



# ENTREPRENEURIAL BUSINESS STRATEGIES

## ENTP 6385.501

## SPRING 2009

<b>Class Meeting</b> Monday 1900-2145, SOM 2.802 <b>Office Hours:</b> Mon/Wed 3:00 – 4:30 PM Or by appointment	<b>Dr. Joseph C. Picken</b> SOM 4.212 <b>Email:</b> <a href="mailto:jpicken@utdallas.edu">jpicken@utdallas.edu</a> <b>Phone</b> (UTD office): (972) 883-4986
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### COURSE OBJECTIVES:

This course is built around the most recent developments in the field of strategic management. Although framed in the context of the entrepreneurial business, these ideas are also broadly applicable to the strategic challenges of innovation and competitive dynamics faced by established firms in rapidly growing or evolving markets.

An existing firm in an established and stable industry is faced with a limited set of choices – in all likelihood, the competitive landscape is reasonably well defined, the scope and segmentation of markets has been established, and the firm's competitive strengths and limitations are understood. Technology (“will it work?”) and market (“will they buy?”) risks are more or less manageable; competitive actions and the firm's ability to execute are the principal areas of uncertainty. Strategy options are partially constrained by established industry structure and prior choices.

In rapidly evolving competitive environments, entrepreneurs and established firms will often face multiple unknowns (technology, market, and competitive risks) and possess limited resources to manage these risks. The good news is that there are relatively few constraints on strategic choice; the bad news is that each choice is critical and each in turn constrains future options and flexibility. Often, the innovator or entrepreneur is faced with a “David and Goliath” challenge where the resources and legitimacy of incumbents and established business models create substantial barriers for a challenger firm with limited resources and capabilities. The strategic choices that are made in these situations have much to do with the ultimate success or failure of the innovator or entrepreneurial firm.

This course will examine these strategic choices utilizing recent case studies and the latest concepts of strategic management from the Harvard Business Review, Sloan Management Review and similar sources.

### LEARNING OBJECTIVES

**Upon successful completion of this course, students will:**

- Understand the strategic challenges of innovation and the unique competitive dynamics of entrepreneurial market entry, new product introduction and business model innovation in the context of rapidly growing or evolving markets.
- Understand the limitations of conventional strategy models and frameworks in addressing these challenges and how emerging entrepreneurial strategy models can overcome these limitations.
- Demonstrate the ability to analyze market and competitive environments, assess organizational capabilities, and evaluate and select the most appropriate strategic models for a given situation.
- Demonstrate the ability to apply the concepts, tools and frameworks presented in the readings and lectures to the analysis, interpretation and prioritization of strategic issues, and to develop and communicate appropriate recommendations for action with respect to the strategic challenges presented in case studies.

### REQUIRED COURSE MATERIALS:

- **Course Pack:** Cases and selected readings (available at UTD Bookstore and Off-Campus Books).
- **Moore, G.A. 2002.** Crossing the Chasm. Revised Edition. HarperBusiness. ISBN 0-06662-002-3.
- **Electronic Readings:** Download **eJournals** (Harvard Business School and other articles) as required. The **eJournals** are available for download at no charge on the UTD McDermott Library website <http://www.utdallas.edu/library/collections/journals.htm> (see ASSIGNMENTS below).

## SELF INTRODUCTION

Each student should post a Self-Introduction in the Discussion area of WebCT prior to **January 15<sup>th</sup>**. Guidelines are provided on the WebCT Discussion page. This information will be used to set up my gradebook and assist in the formation of groups for the course.

## FORMATION OF GROUPS

Much of the work in this course will be performed in groups. Students should form small groups (3 members) during the first two weeks of the course. It is important that you select your groups to include a diverse set of skills and make sure that at least one member is proficient in accounting and spreadsheet analysis. A list of the members of each group (with name, email and telephone contact information) should be emailed to the instructor on or before **Monday, Jan 26<sup>th</sup>**.

## LECTURE NOTES

The MS Powerpoint slides used in lectures and case discussions and other course-related materials will be posted on WebCT (<http://webct.utdallas.edu>) under course ID ENTP 6385. You should be able to access WebCT with your UTD Unix ID and password. Call computer services at (972) 883-2911 if you need assistance.

## COURSE REQUIREMENTS & GRADING:

The list of assigned readings and cases is attached. Supplemental materials may be provided or posted electronically. Advance preparation and enthusiastic participation in class discussions is an important part of the learning experience in this course and will be evaluated.

