Syllabus

EMBA541 E-Business Strategy, Fall 2011

Staff

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Course Meeting Times

Lectures: Saturday, 9:00AM-12:00PM @ S301

Introduction

COURSE DESCRIPTION

This course is intended to supply MBA students with an overview of the electronic business (e-Business) phenomenon sweeping through the global economy. The Internet has created frantic investment and hype over the last 10 years. Some characterized it as "Extraordinary Popular Delusions and the Madness of Crowds." Although the honeymoon seems to be over for many e-businesses, there are no movements to abandon the millions of web sites created (0ver 81 millions of them!). Strategies are maturing, and it seems that a compromise between the online and physical world is likely to be effective; the usefulness of incorporating bricks with clicks emerged about a few years ago. Customer relationship and supply chain management serve to handle the input and output streams, and back end processes tie them together.

Riches have been reaped by a few firms, but it seems that not everyone is so lucky. Several firms are faltering, and the future is very uncertain. Many news reports describe spectacular successes (Google!!!, NHN, Youtube, Secondlife.com… you name them.) and failures in attempting to go on line, and give advice to the wannabes. While pure dot.com players were faltering, many brick-n-mortar firms have successfully harnessed the potentials of e-Business technology into their traditional business model so that they could sharpen their competitive advantages. In this class, we will focus on such aspect.

The course contains three parts in large:
(1) Understanding Internet & eBusiness Bascis
(2) Creating Customer Values through New Business Model Design
(3) Improving Business Processes through IT(PI).

Learning Objectives of Contents

Upon successful completion of the course, students will be able to:

1. Explain the "megatrends" digital technology has brought to the era we live.
2. Describe how electronic business affects the strategic intent and operations function of the firm;
3. Explain the differences between different types of ebiz environments and how they are important in positioning and focusing the efforts of the organization;
4. Explain how eBiz can be used to create new business models (new value propositions to customers)
5. Explain how to "continuously improve" business processes using eBusiness (Business Process Management)

Secondary Objectives of Skill Sets

Through the semester, students will sharpen their essential skill sets for effective business leaders. They include:

1. Effective Communication (oral and written communication)
2. Analytical Thinking from Case Studies
3. Synthesizing Different Disciplines
4. Ethical Behaviors

I will provide the detailed rubrics to measure such skills. For many presentations, case reports and term project, your grades will be determined by the quality of contents as well as the extent to meet the required skills outlined by the rubrics. Often the contents and the skills will have the same weights unless stated otherwise.

Pedagogical Methodology

Frankly, I do not believe there is any true expert on eBusiness because it is new to everybody, and is evolving everyday in the sense that people crack the unseen potentials of new technologies. Therefore, it is unlikely to have any seasoned experts on the topic and at the same time, any good management principles may still hold for eBiz if eBusiness is also part of Business. What business education should try is to nurture students to learn by themselves amid of high uncertainty. In high tech environment where relentless changes take place, new business leaders should have clear vision to see through big pictures out of noisy information loaded with hypes and fads.

Therefore, this class will not be *taught* by the instructor but be *learned* by students themselves by active research/project/ and class discussions. What the instructor will do to (i) outline topics, (2) suggest discussion topics of conflicting views, (3) point some references for students research.

For each class, students will be provided the outline of topics, and research questions before the class. Students are supposed to have the report for research questions when attend the class. For each topic, required readings will be assigned and be quizzed in the class for their readings.

Reading Assignments

Textbooks: (No Required)

Reference Book: *Introduction to E-commerce*, 2nd edition, with e-Commerce PowerWeb, 2003, McGraw-Hill.Irwin (available from the campus book store)

Reading package: Given

Grading

Students will be graded as follows:

ACTIVITIES	PERCENTAGES
Case Report/Presentation/	50%
Homework/Quizzes	10%
Term Project	30%
Class Participation	10%

Grading Policy on Homework

Homework sets are designed to help you learn how to apply the material presented in lectures and recitations. You are encouraged to discuss course material, including homework, with other students in the class. With respect to your final grade, you will get full credit as long as **(but only if)** you turn in your homework on time. Handwritten solutions are fine, as long as they are legible and neat. Please remember: if we can't read it, we can't grade it. In fairness to students who complete assignments on time, **late homework sets will not be accepted unless any legitimate excuse is provide**. Even in the excused case, 10% points will be taken out per day of late submission. You may turn in assignments during the lecture on the day they are due.

Re-grade Policy:
Requests for re-grading an exam must be made within **one week** of the date upon which the graded examination is returned to the student. To request a regrade, attach written explanation of the potential problem with the grading to the (entire) exam, and submit it to your TA. Regrading may not be limited to the part of the exam which is discussed in the written explanation. Regrades will be carried out by the Instructor or TA.

