

Doing Business in Israel

Entrepreneurship and Innovation: The Israeli model

Spring 2018



As with leaders, a predisposition is needed, but there is certainly room for nurturing born entrepreneurs. It is with this in mind that we propose the present program of studies, which, amongst other things, is designed to provide participants with exposure to the models, theories and practical approaches to entrepreneurship and innovation that Israeli professionals and academics have developed over the years.

Program description:

The program will frame the central aspects of doing business in Israel within the context of the country's booming high-tech economy and the emergence of global Israeli companies.

It will offer a unique synthesis between state-of-the-art academic studies and practical, hands-on experience with the Israeli high-tech industry and its leaders.

Academically, the connecting thread of the DBI program will be TAU's Collier School of Management case studies as well as HBS case studies on strategy issues of Israeli companies. The cases reflect the Israeli economy, concentrating on companies different in size, from different industries, and at different lifecycle stages.

Program objectives:

The emphasis in the program will be on understanding the dynamics of the Israeli entrepreneurial environment and on analyzing Israeli innovative companies at different lifecycle stages. Students will be expected to develop a top management perspective of a high-tech company and focus on formulating a competitive business-level strategy for it.

Course materials:

- Dan Senor and Saul Singer Start-up Nation: The Story of Israel's Economic Miracle, Twelve (2009)
- Case studies
- Articles

Students are required to have read all the materials prior to their arrival!

The cases:

- **ACE (Applied Cognitive Engineering)** - a small Israeli company specializing in computer-based cognitive simulation training based on a special training method developed for Israeli combat pilots, was established in the summer of 2003 (Coller School of Management Case): <https://www.hurvitz-institute.tau.ac.il/wp-content/uploads/2017/09/Intelligym-2009.pdf>
- **TaKaDu** - a leading software provider of integrated event management solutions for the water sector, empowering utilities to manage their networks efficiently. TaKaDu's patented technology uses raw data from multiple sources, analyzing the data to detect and manage the full lifecycle of network events, including leaks, bursts, and faulty assets. Based on big data analytics and sophisticated algorithms, TaKaDu's IoT cloud-based solution helps water utilities to detect problems early, reduce water loss, shorten repair cycles, improve customer service, and more (Harvard Business School Case) Case No. 514011: http://www.hbsp.harvard.edu/b01/en/academic/edu_home.jhtml

Articles

Dr. Eyal Benjamin

- Howard H. Stevenson & David E. Gumpert The Heart of Entrepreneurship <https://hbr.org/1985/03/the-heart-of-entrepreneurship>

Dr. Barak Ben-Avinoam

- Diane Mulcahy, Venture Capitalists Get Paid Well to Lose Money *Harvard Business Review*, <https://hbr.org/2014/08/venture-capitalists-get-paid-well-to-lose-money>
- Nilufer Merchant, The One Thing VCs Could Do Immediately to Increase Returns, *Harvard Business Review*, <https://hbr.org/2013/09/the-one-thing-vcs-could-do-immediately-to-increase-returns>



Course assignments:

All students are required to read the course textbook (*Start-up Nation*), the relevant articles and cases prior to the first class meeting. Each student will submit by e-mail a short case analysis during the course, and a final case analysis to the course's teaching assistant according to the course schedule.

Course grade:

Case analysis (should not exceed three pages)	30%
Final case analysis (should not exceed six pages)	70%

The DBI team wishes you a pleasant stay in Israel and an enjoyable program!