The course has been designed to allow flexible management of your time. There will be no quizzes or exams. Your grade will be based on group and individual written assignments and your contributions to class discussions. These assignments, their due dates and page limits, and their relative weights in determining your final grade are summarized in the table below:

Case	Due Date	Type	Length (pages)	Weight
1. Scott Cook & Intuit HBS 9-396-282	<a href="#">Feb 9, 2009</a>	Group (outline form)	4-5	12%
2. TIVO HBS 9-501-038	<a href="#">Feb 16, 2009</a>	Individual (outline form)	4-5	12%
3. Browser Wars 1994-1998 HBS 9-798-094	<a href="#">March 2, 2009</a>	Group (outline form)	4-5	12%
4. Charles Schwab & Co. Inc. in 1999. SM-35	<a href="#">March 23, 2009</a>	Individual (outline form)	4-5	12%
5. Handspring – “Partnerships” SM-79(A)	<a href="#">April 13, 2009</a>	Group (outline form)	4-5	12%
6. Vinod Khosla and Sun Microsystems (A) HBS 9-390-049	<a href="#">April 27, 2009</a>	Group (outline form)	6-8	15%
7. Wild Card Presentation (sessions 06, 08, 10, 13)	As assigned	Group (outline form) + Powerpoint Presentation	4-5	15%
8. Peer Evaluation	<a href="#">April 27, 2009</a>	Individual	1	0%
9. Class Participation		Individual		10%
Overall Course Grade				<b>100%</b>

**Wild Card Presentation.** Each group will be assigned one or more “wild card” presentations (see course outline). The group will prepare an outline form paper for the assigned case and lead the class discussion with a 25-30 minute Powerpoint presentation of their analysis of the case.

**Peer Evaluation.** A peer evaluation process will be utilized to adjust individual grades on all group assignments. The peer evaluation form (attached) should be completed individually, sealed in an envelope and turned in with the final written assignment on [April 27<sup>th</sup>](#).

## Written Assignments

- **Evaluation.** Ninety percent (90%) of your grade will be based on group and individual written assignments. Written assignments will be evaluated on multiple factors, including (a) fully addressing the requirements; (b) critical evaluation and effective insights into the case situation; (c) demonstrated ability to apply the course concepts and frameworks in your analysis; (d) logical conclusions and effective recommendations; and (e) effective communications. Particular care should be taken to fully address the requirements for each paper as detailed in the assignment. A written evaluation and critique will be provided on all graded papers.
- **Format.** Each written assignment should comply with the page length guidelines specified for the assignment. The use of charts and exhibits is encouraged, to the extent that they help you make your points. Cover pages, charts or exhibits, and lists of references will not be included in the page count. Charts and exhibits should be numbered and appropriately referenced in the body of the document. A list of references should be attached as required. The manuscript should use 11-12 point type, double-spaced, with 1" margins all around. Appropriate titles and section headings should be used. Binders and report covers are neither necessary nor desired. **Number the pages, put the course number and your name(s) at the top of each page and staple in the upper left corner.**
- **Outline Form Response.** Some assignments specify an outline form response. I will expect a statement of the question followed by a bulleted or numbered list of the key items in your response (see example on WebCT).
- **Essay Form Response.** Some assignments specify an essay form response. I will expect a well organized paper that addresses the case questions and uses section headings, bulleted lists, charts and exhibits as appropriate to clearly communicate your message.
- **Electronic Submissions.** If you submit a paper by email, the file name should identify the course, assignment number and your name or group ID. For example, "ENTP6385\_2\_JSmith.doc" would identify John Smith's written assignment #2.
- **Due Dates and Late Paper Policy:** Written assignments are due at the beginning of class on the date assigned. Group assignments will not be accepted late. Individual papers turned in within one week after the due date will be graded, but 10 points will be deducted; papers turned in within two weeks will be graded, but 15 points will be deducted. Late papers received more than two weeks after the due date will receive a zero. Exceptions may be made if circumstances warrant.

## Case Analysis Guidelines

Many of the written assignments and class discussions will require the analysis of case situations. Discussion questions for each case are provided below to help you to focus your analysis. You are encouraged to work together in your study groups to discuss the cases, including the individual written assignment cases, with the understanding that individual assignments (including tables and figures) are to be prepared and written by yourself. The following general approach to case analysis is recommended:

- Read the case quickly. Identify the key issues and decisions/actions required (the case preparation questions will help you to focus on the key issues). Prioritize the issues in terms of urgency and importance.
- Decide what kind of recommendations should be made (and to whom)
- Choose appropriate analytical tools/frameworks from those introduced in the course
- Analyze the situation thoroughly using the frameworks and theoretical frameworks provided in the readings
- Draw logical conclusions based on your analysis
- Make specific recommendations for action in response to the questions posed in the case or the preparation questions (what should be done, who should do it, when and in what sequence).

In general, there are no "right" or "wrong" answers for a specific case – different approaches and insights are possible, depending on your individual perspective and approach. Regardless, I will expect you to draw logical conclusions and (if appropriate) make recommendations that: (a) address the identified strategic issues; (b) follow logically from your analysis and conclusions; and (c) make sense (are feasible) in the context of the case situation.

