

Course Outline Winter 2022

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Brief Description

This course provides the analytic tools and foundations that managers need for strategic analysis. It focuses on the development and application of economic and policy knowledge that inform strategy-making. Strategic analysis is the first phase of the strategic management process and focuses on understanding a firm's environment and stakeholders in order to formulate and implement strategy.

Prerequisites: All 5100-series required core courses (MGMT 5150, ACTG 5100, ECON 5100, OMIS 5110/5120, and ORGS 5100).

Corequisites: All 5200-series required core courses (FINE 5200, MKTG 5200, and ACTG 5210/OMIS 5210).

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Course Learning Outcomes

This course examines the foundations of strategic analysis, the first step in the process of strategic management. Students will acquire the economic and policy knowledge required for strategic analysis, as well as the ability to apply that knowledge.

Strategic analysis focuses on understanding the firm's internal and external environment in order to formulate and implement strategy. Managers gather and analyze information in order to formulate goals and strategies. They must make sense of the forces that shaped the firm's current environment and those that will shape it in the future. Consistent with the basic tenets of strategic management, students will examine stakeholder theory from the perspective of a profit-seeking firm. They will then analyze key aspects of a firm's external environment. Throughout, current events and emerging issues will be analyzed in Canadian and global industries.

In preparation for second-year strategic management courses, students will develop their ability to apply fundamental concepts from industrial organization (IO) economics. This knowledge is a critical foundation for the analysis of competitive (industry) environments. Students will also develop their understanding of threats and opportunities arising from economic, political, demographic, sociocultural, technological and global segments of the macro environment. The role of the government in the political/legal sphere is particularly important to understanding the firm's environment. Students will examine the role of government and public policy in order to understand related issues firms face as well as opportunities. In short, this course provides students with fundamental knowledge they need to understand how governments and public policy affect firms today.

Finally, students need an understanding of the basic tenets of technological innovation in order to understand opportunities arising from global issues and threats. Therefore, students will examine technological innovation from both economic and managerial perspectives. How can firms harness innovation to generate profits while also contributing to the welfare of society? Sessions on innovation complement economic and policy components to provide the foundation for strategic analysis that students will need in strategic management studies as well as their careers.

Throughout this course, students will develop:

- a general understanding of the international economic and business environment
- an understanding and appreciation of the roles of business, not-for-profits, and government in society
- an understanding of the global nature of business
- the ability to approach problems from a systems perspective, with an appreciation of context and the role of the external environment of organizations
- the ability to assess factors that determine an organization's performance
- the ability to think strategically in a variety of contexts, taking into account risk, uncertainty, ambiguity, and paradox
- the ability to take multiple stakeholders into account in decision-making, including the public, shareholders, customers, employees and suppliers
- a greater understanding of basic microeconomics and its role in management decision-making with a focus on real world application
- a greater understanding of basic macroeconomic factors affecting the operating environment of firms and organizations in a domestic and international context

- a greater understanding of underlying incentives of organizations and their implications for managers and stakeholders
- a greater understanding of potential problems associated with different market structures, the role of the government, and their implications for managers and organizations
- the ability to apply economic concepts and frameworks to analyze business models
- a greater understanding of how governments and public policy affect the issues firms face, potential opportunities, and firm performance
- a greater understanding of how technological innovation affects firm performance and social welfare
- an understanding of how innovation can be a disruptive force for firms and industries while also creating opportunities
- the ability to analyze the disruptive effects of change arising from various segments of the macro environment on a variety of firms and industries

In summary, students will learn how to apply the economic theory of industrial organization in order to help firms create value and generate profits. They will also learn how to analyze the general environment to identify opportunities and threats. They will learn how firms interact with public policy and the role each plays in creating wealth—for firms as well as nations. Throughout, students will also develop a deeper understanding of how technological innovation both disrupts and creates opportunities, for both firms and industries.

