



Brandeis University

INTERNATIONAL BUSINESS SCHOOL

BUS 261a-1

Managing Technology and Innovation

COURSE SYLLABUS V1.0

Fall 2012

Class Hours: TBD

Location: TBD

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BUS 261a Syllabus (Version 1.0)



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COURSE DESCRIPTION

SUMMARY This course focuses on developing and managing technology and innovation in a variety of markets, including developed/developing, high-tech/manufacturing, mature/young. The skills built in this class are relevant to anyone who is interested in working for (or starting) a company that deals with science and/or technology innovation. For those who have science or technology backgrounds, this class will give you the perspective from the business side. Through discussion of cases and concepts, the course explores innovation and technology management, strategy, and performance of new ventures. The perspective taken in this course will be that of a manager grappling with technology choices and implementation issues of strategic importance to his/her firm and technology innovation. The course will allow an analysis of the critical intersection points between technology and other processes of business firms, operating in a variety of industry settings.

PREREQUISITES There are no prerequisites for this course.

COURSE OBJECTIVES This course is intended to develop the knowledge and skills needed by the manager of a technology firm or the product manager of a technology good (service/product). Our focus will be on how technology influences firm performance and how technology can be used as a basis to secure a competitive advantage. This course will emphasize three steps in the management of innovation: 1) turning individual creativity into innovation; 2) understanding technological change and technologically-intensive environments; and 3) commercializing products in competitive environments. This is not a course specifically about project management, new product design, or information technology. Instead, my purpose is to lead you in a study of technology as the integration of a firm's products, the processes to create them, and the knowledge of the people who bring them together. I see technology strategy as fundamentally about knowledge and how the knowledge of a firm's product designs, manufacturing process, facilities and equipment, and people work together to create value. As a result, we will consistently emphasize these "three P's" of technology management--how to manage the people, the process, and the product - which are the keys to successfully using technology and innovation to obtain a competitive advantage.

CONTENT AND ORGANIZATION This course is divided into two sections: Section 1 is the traditional, theoretical section and will help students understand different types of technology changes that impact developing high tech businesses. Technology changes can be modeled using the S-curve and include, for example, radical, incremental, architectural, disruptive change. Technology markets are different than other markets because of network externalities, first or second mover advantages, and customer adoption curves. Technology



savvy individuals can learn to capitalize on sources of innovation and set standards that lead to network externalities.

Section 2 is the application section and will investigate how to utilize theoretical concepts to navigate environments in competitive and risky technology markets, moving away from more structured processes in which traditional theories were developed. Students will explore the development of technology business from opportunity creation and discovery to evaluation and implementation, taking ideas to innovation, from prototype development to commercialization of an actual product – all while upholding what it means to be socially responsible.

The course moves deliberately between strategic issues (what should you do?) and organizational or managerial issues (how should you do it?), though the focus of the course is more on process and implementation.

TEACHING METHOD The course relies mostly on case studies combined with conceptual readings found in journal articles.

Case studies can be purchased from Harvard Business School (www.hbsp.com). Links to articles will be posted on the course “LATTE” web page.

Learning by the Case Method Because this course is based on the case method of learning, class participation by all students is critical. This method of learning is based on three premises. First, we can all learn a great deal from each other's points of view and experience. Second, we often learn more by questioning each other and debating issues than by listening passively or by reading alone. Third, there is no “one best way” to manage complex business problems; rather, we must search for alternatives and weigh them critically.

In order for this method to work, we must all be prepared to go beyond case facts in the discussion. In other words, we must assume that everyone has prepared the case and readings thoroughly--there is simply no time to explain or reiterate case facts. Our discussions ought to be analytical, not descriptive. This does not mean that we will ignore the facts; to the contrary, students should strive to back up their arguments with the facts of the case. In sum, I will expect three P's from students in every class:

- Presence--attendance is required. If you intend to miss class for any reason, let me know in advance. Absences due to illness are excused with notice. If you have special circumstances requiring more than one absence, talk to me well in advance.
- Preparation--readings and assignments are to be done on time. This means that you are ready to start class or answer assigned questions if called on. In addition, it means that you have analyzed the case and exhibits, not just read them lightly. Where there is numerical analysis to be done to understand the financials or economics of the case, you will be expected



to do this. It is often extremely useful to work in groups in preparing the cases for each class; you are encouraged to do this. NO COMPUTERS are allowed in class. Please print out required materials before class period.