Case Write Up
Students should work in groups of 3 or 4 students to analyze each of the four cases. Each case introduces students to a series of problems and issues faced by a company attempting to come to grips with the changes in the emerging information economy. Students are expected to immerse themselves in the case by actively playing the role o the protagonist, or the main manager in the case. The process should include the following steps:

1. Individual analysis and preparation – read the case and think about the main issues being faced by the protagonist.

2. Review the case questions I outlined before you analyze the case. They are the ones you must answer.
3. Informal small group discussion – each group should meet and discuss the case from the perspective of the following questions and issues:

   - Who is the protagonist?
   - What are his/her objectives for the company?
   - What decisions must be made in order to achieve these objectives?
   - What are the problems and risks facing the protagonist? (May perform a SWOT analysis)
   - What are the current and expected market conditions?
   - Who are my customers and how do my decisions affect them?
   - What alternative courses of action are available for the company?
   - What action should be taken in the short term? In the long run?
   - How can other stakeholders be convinced of the validity of my decision?

   In examining these issues, students will be expected to apply the materials from the class where appropriate. One of the main learning objectives is for students to learn when certain frameworks apply to a given situation. It is important that all students participate in the group discussion and analysis of each case.

4. Having examined the above issues prepare a four to five-page single-spaced write-up of the case for hand-in at the end of the case discussion. Be prepared to discuss these issues and the specific issues raised in the class. In writing your case report, please refer to the rubric for the "Strategic Case Analysis to assess Written Communication and Analytical Thinking Skills" for the effective writing or the "Writing Rubric" if the case is a rather short essay. In your writing, the case questions I outlined must be answered logically and naturally.

Group Project

eBusiness Project: A group of 3-4 students explore to start eBusiness. Develop the overall ebusness strategy for your new start-up. The plan includes eBusiness market opportunity analysis, new value cluster (propositions), and analysis of sustainability of this business plan. Apply all possible frameworks/tools the class covers and other strategic planning tools you have learned from other classes or industry practices. The report should be made in PowerPoint and the executive summary will be presented in the class.

Student Conduct

Professional conduct is built upon the idea of mutual respect. Such conduct entails (but is not necessarily limited to):

Attending the Class

Core classes are required for a reason, and each class benefits from the attendance and participation of all students. Your grade for participation will be affected by absences. You should sit in the appropriate seat, if relevant, and display a legible name card at all times.

Arriving on Time

Late arrivals are disruptive to both lectures and class discussion, and show disrespect to those who are on time.

Minimizing Disruptions

All cell phones, laptop computers and hand-held devices should be turned off during class. Even manner mode is not allowed. Any violation to this policy may result in denial of class attendance. You should not leave and re-enter the class. You should avoid engaging in side conversations after class has begun.

Being Prepared for Class

You should be ready to discuss any assigned readings and to answer any assigned questions for each day's class, including being ready to open a case assigned for that day.

Respect

You should act respectfully toward all class participants.

Class participation grading reflects student adherence to these principles; students gain credit for contributing valuable insights
and students lose credit if they fail to adhere to any of the above guidelines.

Topics

NO.	TOPICS	READINGS & ACTIVITIES
1	Course Overview Topic 1: Why (Information) Technology Matter	• Readings 1. *The HBR List: Breakthrough Ideas for 2009*, Harvard Business Review, February 01, 2009 2. *Gen Y in the Workforce*, Harvard Business Review, February 01, 2009 3. *The Customer's Revenge*, Harvard Business Review, December, 2007 Before the class, please skim through the slides of "Business Model Innovation" of which pdf file is available at slideshare.com 4. ***How to Identify Your Enemies Before They Destroy You***, Harvard Business Review, November 2002 5. ***Breakthrough Thinking from Inside the Box,*** Business Review, December 2008
2	Catching up IT Trends	• Readings 6. *Web 2.0* Wikipedia definition of web 2.0 • **Web2.0 Application Hands-on Sessions**
3	Internet as a New Business Channel	• Readings ● Blown to Bits, (기업해체와 인터넷 혁명, Phillip Evans and Thomas S. Wurster)
	A. Information Richness Model	• **Case #1: BlueNile (Information Richness Model)** 7. Romance Killer, Forbes, Nov. 29, 2004. Surf BlueNile Website before the class
	B. Long tail Business Model	● Readings 8. *Should You Invest in the Long Tail?* HBR, July 2008

		(Korean Translation: 롱테일은 환상이다 , Dong-A Business Review, 2008 Aug) ● The Long Tail: Why the Future of Business Is Selling Less of More (Chris, Anderson) • **Case #2: FreshDirect: (Long Tail Business Model)** Visit Freshdirect web site. You need an address of NY. Search any hotel in NY, fake that as your address to register this site and navigate the site. Prepare the report of answers to questions below. **The report must be submitted in the class.** 9. The Online Grocer Version 2.0 , Fortune, Nov. 25, 2002 10. A Fresh Look at Loyalty , Direct, May 15, 2004 *What advantages does FreshDirect have over traditional retailers?* *How does FreshDirect's distribution channel differ from traditional grocery stores (think about suppliers, warehousing, interaction with customers, facilities, etc.)?* *Why does FreshDirect have better supplier relationships than those in other industries? What makes the model work well in NYC?* *Do you think it will work well in other parts of the country? Why or why not?* *How vulnerable do you think FreshDirect is to rivals and imitators? Does FreshDirect have any assets for sustainable competitive advantage? If so, what would they be?* *How has FreshDirect encouraged customers to use its service?* *What were the problems with the original approach and how did it fine tune the effort?* *E-mart in Korea now selling online. How is this different or similar from FreshDirect?*
	C. Wikinomics (Open Innovation)	• Readings 11. **Decisions 2.0: the Power of Collective Intelligence,** *Eric Bonabeau*, Jan 01, 2009, Sloan Management Review 12. **How Open Innovation Can Help You Cope in Lean Times, H.** Chesbrough and A. Garman, HBR, December 1, 2009 13. *Which Kind of Collaboration Is Right For You?* HBR, December 2009