Deliverables at a Glance

The final grade for this course will be based on the following tasks and weighted as indicated:

Assignment/Task	Quantity	Weight	Total	Author
Short tests	3	10%	30%	Individual
Comprehensive test	1	20%	20%	Individual
Group Project Presentation	1	5%	5%	Group
Group Project Report	1	30%	30%	Group
Class Participation	n/a	15%	15%	Individual
			100%	

For details, see “Written Assignments, Project and Exam: Description” on p. 14 and “Evaluation of Written Assignments, Project and Exam” on p. 16. More detailed descriptions will be posted on Canvas.

Course Material

Required reading for this course includes the following textbooks and course kit, which are available for purchase from the York University bookstore. <http://bookstore.blog.yorku.ca>

1. Shepherd, W.G., & Shepherd, J.M. 2004. *The economics of industrial organization* (5th ed.). Long Grove, IL: Waveland Press. (This custom book has been produced specifically for this course and consists entirely of chapters from the original textbook.)
2. Eckert, A., & West, D.S. 2005. *Canadian supplement for industrial organization* (2nd ed.). Toronto: Pearson/Addison Wesley.

3. SGMT 5800 XXX York University Course Kit, prepared by Prof. XXX

The assigned readings in these books and course kit must be read to complete this course successfully. **These readings are not optional.**

A course website been created within *Canvas LMS* (Learning Management System). It contains general information for Schulich students and information and materials specific to this course. Please check it frequently for announcements and any changes to the schedule.

Student Preparation for Class and Class Participation: Expectations

The role of a professor is to add value beyond the reading materials. It follows that the most effective use of classroom time is expanding upon (reinforcing or clarifying) what the student has tried to learn on an individual basis before entering the classroom. **For this reason, the instructor will assume each student has carefully read and made every effort to understand the assigned material prior to class.**

Preparation. Students are expected to complete the assigned reading before each class and be prepared to apply key concepts and tools by actively participating in class discussions. The Prep. questions in the “Class-by-Class Syllabus” on p. 5 identify concepts that students should be prepared to discuss in class.

The lecture portion of each class will highlight aspects of the reading that require significant interpretation or further clarification but will not cover all of the material for which students are responsible. There is simply not enough class time available to repeat everything the readings tell us about these concepts and tools. Instead, classes will focus on providing value add by highlighting a) aspects of concepts and tools that are difficult to understand and prone to misinterpretation, and b) the application of concepts and tools through the discussion of cases. This is why completing the readings ahead of time is so important.

Class Participation. Participation is important in this course, because one cannot learn how to be an effective manager by simply reading a book or listening to others talk about it. Learning by “doing” is the best way to learn management.

When students **actively contribute** a variety of views and perspectives, class discussion is more productive for everyone. Learning in a strategic management course depends on class participation, particularly during the discussion of cases. Participation reinforces learning from the readings and helps students develop analytic skills. It helps them apply what we know about economics and strategic management to the complex situations firms face today.

Both the **quality of the contribution** and **frequency** of participation affect participation grades. Students are not expected to “get the right answer” when they contribute to class discussion. However, **everyone is expected to make a proactive effort to contribute to the learning process through participation.**

Not participating in class discussions will affect your final grade, even if the rest of your performance is exceptional. Not surprisingly, frequent absence from class will significantly affect your participation grade. A student that does not attend class does not have the opportunity to participate.

Finally, all students are expected to contribute to a positive learning environment. While disagreement on the merits of an argument and differences in interpretation are a good thing in this class—because differences provide learning opportunities for everyone—every student is expected to refrain from making disagreements personal. Intellectual discussion of differences is good. Calling someone an “idiot” is not.

Class-by-Class Syllabus

This course consists of two modules: I) Economic Foundations and II) Macro Foundations, both of which include a focus on stakeholders and innovation. The following list of topics and readings indicates the material to be read, reviewed or prepared for each class. Dates for the short and comprehensive tests and group project are also provided.

Note that if any changes to this schedule become necessary, notifications will be posted on Canvas. If a change needs to be announced between classes, notification will be sent to your Schulich e-mail account. **Please monitor your Schulich e-mail account on a regular basis.**

Module I: Economic Foundations

(1) Value Creation & the Firm

Questions:

- What is the nature of value creation in the business enterprise?
- How is value created and shared among stakeholders?
- Describe the strategic management process. Why does strategic analysis evaluate the external environment of the firm?