- Participation--share your views and questions in class. Your class participation grade will depend on the cumulative quality of your contributions in class (see further below). This means that frequency of contributions counts, but also the quality of your comments. A good quality comment is one that applies relevant concepts to the facts of the case and that advances the discussion of issues on the floor. Listening patiently to your peers and engaging them respectfully will be valued. In case of absences, send your answer to the assignment questions to banerjee@brandeis.edu to show preparation. I keep a record of class performance for each student and determine a grade based on the quality and frequency of in-class comments. Midway through the course, I will give feedback on class participation and suggestions for improvement. Note: "Active participation" is when you raise your hand and I call on you; it is not when I "cold call" on you. Please do not speak without first raising your hand.

The conceptual readings should be used as tools for analyzing the cases. It is not enough to grasp the case facts, the challenge is to combine the concepts and the facts and formulate recommendations for action supported by strong arguments. Analytical rigor often can't be attained just through class discussion. For that purpose, you will be given some in-class assignments that will contribute to the quality of our class interaction. You will also analyze a case in-depth for the midterm and explore a business issue of interest for the final paper. An incisive analysis is often not enough to make a real impact on organizations unless it is combined with a persuasive presentation. Your group presentations will give you an opportunity to practice this valuable skill.

EVALUATION Grading will be based on three factors:

1. **Contributions to class discussions (40%).** I will keep a record of class performance for each student and determine a grade based on the frequency and quality of in-class comments. Students will receive a midterm evaluation on class participation. Short assignments will be given during the course (i.e. CityOne assignment, WNR assignment), which will count toward class participation, as do any presentations (not including the final presentation) made during the course. NOTE: you are permitted one unexcused absence; for each additional unexcused absence, your participation grade will be reduced a half-step, e.g., A- becomes A-/B+; B becomes B/B-. If you have perfect attendance but almost never actively participate in class discussions, your participation grade will be C+.
2. **A written midterm exam (25%).** This will consist of analysis of a case. The case will need to be handed out in class after the Review. The exam itself will take place during normal class hours. You will then be asked 2-3 questions about the issues in the case, which should be answered in writing during the 75-minute exam period. This will be an open-book exam,



meaning that you may bring books and printed notes (no computers); but you hand in only what you write in the exam class. The required analysis will be similar to what we do in class.

3. **A final term paper & presentation (35%).** Final papers will be written in teams of 3 or 4 students. The final paper is an opportunity for you to delve more deeply into analysis of a current technology, product, or service and offer your recommendations on managing an “inflection point”. You will also be required to make a short presentation about your paper topic in the final weeks of the course with preliminary findings/conclusions.

Final Paper The final paper is an opportunity to examine a current technology, product, or service to manage an “inflection point” or a turning point after which a dramatic change, with either positive or negative results, is expected to result.

TWO Interim deadlines for the paper:

1. Statement of the issue or question to be addressed. You will choose a team based on preparation and a “speed meeting” session (Wednesday 10/3 in class). At the end of the class, you will hand in a short overview of your technology and where your technology finds a management issue.
2. A brief outline of 1-3 pages (DUE on Wednesday 10/31 in class). This outline does not need to be detailed, but you should try to define your issue and approach and do some preliminary research to check what data are available to address the issue. Statement of the evidence you will use to address your issue and choice of concepts or frameworks to be used in analysis. You will see that there is often a choice of which approach to use in analyzing a technological issue. But it is always important to follow a systematic approach; the frameworks we will learn will help you do this.

Content of the Paper

1. ***Identify an Inflection Point:*** Presentation of important and relevant facts about the technology that you are examining, including prior art, information about inventor(s) and history of development up to inflection point, and industry analysis. What aspect needs further analysis? For this, you should use data from interviews, business press, annual reports, and from other sources. A useful place to start is with the online resources available through the Brandeis library; for a guide, go to:
http://www.brandeis.edu/global/current_research_resources.php. At any rate, in your actual paper, you should keep this section to a minimum – describe only what is needed for the reader to understand the context and to begin addressing the issues you are exploring. Do not write a full-fledged descriptive “case.” It is often best to provide the evidence “as you go” during the analysis, rather than as a stand-alone section.