## Class Participation

Ten percent (10%) of your grade will be based on the quality of your preparation and active participation in class discussions and exercises. From time to time, it may be necessary to miss a class due to illness or personal business. Please let me know in advance. Keep in mind that written assignments must be emailed by the due date, regardless. If attendance or participation become an issue, your grade will be impacted.

## UNIVERSITY POLICIES

**Off-campus Instruction and Course Activities.** Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address [http://www.utdallas.edu/BusinessAffairs/Travel\\_Risk\\_Activities.htm](http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm). Additional information is available from the office of the school dean. Below is a description of any travel and/or risk-related activity associated with this course.

**Student Conduct & Discipline.** The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, *A to Z Guide*, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the *Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3*, and in Title V, Rules on Student Services and Activities of the university's *Handbook of Operating Procedures*. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

**Academic Integrity.** The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

**Email Use.** The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

**Withdrawal from Class.** The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

**Student Grievance Procedures.** Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

**Incomplete Grade Policy.** As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of **F**.

**Disability Services.** The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.

The contact information for the Office of Disability Services is:

The University of Texas at Dallas, SU 22  
PO Box 830688  
Richardson, Texas 75083-0688  
(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

**Religious Holy Days.** The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

## DISCUSSION QUESTIONS FOR CASE ANALYSIS

The following discussion questions are provided to help you complete a structured analysis focusing on the key issues in each case. It is important, in written assignments, to address each of these points.

### Scott Cook and Intuit HBS 9-396-282

1. What are the key elements of Intuit's business strategy? Consider it from the perspective of Hamel's "*Strategy as Revolution*". How does Intuit create competitive advantage? Is their advantage sustainable?
2. Consider Intuit's strategy in the context of Porter's "*What is Strategy?*". Does this model fit? If so, why? If not, why not?
3. Evaluate Intuit's approach to the market and relationship with its customers in terms of the ideas contained in "*Knowing a Winning Business Idea When You See One*"? How important has Intuit's unique relationship to customers been to the success of its strategy?
4. Consider how Intuit's competitive environment had changed from its early days (1984-1992) to its later period (beginning with the ChipSoft acquisition). What had changed compared to the original strategy? What had remained the same?

### Tivo HBS 9-501-038

1. What are the key elements of Tivo's business strategy? Are they pursuing a complex-systems or a volume-operations model? How does Tivo intend to create competitive advantage? Is their competitive advantage sustainable? How is their strategy different from those of their competitors?
2. Consider Tivo's marketing strategy in the light of the Technology Adoption Life Cycle model. Where are they in the process? What have they done right? What have they done wrong? What do they need to do next?
3. Would you characterize Tivo's business strategy as a true "*Blue Ocean Strategy*" or merely the introduction of a substitute product that replaces and upgrades the functionality of the VCR? Address these issues from the differing perspectives of "*Blue Ocean Strategy*", Gourville's ideas about new-product adoption, and "*Knowing a Winning Business Idea*". Do you come to the same conclusion from each point of view?
4. Subsequent to the events described in the case, satellite TV providers have entered the market with their own versions of the Tivo device, bundled into a basic satellite receiver. Should this evolution of the competitive

market been reasonably foreseen by Tivo? How significant is the threat? How should they counter these new entrants?

#### **Compaq Computer 1995 IVEY 9A95A011**

1. Evaluate Compaq's early marketing strategy (1982-1985) in view of the ideas outlined in "*Crossing the Chasm*". How do you explain the Company's early success (relative to IBM and its other competitors)? Are Gourville's ideas applicable?
2. How did their strategy change/evolve with the introduction of the Deskpro 386 line? How did the competitive rivalry with IBM influence their strategy?
3. How did their strategy change/evolve with the introduction of the 80486 microprocessor?
4. How would you characterize the evolution of their strategy over the period of the case, from the perspective of "*Three Strategies for Managing Fast Growth*" and "*Growth Outside the Core*"?

#### **Browser Wars 1994-1998 HBS 9-798-094**

1. The first-mover in the browser market was Mosaic, which was quickly eclipsed by Netscape, which was ultimately bested by Microsoft. Trace the evolution of the strategy of "creative imitation" in the drive to market leadership during the period 1993-1997.
2. Evaluate the strategies of Mosaic, Netscape and Microsoft based on the ideas contained in "*Value Innovation*". How did each market leader, in turn, create competitive advantage? How did the successor negate those advantages and create a new "value curve" for the industry?
  - a. Plot the "value curve" for Netscape vs. that of Mosaic (using an appropriate set of parameters) to illustrate how Netscape created new value for its customers.
  - b. Plot the "value curve" for Microsoft's Internet Explorer vs. that of Netscape to illustrate how Microsoft changed the basis of competition in the Browser wars.
3. Compare the business models of Netscape and Microsoft using Moore's "two hands" framework. How are they similar? How are they different?
4. Late in the battle, Netscape posted its source code on a public Web site, in an effort to enlist customers and other developers in the technology battle. Did Netscape successfully "*Skate to Where the Money Will Be*" as their strategy evolved over the period of the case?