Readings:

- Chen, M., Grayson, L.E. 2009. Creating value for stakeholders. *Darden Business Publishing*, 1-5.
- Harris, J.D., Lenox, M.J., Liedtka, J., & Snell, S.E. 2009. Introduction to strategy. *Darden Business Publishing*, 1-4.

Case:

- Uber—current articles handed out in class.

Notes:

Sessions 1 and 2 establish value creation and stakeholder theory as a conceptual frame for this course, before it proceeds to take a more firm-centric perspective. Students will develop an understanding of the issues that firms face with respect to stakeholders. This session also positions this course in relation to second-year strategic management courses by introducing the concepts of strategic analysis, strategy formulation and implementation. How this course provides the foundations for strategic analysis by addressing economic and macro aspects of the external environment is explained.

(2) Stakeholders & the Firm

Questions:

- What do you think a firm's objective function should be?

- What do we mean by profit maximization, stakeholder theory, enlightened value maximization and enlightened stakeholder theory?
- How does shared value differ from corporate social responsibility?
- How do managers' incentives differ from those of owners and shareholders?
- What are the implications of agency theory for value creation and capture?

Readings:

- Jensen, M.C. 2002. Value maximization, stakeholder theory, and the corporate objective function. *Business Ethics Quarterly*, 12(2): 235-256.
- Porter, M.E. & Kramer, M.R. 2011. Creating shared value. *Harvard Business Review*, 89: 2-17.
- Bower, J.L., Paine, L.S. 2017. The error at the heart of corporate leadership. *Harvard Business Review*, 95(3): 50-60.
- Jensen, M.C. 1994. Self-interest, altruism, incentives & agency theory. *Journal of Applied Corporate Finance*, 7(2): 1-16. (Focus on abstract and pp. 11-15.)

Case:

- The Overvaluation Trap (HBS R1512H)

Alternative Case:

- The Fall of Enron (HBS 109039)

Notes:

The goal of this session is to develop students' understanding of issues related to stakeholders and agency theory. The differing interests of stakeholders and their effects on value creation and distribution will be explored. Students will develop a greater understanding of the complexity of these issues as well as the conflicting interests of managers and owners. Students will explore the problems firms face when managers focus on short run returns or growth, because of misaligned incentives. Consequences such as a lack of investment that reduces long run returns will be discussed. Throughout this session, students will explore how profit maximization relates to stakeholder theory and the broader goal of creating shared value.

(3) Economic Foundations of Value Creation—Social Welfare & Competition

Questions:

- What do we mean by industrial organization in economics? What is the structure-conduct-performance paradigm?
- How does market structure affect firm performance?
- What do economists mean by the term social welfare? How is social welfare related to consumer surplus? Producer surplus?

- What is Canada's competition policy? What is Canada's antitrust policy? Those of the United States and Europe?
- Why should firms care about competition and antitrust policies?

Readings:

- Cabral, L.M. 2017. What is industrial organization? [Chapter 1] *Introduction to industrial organization* (2nd ed.). Cambridge, MA: MIT Press.
- Shepherd, W.G., & Shepherd, J.M. 2004. Basic concepts and debates [Chapter 1]. *The economics of industrial organization* (5th ed.). Long Grove, IL: Waveland Press.
- Porter, M.E. 1981. The contributions of industrial organization in strategic management. *Academy of Management Review*, 6(4): 609-620. (Only read pp. 609-614).
- Shepherd, W.G., & Shepherd, J.M. 2004. Antitrust policies: Standards and methods [Chapter 15]. *The economics of industrial organization* (5th ed.). Long Grove, IL: Waveland Press.
- Eckert, A., & West, D.S. 2005. Competition policy in Canada [Chapter 4]. *Canadian supplement for industrial organization* (2nd ed.). Toronto: Pearson/Addison Wesley.

Case:

- Dogfight over Europe: Ryanair (A) (HBS 9-700-115)

Notes:

This is the first of two sessions which aim to help students a) develop an intuitive understanding of the relationship between industry structure and firm performance and b) learn how to apply this economic knowledge to the challenges firms face today. In this session the lens of industrial economics will be introduced and used to shed light on the role of government. The goals of government and regulatory institutions will be explored and contrasted with those of profit-seeking firms.

