KAIST Business School
EMBA542: IT Management
KAIST Business School

Prof: Heeseok Lee (李熙錫) hsl@business.kaist.ac.kr or arizona9@unitel.co.kr

Tel. 958-3615 Room 312

TA: 한세희 Tel: 958-3655 sayhan@business.kaist.ac.kr

Career Focus

In this course, we will study the challenges of strategic understanding of IT from the perspective of the executives. This course will prove valuable to future executives or CEOs, as well as those who will consult for or invest in operating companies.

Course Objective

We are at the era of an information revolution where IT (information technologies) are redefining business models across industries, creating new markets, enabling new functionalities, and creating a whole new "space" where new human communities, behaviors, norms, and regulation are just beginning to emerge. Information technologies are an increasing part of developing new products and services, of integrating business functions, and of managing customer relationships. These technologies can cause major disruptions in business models in a very short time. Decisions about information technology are thus increasingly central to business growth.

The central premise of this course is that an organization will not succeed with IT and innovation unless these investments are aligned and integrated with a sensible business strategy. This is a crucial premise for industries transformed by IT. In more stable "industrial age" industries, business models were relatively stable. However, when IT transforms an industry, it realigns the industry structure and boundaries, and changes the fundamental business models that work.

The course is case oriented. The cases have been chosen to cover a range of industries and transformation of business models over the last ten years. This course will not make you an IT technical specialist; its emphasis is on industry and strategic issues. However, through an overview of the emerging applications of IT,

this course will help acquire an appreciation for the possibilities created by IT in tomorrow's markets, organizations, and society.

In sum, the major learning objectives of this course are

1. Explore how to create value via IT in a corporate environment.
2. Explain how to structure and solve IT-related business decision problems by synthesizing different discipline areas.
3. Understand how IT and process innovation change business models and how to anticipate these changes.
4. Explore the inherent IT businesses in emerging global opportunities.
5. Learn how to present and communicate the analysis results by working with team members for solving organizational challenges.

In order to achieve the above goals, this course categorizes businesses from the following four perspectives.

IT in Business
Innovation in Business
IT as Business
IT Business

Required Reading Materials & Cases

Reading Package by Dr H Lee
Case Package

Reference

Corporate Information Strategy and Management: Texts and Cases, 2009

Grading Policy

Grade of the course will be based on the following weights:

Individual Class Contribution	300
Case Analysis Report - Team	200
Case Presentation - Team	100
Quiz/Attendance	400

Case Analysis Report – Team

Cases are assigned to sharpen your understanding of real-life business world. For each case, you will form a 4 person team (The instructor will assign the team based on the strengths of team members in view of their synergetic effects). The case questions will be announced to help you focus on class discussion. You are answering these questions according to the theories, concepts, and frameworks you have learned in the class. You are required to submit typed answers to these case questions before the beginning of that class (3 pages maximum). The case analysis report needs to be prepared through your team effort.

Case Presentation and Discussion

For each case assigned, a team is selected for presentation. Your team's role would be consultants to address the issues assigned. You will be able to improve your skills to understand others' positions and customers through this role because it is fairly important step to be successful in business. This consultant team makes 30 minute presentation. (Please designate one-three consultants for the presentation). After the presentation, the team members will answer any question from the audience. The instructor will summarize the case later. The consultant team needs to post their presentation materials before the class session so that others may know of your ideas in advance. Most cases do not have one "right" answer, but there are definitely unsubstantiated and wrong answers. Even if class consensus differs, that does not diminish the value of your comments. Critically listen to your peers and if you disagree, then explain how and why your perspective differs.

Individual Class Contribution

Class contribution refers to anything contributing to our learning environment. This is not limited to class discussion. Bringing in (or uploading in the class web) innovative ideas, case update materials, relevant articles, or video clips, etc count towards your class contribution grade. Contributing to case analysis requires high quality, rigorous preparation before class. Even if class consensus differs, that does not necessarily diminish the value of your comments. Carefully listen to your

peers and if you disagree, then explain how and why your viewpoint differs. Debate, creativity, and expression of individual values and ideas are encouraged.

Quiz

Materials to be covered for the quiz will include all the assigned reading materials and cases. The main focus of quizzes is on your readiness of the class required materials. Unnoticed quiz may be given if the instructor feels its need.