Tentative Agenda

Day	Hours	Topic	Lecturer / Comments	Where
Monday May 21 st		Breakfast	At the hotel	
	09:15	Meeting Idit/Hila	Hotel's lobby	
	09:20-10:00	Drive to the University		
	10:00-10:30	Program opening	Udi Aharoni, DBI Director	
	10:30-11:45	The Israeli High-Tech Industry	Dr. David Zvilichovsky	
	11:45-12:00	Break		
	12:00-13:15	The Israeli High-Tech Industry (cont.)	Dr. David Zvilichovsky	
	13:15-14:30	Lunch and Orientation tour at the university	Meeting Idit & Hila at the classroom	
	14:30-16:00	Visit to Beit Hatfutsot the Museum of the Jewish People		
	16:00-16:15	Walk to class & break		
	16:15-17:45	Meeting an Israeli entrepreneur	Moti Radomski	
	17:45-18:15	Drive to the restaurant		
	18:15-20:45	Opening dinner		<u>Eatwith</u>
	20:45-21:00	Drive back to the hotel		
Dress code for the day: casual				
Tuesday, May 22 nd		Breakfast	At the hotel	
	08:20-09:00	Pick up from the hotel and drive to the University	Outside the hotel	
	9:00-11:00	Israel at a Glance	Prof. Uriya Shavit	
	11:00-11:15	Break		
	11:15-12:45	The Israeli macro environment	Prof. Asher Tishler	
	12:45-14:00	Lunch	On campus	
	14:00-14:20	Drive to Tel Aviv		

	14:20-16:30	Tour of Tel Aviv & Jaffa		
	16:30-16:45	Drive back to hotel		
	Free night			
	Dress code for the day: casual			
Wednesday, May 23 rd		Breakfast	At the hotel	
	08:30-09:30	Pick up from the hotel and drive to <u>Kibbutz Magal</u>		
	09:30-11:30	Visit to <u>Netafim company</u>	Agricultural company	
	11:30-12:30	Tour to Kibbutz Magal	Cultural tour	
	12:30-13:30	Israeli lunch	At the kibbutz dining room	
	13:30-14:45	Drive to Haifa		
	14:45-15:45	Visit to <u>Kav Mashve</u>		
	15:45-16:45	Visit an Israeli-Arab accelerator		
	16:45-18:00	Drive back to Tel Aviv		
	Free night			
	Dress code for the day: casual			
Thursday May 24 th		Breakfast		At the hotel
	08:30-09:00	Pick up from the hotel and drive to the university		
	09:15-10:30	Case study analysis - Ace	Danny Dankner	
	10:30-10:45	Break		
	10:45-12:45	Entrepreneurship & intrapreneurship	Dr. Eyal Benjamin	
	12:45-14:00	Lunch	On campus	
	14:00-14:30	Drive to company		
	14:30-16:30	Visit <u>sFBI</u>	Enon Landenberg, CEO	
	16:30-18:00	Drive back to the hotel		
	Free night			
	Dress code for the day: casual			

Friday & Saturday May 25 th & 26 th	Free Weekend				
Sunday May 27 th	09:00	Pick up from the hotel and drive to Rishon Lezion			
	09:30-11:30	Social Entrepreneurship in Israel: Visit to <u>Call Yachol</u>	Dr. Gil Winch		
	11:30-12:15	Drive to the university			
	12:15-13:15	Lunch on campus			
	13:15-16:30	Creativity and Ideation workshop	Omer Pomeranz		
	16:30-17:00	Drive to Jaffa port			
	17:00-17:45	Free time in Jaffa port			
	17:45-19:30	Dinner	Dinner in the Dark	<u>BlackOut</u>	
	19:30-20:00	Drive back to the hotel			
	Dress code for the day: casual				
Monday May 28 th		Breakfast	At the hotel		
	08:20-09:00	Pick up from the hotel and drive to the university	Outside the hotel		
	09:00-11:00	Trends in innovation technologies – opportunities and challenges	Prof. Gal Oestreicher-Singer		
	11:00-11:20	Break			
	11:20-12:50	TBA			
	12:50-14:00	Lunch	On campus		
	14:00-17:30	Corporate Innovation & Digital Leadership	Prof. Yesha Sivan		
	17:30-18:00	Drive back to the hotel			
	Free night				
	Dress code for the day: casual				