[Short test at beginning of class.](#)

(4) **Economic Foundations of Value Creation—Industry Structure**

Questions addressed:

- How should one define an industry? What are some of the difficulties policy makers and firms face when they try to define markets?
- What determines industry structure?
- What are the benefits of competition for social welfare? What are the negative consequences?
- What are the effects of monopoly and market power on economic performance? On consumer surplus? Producer surplus?

- What is the Schumpeterian competitive process? What is the relationship of that process to the neoclassical perfectly competitive situation?
- Why should a profit-seeking firm care about the extent of competition?

Readings (full chapters or excerpts from):

- Shepherd, W.G., & Shepherd, J.M. 2004. Theories of competition and monopoly [Chapter 2]. *The economics of industrial organization* (5th ed.). Long Grove, IL: Waveland Press.
- Shepherd, W.G., & Shepherd, J.M. 2004. Market definition, market imperfections, and degrees of competition [Chapter 3]. *The economics of industrial organization* (5th ed.). Long Grove, IL: Waveland Press.
- Eckert, A., & West, D.S. 2005. The Canadian economy [Chapter 1]. *Canadian supplement for industrial organization* (2nd ed.). Toronto: Pearson/Addison Wesley.
- Eckert, A., & West, D.S. 2005. Canadian market structure, merger activity, entry/exit activity, and industrial performance [Chapter 2]. *Canadian supplement for industrial organization* (2nd ed.). Toronto: Pearson/Addison Wesley.

Cases:

- Shepherd, W.G., & Shepherd, J.M. 2004. Case studies of dominant firms: Microsoft, newspapers, Baby Bells, computers, beer, electricity, and others [Chapter 13]. *The economics of industrial organization* (5th ed.). Long Grove, IL: Waveland Press.

Notes:

The goal of this session is to develop students' ability to apply economic concepts regarding how industry structure affects firm performance. Students will develop an intuitive understanding of the relationship between competition and expected returns for profit-seeking firms. To this end, students will become familiar with the structure of various industries within Canada and how these industries have evolved. They will learn how to define markets and industries, while developing an understanding of issues related to market structure for policy makers and firms.

(5) Economic Foundations of Value Creation—Product Differentiation

Questions addressed:

- How can product differentiation benefit social welfare?
- What is image differentiation? How does image differentiation help firms realize monopoly profits?
- What are some of the adverse effects of advertising on social welfare?
- How can advertising benefit consumers as well as producers?
- How do entry conditions place limits on the power of dominant firms?
- Provide examples of endogenous and exogenous entry barriers.
- What is the relationship between product differentiation and entry?

Readings (full chapters or excerpts from):

- Cabral, L.M. 2017. Product Differentiation [Chapter 14]. *Introduction to industrial organization* (2nd ed.). Cambridge, MA: MIT Press.
- Shepherd, W.G., & Shepherd, J.M. 2004. Vertical conditions, size and diversification, and advertising [Chapter 12]. *The economics of industrial organization* (5th ed.). Long Grove, IL: Waveland Press, pp. 263-266 only.
- Shepherd, W.G., & Shepherd, J.M. 2004. Monopoly, dominance, and entry [Chapter 9]. *The economics of industrial organization* (5th ed.). Long Grove, IL: Waveland Press, pp. 185-196 only.

Cases:

- Shepherd, W.G., & Shepherd, J.M. 2004. Case studies of tight oligopolies: Passenger aircraft, airlines, sports, ready-to-eat cereals, and trash removal [Chapter 14]. *The economics of industrial organization* (5th ed.). Long Grove, IL: Waveland Press.

Notes:

The primary goal of this session is to develop students' understanding of the impact of product differentiation, brands, and advertising on social welfare, and the extent of competition within industries on profit-seeking firms. Students will develop their understanding of how product and image differentiation affect social welfare while creating opportunities for firms through excess returns. In addition, this session will introduce students to basic concepts of entry and barriers to entry.