2. Analysis of your evidence. This is the body and most important part of the paper; use the evidence and at least one class concept to answer the question that you raised at the start. It is best to choose a clear focus and framework and use it throughout the paper.

3. Conclusions/Recommendations. End with a section drawing the implications of your study for the innovation/technology question at hand. What are the main lessons you learned? Are they applicable to other situations? This is also a section of recommendations to the client you are studying.

4. Format: Paper length should be 15-20 pages. Exhibits should be used and analyzed in the paper, not added as "padding." Times New Roman, size 12, single-spaced, 1 inch margins. Even though you need to cover the three areas above, they need not be discussed sequentially. You should use your best writing skills and editorial judgment to decide how to structure the paper. There is no one best way. Some excellent papers begin with a section giving the factual case, and then have a section with analysis of the case. Other excellent papers weave the facts in and out of the analysis. All good papers, however, are driven by the analytical goals that are identified up front; these goals and the material itself should guide how you decide to present your argument. Be aware that this paper should not be just a "case study" like those we read in class; those cases are purely descriptive. Your paper should be more like a "case study plus analysis." Please be sure to cite your sources and provide references. All direct quotes, specific data, paraphrased text, all tables and graphics, and important arguments should be properly sourced with foot- or end-notes; a bibliography can be used as reference for general discussions.

LEARNING GOALS AND OUTCOMES

Learning Goal	Student Outcome	Measurement Tool
1. Students will develop problem-solving skills, especially those required to analyze, design and implement strategic solutions in high-technology firms.	<ul style="list-style-type: none"> • Students will individually apply course concepts and frameworks to solve problems that are new to them. 	Mid-term Grade
2. Students will improve their ability to communicate effectively, both orally and in written form.	<ul style="list-style-type: none"> • Students will contribute to discussion of cases in a way that is respectful and insightful. • Students will each individually present a part of the final oral team presentation in class effectively. For example, they will (a) conduct themselves professionally, (b) speak clearly, (c) maintain eye contact with their audience, and (d) convey the main ideas. • Students will use appropriate 	Participation Grade Final Presentation Class Feedback Forms Final Presentation Overall Feedback Final Paper Grade



	<p>technology to enhance the effectiveness of their oral and written presentations.</p> <p>a) They will use visual presentation tools effectively (e.g., PowerPoint, white board, flip charts, etc.), and b) They will use charts, graphs, etc. (as appropriate) in their written documents.</p> <ul style="list-style-type: none"> • Students will produce written documents that will (a) be grammatically correct and (b) incorporate logical, complete, and articulate thoughts. 	
<p>3. Students will be effective participants and contributors in team related work in order to achieve the team's objectives.</p>	<ul style="list-style-type: none"> • Students will achieve their team objectives by collectively expending their efforts for the group task. • Students will demonstrate professional interpersonal relations with other team members. • Students will demonstrate a high level of motivation for working in teams. 	<p>Self and Team Assessment</p>

ACADEMIC HONESTY

You are expected to be honest in all of your academic work. This includes proper citation of the work of others in your papers and presentations. The University policy on academic honesty is distributed annually; see the University's Rights and Responsibilities handbook (sections 3 and 18-24) see <http://www.brandeis.edu/studentlife/sdc/ai/>. Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial System. Potential sanctions include failure in the course and suspension from the University. If you have any questions about my expectations, please ask.

SPECIAL ACCOMMODATION

If you are a student with a documented disability on record at Brandeis University and you wish to have a reasonable accommodation made for you in this class, please see me immediately. Please keep in mind that reasonable accommodations are not provided retroactively.