Tuesday May 29 th		Breakfast	At the hotel
	08:00	Pick up from the hotel	Outside the hotel
	09:30-17:30	Touring Jerusalem, including lunch <ul style="list-style-type: none"> • Kotel – Western Wall – the holiest site in the world for Jews. • Roof top view of the Dome of the Rock and El Aqsa Mosque, the third holiest site in the world for Moslems. • Church of the Holy Sepulcher, place of the crucifixion, death and burial of Jesus according to Christian tradition. • And more 	
	17:30-19:30	Farewell dinner	
	19:30	Drive back to the hotel	
	Dress code for the day: casual, comfortable. <ul style="list-style-type: none"> • Walking shoes (several hours of walking during the day), hat • Requirements for entrance to the holy sites: covered shoulders & long pants for men and long pants/skirt for women 		
Wednesday May 30 th	Flight back home		

Doing Business in Israel – Assignments:

Case study preparation:

Each student will submit (by email) a short case analysis according to the course schedule and a final case analysis to the course's teaching assistant.

The case should be submitted by mail to the course teaching assistant – Shir Mor shir252@gmail.com by **Thursday, May 24th, 09:00 AM**.

The personal case analyses should be submitted by mail to the course teaching assistant – shir252@gmail.com by **Friday, June 30th, 09:00 AM**.

Course grade:

- Case analysis (should not exceed **four pages, 1.5 space, font 12**).
- Final case analysis (no more than **six pages 1.5 space, font 12**).
- **Papers must be submitted in WORD format only.**

Questions for ACE:

1. Analyze ACE's global competitive environment.
2. What are ACE'S core resources, capabilities and competences?
3. What are your main recommendations to ensure ACE's growth in the next 5 years and what are the main risks?

Final Assignment questions:

1. What are the strengths and weaknesses of Israel?
2. What is the competitive advantage of Israel and will it be sustainable for the next ten years?
3. What are the pros and cons of developing Israeli giant companies like Teva, Check Point vs. developing small start-up companies like ACE or other start-up companies you visited, from two perspectives: the entrepreneurs' perspective, the Israeli macroeconomic perspective?

Appendix A: Short Bios

DBI Director:

Udi Aharoni

Udi Aharoni is the CEO & Academic Director of Lahav Executive Education at the Coller School of Management and a lecturer of the School's MBA and EMBA strategy, global strategy and innovation strategy courses. In addition, he is the director of the Eli Hurvitz Institute for Strategic Management at the School.

Course coordinators:

Idit Admon

Idit Admon is the International Programs Manager of all international activities at the Coller School of Management. She holds an undergraduate degree in political science from the Hebrew University of Jerusalem.

Hila Rachmani

Hila Rachmani is the Student Exchange & International Cooperation Manager at the Coller School of Management. She holds a graduate degree in Diplomacy from Tel Aviv University and a Bachelor of Arts degree from the Hebrew University of Jerusalem.

Faculty members (in alphabetical order):

Dr. Eyal Benjamin

Dr. Eyal Benjamin is a four-time serial entrepreneur with a background in ICT and automotive ventures. Specializing in strategic-innovation, he is a scholar and head of the StartHub entrepreneurship center at the Tel Aviv-Yaffo Academic College of. He earned a PhD. from the Swinburne University of Technology, Australia.

Danny Dankner

In 2001, Danny Dankner established Ace (Applied Cognitive Engineering), a start-up company that developed a computerized system for training and improving the cognitive skills needed for executing a specific task or performing in a given job, through the use of a video game designed to improve decision making under stressful conditions. He holds an LL.B. from Tel Aviv University and an MBA from the Coller School of Management at Tel Aviv University.

Moti Radomski

Co-Founder & CEO, Mamaya Inc – the world's first automated social media agency for online merchants. Moti has over 20 years of experience with products that make a change.

In 2005, he co-founded YaData, a marketing data-mining company, which was acquired by Microsoft three years later. Prior to that, he played key roles in product management, sales and R&D for various technological companies.