[Short test at beginning of class.](#)

(6) Economic Foundations of Value Creation—Innovation

Questions addressed:

- How do economies benefit from technological innovation?
- How does technological innovation affect economic growth, economic development, productivity and social welfare?
- What is the relationship between market structure and technological innovation? Is competition conducive to innovation? Or monopoly?
- What are the key factors affecting technological innovation and economic growth in Canada today?
- What changes would you propose to increase technological innovation in Canada? What are your recommendations for business innovation policy?

Readings (full chapters or excerpts from):

- Shepherd, W.G., & Shepherd, J.M. 2004. Innovation, fairness, and other values [Chapter 5]. *The economics of industrial organization* (5th ed.). Long Grove, IL: Waveland Press.

- Scherer, F.M. 1999. Conclusion [Chapter 7]. *New perspectives on economic growth and technological innovation*. Washington, DC: Brookings Institution.
- Eckert, A., & West, D.S. 2005. Patents and research and development [Chapter 3]. *Canadian supplement for industrial organization* (2nd ed.). Toronto: Pearson/Addison Wesley.

Cases:

- Desai, N., & Moffat, G. (2018, July 20). Canada's 'innovation economy' has been over-hyped and needs a reality check. *The Globe and Mail*. Retrieved from <https://www.theglobeandmail.com/business/commentary/article-canadas-innovation-economy-has-been-over-hyped-and-needs-a-reality/>
- Nicholson, P. 2018. Facing the facts: Reconsidering business innovation policy in Canada. *Institute for Research on Public Policy*, Oct. No. 22, 1-35.

Notes:

The goal of this session is to develop students' understanding of a) how technological innovation affects economic growth and social welfare, and b) how government policies and institutions affect innovation. The relationship of market structures (competition or the lack of) to innovation will be discussed as well as the difficulties investors face when attempting to capture returns from innovation. Students will apply this learning and explore these issues with respect to the Canadian economy.

READING WEEK

Module II: Macro Foundations

(7) Government Policy and Firm Performance I – The Impact of Macroeconomic Policies

Questions:

- Identify global sources of disruption, for firms and society at large.
- What are some of the opportunities that arise from these sources of disruption?
- How do governments use macroeconomic policies (fiscal and monetary) to try to achieve public policy goals?
- How does the use of these policies impact the business environment for firms—both domestic and multinational?
- How do firms deal with these changes in their environment? Do firms always respond to changes in government policies in ways that governments predict or intend?

Readings:

- Greenberg, E., Hirt, M., & Smit, S. 2017. The global forces inspiring a new narrative of progress. *McKinsey Quarterly*, (April) 2: pp. 33-52.
 - The Bank of Canada, Fact Sheet. (2012, April). *Monetary policy*. Retrieved from
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http://www.bankofcanada.ca/wp-content/uploads/2010/11/monetary_policy.pdf

- The Bank of Canada, Fact Sheet. (2016, January). *Monetary policy target for the overnight rate*. Retrieved from http://www.bankofcanada.ca/wp-content/uploads/2010/11/target_overnight_rate_jan2016.pdf
- The Bank of Canada, Fact Sheet. (2012, May). *Why has Canada's inflation target been set at 2 per cent?* Retrieved from http://www.bankofcanada.ca/wp-content/uploads/2010/11/why_canada_inflation_target.pdf ,.
- The Bank of Canada, Fact Sheet. (2012, May). *How monetary policy works: The transmission of monetary policy*. Retrieved from http://www.bankofcanada.ca/wp-content/uploads/2010/11/how_monetary_policy_works.pdf
- Saunders, D. (2008, Jan. 31). Frugal Norway saves for life after the boom. *The Globe and Mail*, Toronto: p. A8. This article is part five of *The Globe and Mail* series entitled "Shifting sands: How Alberta's oil boom is changing Canada forever."
- Why giving politicians influence over monetary policy is a bad idea. (2016, March 10). *The Economist*. Retrieved from <http://www.economist.com/blogs/economist-explains/2016/03/economist-explains-7>

Cases:

- Current articles regarding trade wars and tariffs.