Summary Schedule, Case Studies (Preliminary)

WEEK	MONDAY	WEDNESDAY
1		9/5 Introduction
2	9/10 Design Thinking/ IDEO	9/12 Crowdsourcing/TopCoder
3	9/19 Creativity & Teams/ Boeing (Wednesday class)	9/20 Technology Change/ Nucor (Thursday class)
4	9/24 Testing & Social Responsibility/ Kolcraft	9/26 No Class
5	10/1 No Class	10/3 Speed Meeting
6	10/9 Defining the Market/ Aqualisa Quartz (Tuesday class)	10/10 Adoption/Sony CNS
7	10/15 Standards & Externalities/ Nintendo	10/17 First Mover Advantage/ Sega
8	10/22 Review and Debate	10/24 Midterm
9	10/29 Inclusive Innovation/ ITC eChoupal	10/31 Smartsourcing/Anudip – OUTLINES DUE!
10	11/5 INK TALKS	11/ 7 Social media/ Ananda Dhara Creations
11	11/12 Speaker – TBA	11/14 Final Presentations
12	11/19 Final Presentations	11/21 NO CLASS (Thanksgiving)
13	11/26 Starting a New Venture/ Vermeer A	11/28 Exit & Integration/ IronPort
14	12/3 Strategic Alliances/ Hero	12/5 Appropriating Returns/ Roche
15	12/10 IBM/CityOne exercise	12/12 Wrap Up Human Capital/WNR exercise
	Monday 12/17 Final Paper Due!	



LIST OF COURSE MATERIALS (Preliminary)

Required Cases from HBS:

1. IDEO Product Development	9-600-143
2. TopCoder (A): Developing Software through Crowdsourcing	9-610-032
3. The Boeing Company: The Moonshine Shop	9-607-130
4. Nucor at a Crossroads	9-793-039
5. Ginzel et al v. Kolcraft Enterprises (A)	9-801-059
6. Aqualisa Quartz	9-502-030
7. Sony Corporation: Car Navigation Systems	9-597-032
8. Power Play [A]: Nintendo in 8-Bit Video Games	9-795-102
9. Power Play [B]: Sega in 16-Bit Video Games	9-795-103
10. ITC eChoupal	9-604-016
11. Vermeer Technologies (A)	9-397-078
12. Ironport	E-334
13. Hero Honda Motors (India) Ltd: Is it Honda that Made it a Hero?	TB-0145
14. Roche and Tamiflu: Doing Business in the Shadow of Pandemic	KEL-349

On LATTE:

Anudip Foundation

Ananada Dhara Creations



STUDY ASSIGNMENTS

Class No. 1, Wednesday, 9/5: Introduction

Syllabus

Class No. 2, Monday, 9/10: Design Thinking

IDEO Product Development, case number 9-600-143

The case describes IDEO, one of the world's leading product development firms, and its innovation culture and process. Dennis Boyle, a studio leader, is asked by the business start-up Handspring to develop a novel hand-held computer (Visor) in less than half the time it took to develop the Palm V.

Discussion questions:

- 1 How does design thinking compare with traditional product innovation?
- 2 Characterize IDEO's development process. How does IDEO organize its innovation? Is it innovative?
- 3 Should IDEO accept the Visor project as is (on a dramatically reduced schedule)? Should they try to persuade Handspring's management to change its aggressive launch schedule? Or should they simply decline the project? Consider the IDEO and Handspring perspectives.

Class No. 3, Wed. 9/12: Sources of Innovation

TopCoder (A): Developing Software through Crowdsourcing, 9-610-032

This case highlights how TopCoder created a two-sided innovation platform consisting of a global community of over 225,000 developers who compete to write software modules for over 40 clients. We will explore the use of distributed innovation and its potential advantages and disadvantages.

Discussion questions:

- 1 Identify some general sources of innovation and technology change. How does Crowdsourcing differ from and/or complement other traditional sources of innovation?
- 3 As a potential client, what would you like about TopCoder's model? What would cause you concern?
4. What are the key challenges of managing a platform like TopCoder? (another example is local company Innocentive.com)

NO CLASS 9/17

Class No. 4, Wednesday, 9/19: Creativity and Teams

The Boeing Company: The Moonshine Shop, case number 9-607-130

We begin with the case of an innovation team called the Moonshine Shop at the Boeing Co. Boeing is known for their leadership in aerospace innovation, especially commercial airplanes.



The Moonshine Shop was created in 2001. We will discuss its relevance to creativity and innovation at Boeing.

Discussion questions:

1. What is meant by the terms “creativity” or “innovation”?
2. What are the challenges faced by Boeing in promoting creativity or innovation? What were the solutions developed to overcome these challenges?
3. What is a “heavyweight project team” and how does it differ from the traditional approach used for organizing development projects? When are heavyweight teams appropriate? What is your assessment of the performance of the heavyweight team described in the case? What facts contributed most to these performance results?