Prof. Gal Oestreicher-Singer

Prof. Oestreicher-Singer is part of the Management and Information Technology Group. Her research focuses on the effects of social media, consumer engagement and peer influence on electronic commerce outcomes and on the business models of content websites.

Her work has been published in the top journals in the fields of both Information Systems and Marketing. She is the recipient of several prestigious awards, most recently the AIS Sandy Slaughter early career award. She serves on the editorial boards of MIS Quarterly, Information Systems Research and Management Science. She received her Ph.D. from New York University in 2008, and holds degrees in law and electrical engineering from the Hebrew University in Jerusalem and Tel Aviv University

Prof. Uriya Shavit

A senior lecturer at the Department for Arabic and Islamic Studies and the Program for Religious Studies at Tel Aviv University, Prof. Shavit specializes in the study of Muslim minorities and democratization processes. He is the author of five books and 20 articles in these fields.

Prof. Yesha Sivan

Prof. Yesha Sivan is the Executive Director of The Coller Institute of Venture at the Coller School of Management. Until September 2015, he was a professor of management information systems at the School of Management and Economy at the Tel Aviv-Yaffo Academic College. A visiting professor of innovation and venture at the Hong Kong Polytechnic Design School, he is also the founder of Metaverse Labs (MVL) – a leading think tank focusing on innovation via virtual and real worlds.

His professional experience includes developing and deploying innovative solutions for corporate, high-tech, government, and defense environments (such as the Harvard 9-Keys for Knowledge Infrastructure). He has published numerous papers in the areas of strategy and IT, innovation and venture, knowledge, 3D3C virtual worlds, and standards, and has taught EMBA, MBA, engineering and design courses in his areas of expertise. He received his doctorate from Harvard University. His blog is <http://www.dryesha.com>.

Prof. Asher Tishler

Prof. Asher Tishler received his B.A. in Economics and Statistics from the Hebrew University of Jerusalem, and his Ph.D. in Economics from the University of Pennsylvania. He was the president of the College of Management and a faculty member of Tel Aviv University's Business School from 1976 to 2014.

During his tenure at Tel Aviv University's Faculty of Management he served as dean (2007-2014), academic director of the Executive MBA program and the Kellogg-Recanati International MBA program (2000-2003), academic director of Lahav Executive Education (1995-1998), director of the Henry Crown Institute of Business Research in Israel (1991-1994), and head of the Economics-Management Department (1986-1988). During 2006-2010 he served as director of the Institute of Technology and Society, and during 2006-2014 he was director of the Eli Hurvitz Institute for Strategic Management.

Professor Tishler's main research interests are energy economics, defense-related issues, strategy and models of innovation. His areas of teaching are macroeconomics, managerial economics, and advanced statistical methods for business. He has been a consultant to high-tech, clean-tech, financial, industrial, consulting and business intelligence firms in Israel and abroad.

Dr. Gil Winch

Dr. Gil Winch is a clinical and organizational psychologist who has worked with the biggest companies in the Israeli economy for over 15 years. In 2001, he founded Tandem Consultants, an organizational consulting company. A few years later, after learning about the severity of unemployment among people with disabilities in Israel, he began researching

and developing a unique managerial model that could bring about a profound change in the employment of such people.

In early 2008, Dr. Winch founded Call Yachol, a free market social business that hires primarily chronically unemployed individuals with severe disabilities, as a proving ground for his model. To date, his unique managerial model has enabled the return of hundreds of chronically unemployed severely disabled individuals to the workforce, helping them reach full productivity and allowing them to earn regular wages in a free market job.

Dr. David Zvilichovsky

Dr. David Zvilichovsky received his Ph.D. in Economics as well as an M.Sc. in Computer Science from Tel Aviv University. His current research interests include Innovation & Growth, CrowdFunding, Entrepreneurship, Networks & Platforms, Bubbles, and the Internet Economy.