Notes:

The goal of this session is to understand how the macroeconomic policies of governments, studied in the abstract in ECON 5100, impact individual firms and industries.

(8) Government Policy and Firm Performance II -- Trade and Industrial Policies

Questions:

- Why is free trade beneficial to all nations?
- Why, despite the benefits of free trade, don't we have universal free trade?
- What is the institutional framework under which Canadian firms participate in the global economy?

Readings:

- Free trade in America: Open argument. (2016, April 2). *The Economist*. Retrieved from <http://www.economist.com/news/leaders/21695879-case-free-trade-overwhelming-losers-need-more-help-open-argument>
- Manley, J., & Kingston, B. Canada's global firms and the future of trade policy. In S. Tapp, A. Van Assche, and R. Wolfe (Eds). *Redesigning Canadian trade policies for new global realities*. Retrieved from <http://irpp.org/wp-content/uploads/2016/03/AOTS6-manley-kingston.pdf>

- The case for free trade is overwhelming, but the losers need more help. (2016, April 2). *The Economist*. Retrieved from <https://www.economist.com/leaders/2016/04/02/open-argument>

Case:

- Bombardier: Canada versus Brazil at the WTO (HBS 9-703-022)

Notes:

The goal of this session is understanding how trade and industrial policies affect individual firms and industries. We will also investigate how trade policies are evolving and how that evolution will impact firms and industries.

[Short test at beginning of class.](#)

(9) **Government Policy and Firm Performance III – Industrial Policy**

Questions:

- How does industrial policy impact firms and industries, both those it targets and others?
- Has globalization made it more difficult for governments to employ an activist industrial policy?
- Is industrial policy still an effective tool for governments hoping to improve the performance of Canadian firms and industries?

Readings:

- Picking winners, saving losers. (2010, August 5). *The Economist*. Retrieved from <http://www.economist.com/node/16741043>.
- Ciuriak, D., & Curtis, J.M. (2013, June 25). The inconvenient truth about industrial policy. *The Toronto Star*, p. A15. Retrieved from <http://irpp.org/wp-content/uploads/assets/Uploads/Op-ed-Ciuriak-Curtis-June-25-2013-Toronto-Star.pdf>. <http://www.irpp.org/assets/research/competitiveness/industrial-policy/Ciuriak-Curtis-no2.pdf>
- Special report on state capitalism: The visible hand. (2012, January 1). *The Economist*.

Case:

- Shaping the Future of Solar Power: Climate Change, Industrial Policy and Free Trade (Kennedy School of Government, HKS757)

Notes:

The goal of this session is understanding how industry policy impacts individual firms and industries. We will also discuss whether industrial policy, in its traditional sense, is still a viable option for governments to help local firms and industries compete.

(10) The Bottom of the Pyramid: Opportunities & Issues

Questions:

- How can companies from Canada and other developed nations profitably serve developing markets?
- Can firms in developing countries succeed globally? If so, how?
- How much should individuals and firms in developed nations worry about economic progress in developing nations?
- What is the best way for developed nations to aid in the economic development of developing nations?

Readings:

- Prahalad, C.K. & Hammond, A. 2002. Serving the world's poor, profitably. *Harvard Business Review*, (September).
- Khanna, T. & Palepu, K.G. 2006. Emerging giants: Building world-class companies in developing countries. *Harvard Business Review*, (October).
- Several articles on Africa dated March 7, 2019 from *The Economist*.

Video Case:

- Fareed Zakaria interview with Bill Gates on business opportunities & threats in African continent (20 minutes)

Case:

- Metro Cash and Carry (HBS 9-707-505)

Notes:

The goal of this session is to investigate the role developing economies play in the world economy and how that role is likely to evolve in the future. We will look at this issue from the perspective of firms and industries from developed and developing nations, and from the perspective of governments in developed and developing nations. We will also look at these issues from the normative perspective of optimizing global income and income distribution.

[Comprehensive test for first hour of class.](#)

(11) Disruptive Innovation: New Demand Curves & Production Functions

Questions:

- Why is innovation important for firms to compete in many industries?
 - Why do many innovation efforts fail to generate economic returns for firms?
 - How do different types of innovation affect firms, their competitors and customers?
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- What is radical innovation? Competence-enhancing and competence-destroying innovation? What are corresponding threats and opportunities for firms and industries?
- Why does Christensen et al. think “innovation can lift nations out of poverty?” How exactly would that work?