Class No. 5, Thursday, 9/20: Technological Change

Nucor at a Crossroads, case number 9-793-039

In 1986, Nucor was a U.S. company, with \$750 million in sales, focused on making and fabricating steel products. It had grown very rapidly and profitably despite its focus on a stagnant, capital-intensive sector with by far the lowest average profitability of any industry within U.S. manufacturing. F. Kenneth Iverson, Nucor’s CEO for more than two decades, now had to decide whether the company should, at considerable cost and risk to itself, pioneer the commercialization of a new process technology that might allow it to enter the flat-rolled sheet segment, about half the total U.S. market for steel and hitherto the preserve of integrated steelmakers.

Discussion questions:

1. What makes a technology disruptive?
2. What are challenges to maintaining technological and market leadership in the face of new innovations?
3. Is the Nucor model disruptive? Why or why not?
4. What is the technology in question? How should Nucor proceed in investing in the new technology?

Class No. 6, Monday, 9/24: Testing & Social Responsibility

Ginzel et al v. Kolcraft Enterprises (A), case number 9-801-059

© www.kidsindanger.org

We return to the stage of innovation testing to examine the case of an infant who died after a portable crib collapsed. The manufacturer, Kolcraft, licensed the Playskool brand name from the co-defendant, Hasbro Industries. We will look at difficult questions about corporate responsibility to ensure product safety.

Discussion questions:

1. How do ethics and social responsibility affect technology decisions and competing in technology-intensive environments?



2 How do current social responsibility issues affect firms today? Think of examples such as regulating the internet, bioethics and genetically modified foods, and graphic content in video games.

3 What are methods of dealing with these issues personally and as a firm? What could/should Kolcraft have done to ensure its product was safer for consumers, or later, in addressing the issues with Travel-Lite?

4 What was Hasbro's role and position in development and recall of the Travel-Lite? In your opinion, what is Hasbro's view of organizational social responsibility? Do you think Hasbro has ethical responsibility for the Travel-Lite?

Class No. 7, Wednesday, 10/3: Speed Meeting

Come to class with a well-thought out idea and your own credentials/value-add, as you get sold/sign-up with an idea, start selling that idea until you have 3-4 members total

NO CLASS 9/26 & 10/1

Class No. 8, Tuesday, 10/9: Defining the Market

Aqualisa Quartz, case number 9-502-030

We now approach the definition of product value and target market. In 2001, Harry Rawlinson, managing director of Aqualisa, is deciding how to handle the marketing of the Quartz shower, the first significant product innovation in the U.K. shower market in years. The vastly superior Quartz shower—which took three years and €5.8 million to develop—is simply not selling, despite the fact that existing showers in the U.K. are plagued with problems and there is widespread consumer dissatisfaction with overall shower performance.

Discussion questions:

1 What is the Quartz value proposition to plumbers? To consumers?

2 Aqualisa currently has three brands: Aqualisa, Gainsborough, and ShowerMax. What is the rationale behind this multiple brand strategy? Does it make sense?

3 Why is the Quartz shower not selling? What should Rawlinson do to generate sales momentum for the Quartz product? Should he target consumer directly, target the DIY market, or target developers? Should he lower the price of the Quartz? Or should he do something different altogether?

Class No. 9, Wednesday, 10/10: Adoption

Sony Corporation: Car Navigation Systems, case number 9-597-032

In the summer of 1996, Masao Morita, president of Sony Personal Mobile Communication Co., contemplated how to formulate its multinational marketing strategy for the fast-changing car navigation systems market. Morita needed to resolve the conflicting views within his company regarding several key issues, including geographical market focus, product selection, and standard setting.



Discussion questions:

- 1 What determines the timing of technological adoption and diffusion? Can it be predicted?
- 2 What factors determine demand for CNS? How will demand vary by market?
- 3 Why has CNS taken off in Japan? What are Sony's strategy and current position in Japan?
- 4 What recommendations would you make to Sony regarding their geographic balance, product line and product standards?

Class No. 10, Wednesday, 10/15: Standards & Externalities

Power Play [A]: Nintendo in 8-Bit Video Games, case number 9-795-102

The home video-game industry began in 1972 with the founding of Atari. After riding a dramatic boom and bust in the early 1980s, most players left the business. Nintendo of Japan then rebuilt the industry--establishing a commanding worldwide position by the end of the decade.