CLASS SCHEDULE & Reading Assignment (Note: May change depending upon better education)

[2/6] IT Value – IT in Business

(R1) N Carr "IT doesn't matter" HBR May 2003 pp41-49 &
"Responses" HBR July 2003 pp109-112
(A) McAfee and Brynjolfsson "Investing in the IT that makes a competitive difference" HBR August 2008 pp 98-107.
(A) McAfee "Do you have too much IT?" SMR 2004 Spring
(A) Melville et al "IT and Organizational Performance" MISQ 2004
(A) Sawhney & Parikh "Where value lives in a networked world" HBR 2001

[2/13] Break

[2/20] IT Decision – IT in Business

CASE – IT Value Zara: IT for Fast Fashion (HBS 9-604-081)

(R2) McAfee "Mastering the three worlds of IT" HBR Nov 2006
(A) Davenport "Putting the Enterprise into the Enterprise Systems" HBR July-August 1998 pp27-37
(A) Upton & Staats "Radically simple IT" HBR March 2008 pp. 118-124
[Quiz #2]

[2/27] Customer Experience – IT in Business

CASE Harley Davison Motor Company (HBS 9-600-006)

(R3) Meyer and Schwager “Understanding customer experience”
HBR Feb 2007 pp 117-126
(A) Reichheld “The One Number You Need to Grow” HBR Dec 2003 pp46-54
(A) Laudon & Laudon “Managing data resources” pp225-246 CHAP 6
in Management Information Systems (2007)

[3/6] Process Enterprise - Innovation

CASE – CEM <u>Harrah's Entertainment Inc. (HBS 9-502-011)</u>

[CEM 특강] 파라다이스 추호석 대표 (파라다이스 방문)

(R4) Hammer “Process Management and the Future of Six Sigma”
SMR 2002 pp.26-32
(A) Hammer “Reengineering work: Don’t automate, obliterate”
HBR July 1990 pp. 104-112
(A) Davenport “The coming commoditization of process” HBR June 2005
pp. 101-108
(A) Immelt, Govindarajan & Trimble “How GE is disrupting itself” HBR Oct 2009
[Quiz #2]

[3/13] Management Innovation

CASE - <u>GE’s Growth Strategy (HBS 9-306-087)</u>

[특강] GE 코리아 황수 사장

(R5) Hamel “The Ultimate Advantage” (Chap2)
& “An Agenda for Management Innovation” (Chap3)
in Future of Management 2008
(A) Hamel “Forging Mangement 2.0” in Future of Management 2008
(A) Mcafee “How a connected workforce innovates” HBR Dec 2009
(A) Applegate, Austin & McFarlan “Information, Organization, and Control”
pp 64-71in Corporate Information Strategy and Management (2007)

[3/20] Creativity Management – Innovation in Business

CASE – Management Innovation <u>Whole Foods Market (HBS 705476)</u>

(R6) Amabile, Hadley & Kramer “Creativity under the Gun” HBR 2002 pp. 52-61
(A) Catmull “How Pixar fosters collective creativity” HBR 2008 pp. 64-72
(A) Krane, Fichman, Gallaugher & Glaser “Community Relations 2.0” HBR Nov 2009
(A) Nonaka & Konno “The concept of Ba” CMR Spring 1998 pp. 40-54
[Quiz #3]

[3/27] Business Model – IT as Business

CASE – <u>Shanghai Tang (HBS 9-410-018)</u>

(R7) Johnson et al. “Reinventing your business model” HBR Dec 2008 pp 51-59
(A) Magretta “Why business models matter” HBR 2002

[4/3] Break

[4/10] Network Business – IT as Business

CASE – IT & Business Model <u>Second Life (HBS 9-808-114)</u>

[특강] 손주은 대표 – 메가스터디 창업

(R8) Eisenmann et al “Strategies for two sided markets” HBR Oct 2006
(A) Eisenmann “Platform-mediated networks: definitions and core concepts” HBP Note 2006 9-807-049
(A) Gawer & Cusumano “How companies become platform leaders” SMR Jan 2008.
[Quiz #4]

[4/17] Open Business – IT as Business

CASE – Network Business Google Inc (HBS 9-806-105)

(R9) Chesbrough “Why companies should have open business model?” SMR Jan 2007

(A) Piano & Teece “How to capture value from innovation: shaping intellectual property and industry architecture” CMR Nov 2007

[4/24] Disruptive Strategy – IT Business

CASE – Open Business Blizzard (SM154A)

(R10) Christensen “How can we beat our most powerful competitors?” in Innovator’s Solution 2003

(A) Christensen “How can great firms fail? Insights from the hard disk drive Industry” in Innovator’s Dilemma

[Quiz #5]

[Group Simulation] Case – Storage Architecture Inc

[5/1] Customer Insights – IT Business

CASE – Nintendo’s Disruptive Strategy (9-HKU-814)

(R11) Christen “What products will customers want to buy?” in Innovator’s Solution 2003

(A) D’Aveni “Mapping your competitive position” HBR Nov 2007

[5/8] Adjacency Expansion – IT Business

CASE – Customer Insights for IT Business NTT DoCoMo (HBS 9-805-124)

(R12) Zook “Desperately seeking growth” in “Profit from the core” 2001

(A) Zook “Growth outside the core” HBR Dec 2003

[Quiz #6]

[5/15] Core Redefinition – IT Business

CASE – Pixar and Walt Disney (HBS 9-709-462)

(R13) Zook “Finding your next core business” HBR Apr 2007

(A) Skywotsky & Wise “The Growth Crisis - and How to Escape it” HBR July 2002

[5/22] Break

[5/29] Wrap-Up

CASE – Apple Computer (HBS 9-706-496)

[Quiz #7]