Dr. Zvilichovsky has been involved with the Israeli high-tech industry for over 20 years, working with industry leaders such as Comverse, Scitex and Electric Fuel. He co-founded IPHighway, a pioneer in the Network QOS space and was an executive at the Robo-Group during its IPO on both the Nasdaq and the Tel Aviv Stock Exchanges.

Over the years, Dr Zvilichovsky has served as a board member and advisor in the areas of venture capital, technology innovation and early stage ventures. He also served as a special economic advisor to the national economic council at the Israeli Prime Minister's Office during the 2008 market crisis. Dr. Zvilichovsky teaches courses in economics, entrepreneurship, and innovation.

Israel General Information

Languages

Hebrew and Arabic are the official languages of Israel and English is a compulsory subject in school. Most Israelis speak at least a bit of English. All commercial and street signs are written in both Hebrew and English and often in Arabic as well.

Currency

The local currency in Israel is the New Israel Shekel (NIS), which can be obtained at almost all local exchanges. For more information about the NIS and the current exchange rate, visit the Bank of Israel's website at <http://www.bankofisrael.co.il>

Electricity



Electrical current in Israel is 220 volts AC, single phase, 50 Hertz. Most Israeli sockets are of the three-pronged variety but many can also accept some European two-pronged plugs. Adapters are required for American plugs.

Dress code during your cultural tours

If touring, please take into consideration that you may be visiting a variety of holy sites; the dress code at these sites is strict and modest: covered shoulders and long pants for men and long pants/skirt for women. We also recommend wearing comfortable shoes.

Time zones

Israel is two hours ahead of Greenwich Mean Time, which puts it seven hours ahead of the Eastern United States.

Weather

Israel's climate is Mediterranean in the north and arid in the south. In summer, average temperatures are in the range 65°-90°F (18°-32° C) over most of the country. Winters are usually mild, with temperatures on the coastline averaging 57° F (14°C). Temperatures in Jerusalem and the north of Israel are about 6° C lower and in the south of Israel and at the Dead Sea 9°C higher (72°F).

We strongly recommend that you check the weather forecast before packing at www.weather.com.

Israel at a glance

Israel is not only the name of the country; it is also a people. The history of the Jewish people and its roots in the Land of Israel span approximately 35 centuries. During this long history, the cultural, national and religious identities of this land were formed. The State of Israel was established in 1948, renewing Jewish independence almost 2,000 years after it was lost with the destruction of the Second Temple in 70 CE.

Full Country Name: The State of Israel

Area: 22,000 sq. km; about the size of New Jersey

Population: 8.7 (it has grown 11 times since the state was found in 1948)

Capital City: Jerusalem

Education: 11 years compulsory.

Literacy rate: 95% (female 93%; male 97%).

Religion(s): Judaism, Islam and Christianity, Druze

Major political parties: Likud, Kulano, The Jewish Home, Agudat-Israel, Shas

President: Rubi Rivlin

Prime Minister: Binyamin Netanyahu

Flag Description: White with a blue hexagram (six-pointed linear star) known as the Magen David (Shield of David) centered between two equal horizontal blue bands near the top and bottom edges of the flag, symbolic of a Jewish prayer shawl.



Population

Approximately 76 % of the country's population is counted as Jewish. Since 1989, nearly one million immigrants from the former Soviet Union have arrived in Israel, making this the largest wave of immigration since independence. In addition, almost 50,000 members of the Ethiopian Jewish community have immigrated to Israel. Thirty-six percent of Israelis were born outside Israel. Of the non-Jewish population, about 80% are Muslims, 10% are Christian, and about 10% are Druze.

Cultural life

With a population drawn from more than 100 countries on five continents, Israeli society is rich in cultural diversity and artistic creativity. Israel boasts more than 120 museums, including the Israel Museum in Jerusalem, which houses the Dead Sea Scrolls along with an extensive collection of regional archaeological artifacts, art, and Jewish religious and folk exhibits.