Discussion questions:

- 1 What is a dominant design? Who has set the industry standard for video games? How was this standard set?
- 2 How are standards related to externalities? How do network externalities work in the video games market?
- 3 What are key differences in Nintendo's strategy from Atari's strategy?

Class No. 11, Wednesday, 10/17: First-Mover Advantage

Power Play [B]: Sega in 16-Bit Video Games, case number 9-795-103

The case focuses on the post-1987 period, when new 16-bit home video-game technology began to come on the market. First to introduce a next-generation system was the major Japanese electronics company NEC. Second out with a 16-bit system was Sega, the leader in the Japanese arcade-game business and an unsuccessful player in the 8-bit home video-game market. Nintendo itself moved more slowly in introducing a 16-bit system.

Discussion questions:

- 1 Evaluate NEC's and Sega's strategies for challenging Nintendo in the video game business.
- 2 Why did Nintendo delay introducing a 16-bit video game system?
- 3 What are the differences between being a first-mover, second-mover, third-mover, etc? What are the advantages/disadvantages of being first?

Class No. 12, Monday, 10/22: Review and Debate

Assignment on LATTE

Class No. 13, Wednesday, 10/24: MIDTERM



Class No. 14, Monday, 10/29: Inclusive Innovation

ITC eChoupal, case number 9-604-016

This case describes the use of Internet technologies to reach base-of-the-pyramid farmers and, in particular, examines a new system called the eChoupal, developed by the Indian conglomerate ITC.

Discussion questions:

- 1 What are the challenges of innovating in an emerging market, especially with tensions among conflicting stakeholders' demands and preferences?
- 2 What was ITC's motivation for creating the eChoupal?
- 3 Did ITC create value? How? Can ITC continue to create value? How?

Class No. 15, Wednesday, 10/31: Smartsourcing (OUTLINES DUE!)

Anudip Foundation (on LATTE)

Frugal innovation is a new paradigm for appropriate design in emerging markets like India with 8 core components: ruggedization, affordability, simplification, adaptation, reliance on local materials/ manufacturing, renewability, user-centric design, and lightweight. Frugal innovation results in no-frills, good quality, functional products/services that are also affordable to the customer with modest means. Anudip Foundation is an IT-enabled service provider based on frugal innovation, empowering the marginalized with skills for the knowledge economy.

Discussion Questions:

1. How is managing frugal innovation different than other types of innovation?
2. What are some insights from what Anudip and CEO Radha Basu have done successfully that can be extended to similar situations in emerging markets?

Class No. 16, Monday, 11/5: INK talks

Assignment on LATTE

Class No. 17, Wednesday, 11/7: Social media

Ananda Dhara Creations (on LATTE)

Ananda Dhara Creations is a single artisan social entrepreneur, creating inspired hand-made jewelry to support schools in village India. Using technology, Archita has already sourced from and reached out to an international market, however she is still having trouble identifying her target market and reaching them through Facebook and her website (or other technologies she has not used yet).

Discussion Questions:

1. Can social media overcome the requirement for physical interaction (wearing, touching, and feeling) in some businesses?



2. How can Archita better reach her target market and currently untapped markets? What are ways of using technology to promote social entrepreneurship?

Class No. 18, Monday 11/12, Speaker- TBA

11/14, 11/19 - Final Presentations

- Each team will get 15 min to present and 5 minutes of Q&A
- In earlier classes we will agree on a schedule of presentations.
- PowerPoint slides are due 8pm the day BEFORE the presentation.
- Concise, focused presentations that get to the point will be valued highly.
- Feedback will be provided by each student in the audience (part of participation grade).
- Counts as part of final paper grade – feedback should be incorporated into final paper.

NO CLASS 11/21 Thanksgiving Break

Class No. 18, Monday, 11/26: Starting a New Venture

Vermeer Technologies (A) A Company is Born, case number 397-078

Charles Ferguson has just heard from a venture capital (VC) consortium that it is willing to finance Vermeer Technologies, a company he has cofounded for developing Internet software. The funds are sorely needed, but the VCs have imposed some onerous conditions.