		(Korean Translation: 협력적 혁신을 위한 4 가지 맞춤형 솔류션, Dong-A Business Review, 2009 January,) 14. *Open Source: Salvation or Suicide*? HBR, April 2008 ● *Wikinomics*, Don Tapscott ● *Open Innovation*, Chesbrough, Harvard Business School Press ● *Democratizing Innovation*, von Hippel, MIT Press, 2006 • **Case #3: P&G (Open Innovation)** 15. *Connect and Develop: Inside Procter & Gamble's New Model for Innovation*, L. Huston and N. Sakkab, HBR, March 1, 2006
	D. Attention Economy & Social Media	• **Readings** *16.* Users of The World, Unite! The Challenges and Opportunities of Social Media ,*Andreas M. Kaplan, Michael Haenlein*, **Business Horizons,** January 15, 2010, 17. *Strategies for Two-Sided Markets,* Thomas R. Eisenmann, Geoffrey Parker, Marshall W. Van Alstyne, Harvard Business Review, October 01, 2006 18. *The Man Who Owns the Internet, CNNMoney, May 2007* o The Attention Economy: Understanding the New Currency of Business (Davenport & Beck 2001) o The Economics of Attention: Style and Substance In the Age of Information (Lanham 2006) • **Case #4: Moslon Canada (Attention Economy)** 19. *Molson Canada:Social Media Marketing, D. Compeau, I. Qureshi, Ivy School of Business Case, Oct. 02, 2008*
	E. Virtual Economy	• **Readings** *20. Leadership's Online Labs*, **HBR, May 2008** *21.* The fairyland of Second Life: Virtual social worlds and how to use them ,*Andreas M. Kaplan, Michael*

		Horizons **9. Case #5: Second Life (Virtual Economy)** *22. Linden Lab Opening Second Life*, Thomas Eisenmann, Alison Berkley Wagonfeld, March 03, 2008, HBS *23. Linden Lab: Crossign the Chasm*, Thomas Eisenmann, Alison Berkley Wagonfeld, April 16, 2009, HBS
	F. Interactivity Model	• **Readings** *24. Nudge Your Customers Toward Better Choices*, HBR, December 2008 • **Case #6**: **Dell Computer** 25. *Execution without Excuses*, Harvard Business Review, March 2005 26. **Information Technology, Process Reengineering and Performance Measurement: A Balanced Scorecard Analysis of Compaq Computer Corporation** (William F. Wright, Rodney Smith, Ryan Jesser, Mark Stupeck), 27. Refining and Extending the **Business Model** With Information **Technology:** Dell Computer Corporation (Kraemer et.al.) *How Dell's business model is different from her rivals? What are the sources of its competitive advantages? How e-Business enables such innovations? What's the concept of choice board? Will its globalization strategy will work (especially in China or Korea) with the same model? Describe Dell's business model. Search how Dell's Inventory Turnover has been improved so far (Use search engines such as google.com with search keyword "Dell & Inventory Turnover"). As a CEO, you ask your organization to improve Inventory Turnover by 5% next year. What must business processes changed? How did Compaq rationalize their IT investment? How is it different from your company?*

4	eBusiness Modeling & Strategy (1)	• **Case #7:Wyndham International (Interactive Model)** **28. Wyndham International: Fostering High-Touch with Hight-Tech,** *Harvard Business Case #9-803-092* o *How Wyndham's approach is different from usual IT investment decision? Evaluate Wyndham's moves from strategic planning? What's the concept of High-Touch? What are implications of it? How is their web site different from other hotels?*
5	e-Business Applications (CRM)	• **Case #8: Progressive Insurance (CRM)** 29. Progressive Insurance: Creating Value via Mobile Field Service, E-Business Strategies, Inc, 2003. 30. Innovation at Progressive (A): Pay-As-You-Go Insurance, HBR Case # 9-602-175 (April 29, 2004) *What are major cost components in automobile insurance companies? How can you cut down the largest cost item? Progressive's mobile IT investment bellows to CRM application. How is it different from your companies? What have business processes been changed by this investment? What are the value propositions to customers via this investment? Provide the logic of ROI calculation for this investment?*
6	Social Issues of eBusiness	31. *We Googled You*, (HBR Case Study and Commentary) Diane L. Coutu, Jeffrey A. Joerres, Michael Fertik, John G. Palfrey Jr., danah m. boyd, Harvard Business Review, June 01, 2007 32. *What Was Privacy?* HBR, October, 2008
7	Project Presentation	
8	Wrapping-up	