Readings:

- Schilling, M. 2016. Introduction [Chapter 1]. *Strategic management of technological innovation* (5th ed.). Boston: McGraw Hill.
- Schilling, M. 2016. Sources of innovation [Chapter 2]. *Strategic management of technological innovation* (5th ed.). Boston: McGraw Hill.
- Schilling, M. 2016. Types and patterns of innovation [Chapter 3]. *Strategic management of technological innovation* (5th ed.). Boston: McGraw Hill
- Christensen, C.M., Ojomo, E., & Dillon, K. 2019. An introduction to the prosperity paradox [Chapter 1]. *The prosperity paradox*. New York: Harper Collins.

Case:

- Tesla Motors (in 2013): Will Sparks Fly in the Automobile Industry? (HBS MH0017)

Alternative Case:

- Uber and Stakeholders: Managing a New Way of Riding (HBS 315139) Revisit?

Notes:

The goal of this session is to develop an understanding of how different types of technological innovation affect firms and industries. Students will become sensitized to the complex relationships among firms attempting to innovate, competitors, customers—and types of innovation. They will explore the effects of disruptive innovation as well as opportunities that arise when firms fully analyze what customers need and want. Students will explore opportunities that firms can realize when they innovate to address latent demand.

(12) Course Integration and Wrap Up

Group Project Presentations

Group Project Reports Due

Written Assignments, Project and Exam: Descriptions

Deliverables in this course include one group project, three quizzes and a test. The specifications for these items are described below. Criteria for evaluation is described in the following section.

The project report must be written in the equivalent of Times New Roman 12-point font, double-spaced, with 1 inch page margins, and strictly adhere to the page maxima described below. Not meeting these requirements will result in a lower grade since you will have more space to complete the assignment than other students—which is not fair to them.

The report must also be submitted to TURNITIN, a tool that identifies many different types of plagiarism with a high degree of accuracy. This tool identifies plagiarism within the class as well as external sources such as the Internet. Where evidence of academic dishonesty is found, students will be submitted to the disciplinary process of the university.

Due Date

TBD Group Project

Students will complete group projects that integrate all the material covered in this course. Instructors will hand out a list of potential topics. Students may choose other topics subject to instructor approval.

In the last session of this course, each group will make a short presentation of their conclusions and the logic behind them. Each group will also submit a written report based on their analysis.

In order to gather sufficient information for analysis, groups must choose a topic that has been written about extensively in the press. No interviews may be taken—all information gathered must be publicly available. An in-depth on-line search must be performed through ABI/INFORM global (Proquest). More information on this project will be provided during class.

To ensure groups do not put off thinking about their projects until late in the term, each group must complete the following tasks by the following dates. Failure to do so may negatively affect the project grade.

a) Groups formed by Session 3

Students need to form groups (exact size of group TBD in class). More information on how groups will be formed will be provided in class.

b) Topic selection due Session 6

Each group must identify the topic they would like to analyze by this class. When selecting their topic, each group must ensure it will be able to retrieve the information it will need to complete the project.

In one paragraph, each group should specify why they think the topic they are proposing would be a good choice. The instructor will then either approve the proposal or meet with the group to make suggestions or recommend alternatives.

c) Report outline due Session 8 or 9 (TBD)

Each group must submit a one-page single-spaced outline of the group report by this class. Bullet formats are encouraged. The outline must include all **major headings and subheadings** as well as some **preliminary conclusions regarding content**. Groups that submit incomplete or vague outlines may be asked to submit new outlines within a week.

Max length: 10 double-spaced pages plus 5 (additional) pages of exhibits

Value: 30% for the report; 5% for the presentation

TBD Short Tests

Each of these “quizzes” will be 20-30 minutes long and will consist of multiple-choice and short-answer questions about the material covered in preceding classes. These tests will be held at the beginning of class in sessions 3, 5, and 8. More information about the content of each test will be provided in preceding classes.