Discussion questions:

- 1 Have Ferguson and Forgaard built a “good” company?
- 2 Should Ferguson take the VC offer?
- 3 Who do they need to bring into the company as CEO?

Class No. 19, Wednesday, 11/28: Exit & Integration

Ironport, E-334

Scott Weiss, CEO of IronPort, a leading internet security company, is contemplating an acquisition offer from Cisco Systems in November of 2006. Although Weiss had originally intended for IronPort to IPO, a series of events have occurred that have made an acquisition a potentially more attractive option.

Discussion questions:

- 1 What are Ironport’s “exit” options?
- 2 What is Cisco’s strategic interest in IronPort?
3. Should Weiss accept Cisco’s offer? Why or why not?

Class No. 20, Monday, 12/3: Strategic Alliances

Hero Honda Motors (India) Ltd: Is it Honda that Made it a Hero?

TB-0145



The case focuses on a joint venture between Honda Motor Company (HMC) of Japan and the Hero Group, a conglomerate of Indian companies held by the Munjal family. HMC's announcement regarding setting up a subsidiary in India to manufacture scooters is a cause of concern for Hero. We will use this case to understand the challenges of managing an alliance (in particular a joint venture) in an emerging market.

Discussion questions:

- 1 Why are alliances important in the Indian two-wheeler industry?
- 2 Evaluate the strategic and competitive goals of both companies. How would you characterize the fit between them?
- 3 What are pressure points in the success/failure of this joint venture?

Class No. 21, Wednesday, 12/5: Appropriating Returns

Roche and Tamiflu: Doing Business in the Shadow of Pandemic, KEL349

As of July 2006, 232 cases of human bird flu had been documented, mostly through direct contact with poultry. Of those, 134 people died. The best medication available to treat bird flu was Roche's antiviral drug Tamiflu. However, Tamiflu was not widely available; current orders of government bodies would not be fulfilled until the end of 2008. Well aware that today's avian flu might become a global pandemic comparable to the Spanish flu, Roche CEO Franz Humer had to decide how Roche should respond.

Discussion Questions:

1. What steps, if any, should Roche take with respect to patent protection and production licensing in the shadow of a potential pandemic?
2. What are the risks of Gilead's production? What were the opportunities? What are the alternatives for action?
3. If a pandemic occurred before sufficient stockpiles of Tamiflu had been built up, would Roche be held responsible?

Class No. 22, Monday, 12/10: IBM

Assignment on LATTE

Class No. 23, Wednesday, 12/12: Wrap up

Human Capital in Technology Firms: We will discuss human capital in technology firms. To facilitate the discussion, please complete the short WNR exercise (LATTE). Come to class with a completed spreadsheet (LATTE) of your pay distributions and reasons for such distributions. Please complete individually, we will break into teams in class.

Monday, 12/17 FINAL PAPERS DUE by 5pm. (Word and PDF versions)



Supplementary Materials (also on LATTE):

1. Title: The Innovation Value Chain Authors: Hansen, Morten; Birkinshaw, Julian Source: Harvard Business Review; Jun2007, Vol. 85 Issue 6, p121 - 130
2. Title: The Eureka Myth. Authors: Evans, Harold Source: Harvard Business Review; Jun2005, Vol. 83 Issue 6, p18 - 20
3. Title: Organizing and Leading "Heavyweight" Development Teams. Authors: Clark, Kim; Wheelwright, Steven Source: California Management Review; Spring92, Vol. 34 Issue 3, p9 - 28
4. Title: Innovation by User Communities: Learning from Open - Source Software. Authors: Von Hippel, Eric Source: MIT Sloan Management Review; Summer2001, Vol. 42 Issue 4, p82 - 86
5. Title: Disruptive Technologies: Catching the Wave. Authors: Bower, Joseph; Christensen, Clayton Source: Harvard Business Review; Jan/Feb95, Vol. 73 Issue 1, p43 - 53
6. Title: Mapping YOUR Competitive Position Authors: D'Aveni, Richard Source: Harvard Business Review; Nov2007, Vol. 85 Issue 11, p110 - 120
7. Title: Four steps to forecast total market demand. Authors: Barnett, F. William Source: Harvard Business Review; Jul/Aug88, Vol. 66 Issue 4, p28 - 38
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