). Are there properties that might enable a single firm to largely dominate the market?
3. Other than its main business, should Google venture into others? For example, developing a portal such as Yahoo's, developing domestic or professional software in competition with Microsoft, or engaging in intermediation activities such as those performed by eBay?

Group Final Project Questions (not to submit):

- Does your company operate in an environment with platforms and network effects? If yes, what is the role network effects play in shaping platform competition?

Part VII: BLUE OCEAN STRATEGY

Session 19. Blue Ocean Strategy

Reading:

- [Optional] Kim, W.C., R. Mauborgne 2004. "Blue ocean strategy" HBR.

Session 20. Blue Ocean Strategy (continued)

Case: Cirque du soleil (HBS #: INSEAD)

In-class Discussion Questions (not to submit):

1. Perform a five forces analysis from an entrant's point of view.
2. Use the four actions framework as an illustration of how the circus industry was redefined on order to find out a blue ocean.

Part VIII: ORGANIZATIONAL DESIGN

Session 21. Performance measurement and incentives in firms

Reading:

- [Optional] Holmström, B. 2016. "Pay for performance and beyond". Nobel Prize Lecture. pp413-442.

Session 22. Performance measurement and incentives in firms (continued)

Case: Performance pay at Safelite Auto Glass (A) (HBS #: 9-800-291)

Individual Case Write-up #W9:

1. Low productivity aside, what are the problems faced by Safelite before the PPP plan?
2. Explain Safelite's relationship with the automobile insurance industry and draw implications.
3. Discuss the pros and cons of the PPP plan proposed to installers.
4. Illustrate where the multitask principle is in action.

Group Final Project Questions (not to submit):

- What are the main incentive schemes of your company?

Session 23. Coordination, adaptation and organizational structure

Reading:

- [Optional] Kaplan, R.S., D.P. Norton 2006. "How to implement a new strategy without disrupting your organization" HBR.

Session 24. Coordination, adaptation and organizational structure (continued)

Case: Jacobs Suchard: Reorganizing for 1992 (HBS #: 9-489-106)

Individual Case Write-up #W10 (read up to May 1989: Status of the Changes on p. 11):

1. To some extent, a General Manager's retribution depends on corporate performance, but his/her lower level managers does not: Is this inconsistent?
2. How does job rotation interact with the multitask principle?
3. General Managers were the kings before the organizational change, so what is the reaction one could expect from them if they lose authority over decisions that affect their status and earnings? For example, they may feel that product standardization hurts local sales, so how could one convince them that they should not adopt conflictive positions regarding the change?
4. Argue in favor and against the structures proposed by the Issenmann task force (Exhibit 4) and the Harvard Managing Change group (Exhibit 5), and then propose a structure for the Jacobs Suchards' confectionery business in 1989, providing some argumentation.

Group Final Project Questions (not to submit):

- How would you design your company in terms of organizational structure?

Part IX: BRINGING IT ALL TOGETHER

Session 25. Synthesis

Session 26. In-class group-work day

Sessions 27 and 28. Group presentation

Group Assignment:

- Submit your group's final presentation **the day before Session 27 at 10:00 am.**
- Submit your group final report **before Friday Dec 17th ends.**