Value: 10% each

TBD Comprehensive Test

This one-hour test will consist of multiple-choice and short-answer questions. It may also include a short essay question about a brief case or news article that will be provided during the test period. It will be held in class during Session 10 and cover readings, lectures, and class discussions prior to that session. This will be a closed-book test. More information about what may or may not be on the test will be communicated in the week or two preceding the test.

Value: 20%

Evaluation of Written Assignments, Project and Exam

Grades. As the Graduate Academic Handbook specifies, core courses are expected to have a mean grade between 4.7 and 6.1 grade points. Achieving an A or A- for any assignment signifies that the student has substantially exceeded the requirements of the assignment.

All group members will receive the same grade for their project; each member of the group is equally responsible for each aspect of the group project.

Criteria. Evaluations of written work in strategic management classes is always partially subjective. Unfortunately, subjectivity cannot be completely avoided. However, each analysis will be graded as objectively as possible with consistent and fair criteria.

Clarity, precision, and accuracy when referring to or applying key concepts is particularly important in this class—all of these things lead to **conceptual clarity**. Analyses in strategic management require some interpretation and are never clearly 100% correct or incorrect. However, the application of the theoretical concepts and tools described in the readings and lectures is often clearly correct or incorrect.

The quality of **logic** used when analytical tools is also critical, and a major component of the persuasiveness of your analysis. Students should try to make a compelling argument, as if they were lawyers. Good lawyers bring a wealth of **evidence** to bear, and the quality of the information they use is high. They **use the facts of the case** accurately. They also analyze the meaning of those facts with **insight and perceptiveness**.

In addition, the **quantity and quality of references provided in each group report** will be evaluated as an indicator of the extent of research done by the group. High-quality projects require a great deal of research.

In summary, students should pull high-quality data from their research to use as evidence and apply the concepts and tools discussed in class with a great deal of logic to make a persuasive analysis and compelling argument. Of course, such an argument cannot be made unless the **presentation is accessible to the reader**—meaning your written work is **easy to read and understand**. No one should have to read a phrase or sentence more than once to understand what you are trying to say.

Students whose first language is not English are encouraged to proof-read their assignments carefully. Student Services can advise you of programs that can help you write with clarity.

Note that some of the conceptual clarity for which students are responsible will be discussed in class and will not be found in the assigned readings. For this reason, students who miss class should get notes from students who have been to class and check the slides posted on Canvas after class.

Calculation of Course Grade

To calculate students' final grades for this course, letter grades earned on assignments during the term will be converted to Schulich index values (e.g., A=8) which will then be multiplied by the weight of the assignment. The resulting numeric grades will be converted to letter grades according to the following scale: 7.50 to 8.49 = A, 6.50 to 7.49 = A-, etc.

General Academic Policies: Grading, Academic Honesty, Accommodations and Exams

Grades at Schulich are based on a 9-value index system. The top grade is A+ (9) and the minimum passing grade is C- (1). To keep final grades comparable across courses, sections of core courses are normally expected to have a mean grade between 4.7 and 6.1.

The Schulich School does not use a percentage scale or prescribe a standard conversion formula from percentages to letter grades. Conversions within a course are at the discretion of the instructor.

For more details on the index, grading policy, and grade point average (GPA) requirements, consult your Student Handbook.

Academic honesty is fundamental to the integrity of university education and degree programs, and applies in every course offered at Schulich. Students should familiarize themselves with York University's policy on academic honesty, which may be found in the Student Handbook and on the Schulich website:

<http://schulich.yorku.ca/current-students/academic-honesty/>

Accommodations. For accommodations sought due to exam conflicts, religious reasons, unavoidable absences or disabilities, please refer to the Student Handbook or contact Student Services. For counseling & disability services, contact Student Services or see <http://cds.info.yorku.ca/>

Note Selling. Several commercial services approach students to obtain notes, Power Point slides, and other study materials. Selling, posting, or reproducing any of the PowerPoint slides or instructor-provided material in this class is not permitted. Violations will be reported to the office of Associate Dean Academic which will impose sanctions. Because this is an illegal act, consequences are quite serious.