#### **Case: Disruptive Technology a Heartbeat Away: Ecton, Inc. HBS 9-699-018**

1. Does Ecton, Inc. have a truly disruptive technology? Consider the criteria set forth in the two readings about disruptive technologies.
2. Develop a "value curve" for Ecton's product and for the industry standard products following the methodology laid out in "*Value Innovation*". Does Ecton's product really have a very different package of attributes? To what market segments might this different package appeal?
3. Does Ecton's technology have a chance of sufficient price/performance improvement to challenge the established market leaders? Consider Gourville's ideas in your assessment. Evaluate the risks in their approach using Adner's model (interdependence, initiative, integration).
4. Given Ecton's broad strategic objectives (sale of the company to a major player), what kind of product launch strategy should they pursue, assuming that the patient trials were successful?
5. If Ecton decided to go it alone, what should their product launch strategy be (which markets, channels, etc.)?

#### **Charles Schwab & Co. Inc. in 1999 SM-35**

1. For nearly 30 years, Charles Schwab & Company has pursued a strategy of technology-enabled innovation in challenging traditional brokerage firms. Outline the core elements of their strategy. Have these elements been consistent over the years?
2. Has Schwab driven, or been driven by changes in the competitive market environment? How have the ideas of *time pacing* been illustrated in their approach to innovation and ability to "turn on a dime" in the industry?
3. Evaluate Schwab's competitive positioning vs. its competitors using the ideas reflected in Kim and Mauborgne's "*Value Innovation*". Use value curves to plot Schwab's position: (a) in 1995 (pre-internet) vs. Merrill Lynch and the other full-service brokers; and (b) in 1999 vs. E\*Trade, Merrill Lynch and WingspanBank.com.
4. Use your value curves to explain how Schwab's positioning created competitive advantage in 1995? How did this positioning change by 1999? How was their competitive position affected? Do you expect it to change further in response to the changing competitive dynamics?
5. Can the evolution of Schwab's strategy and competitive positioning be explained in the context of Prahalad and Ramaswamy's ideas, as articulated in "*The New Frontier of Experience Innovation*"? To what extent has the behavior of consumers played a role in the evolution of Schwab's strategy and service offerings?

**Dell Computer Corporation HBS 9-596-058**

1. Dell Computer's strategy has evolved significantly over the years, as the company has continued to experience rapid growth to a current position of market leadership. Trace the evolution of Dell's strategy in the context of a changing competitive landscape from its inception in 1983 to the end of the case in 1994.
2. Show how many of the ideas contained in "*Judo Strategy*" and "*Maneuver Warfare*" were important in Dell's strategy.
3. Why was Dell's entry into the retail channel unsuccessful? What can we learn from this?
4. Analyze the strategic issues posed at the end of the case. What would you recommend regarding each?

**Firefly Network (A) GSBSU OIT-22A**

1. How has Firefly Network positioned itself in the competitive market space? Consider two different models: "*Crossing the Chasm*", Chapter 6; and "*The New Frontier of Experience Innovation*". How does their positioning differ from that of Broadvision?
2. How does Firefly's current strategic direction conform to the idea of a "toll gate" strategy, as defined in the lecture notes? What are the risks, issues and potential rewards of such a strategy? Is this direction appropriate?
3. If you were a member of Firefly's Board of Directors, what are the top three questions you would pose to Nick Grouf, regarding the strategic direction of the company?
4. What recommendations would you make?

**Handspring – "Partnerships" SM-79 (A)**

1. What is Handspring's basic strategy (within the overall course framework)? What is their goal? How do they intend to create and sustain competitive advantage?
2. Evaluate Handspring's strategy from the perspective of "*Leveraged Growth*". How closely do they follow the model? Where have they taken a different path? What are the implications?
3. At the time of the Visor's launch, Palm was clearly the platform leader in the industry. In the beginning, did Handspring support or challenge that leadership? How do you anticipate that the Springboard modules will impact the industry's platform architecture? Evaluate their approach from the perspective of Gourville's model of technology adoption.
4. Evaluate Handspring's channel strategy in the light of the observations contained in "*Crossing the Chasm*", Chapter 7). Consider the changes in distribution channels between the time "*Chasm*" was originally written (1991) and the time of the case.

**Staples: A Year in the Life of a Startup HBS 9-800-241**

1. What is Staples's fundamental business strategy? How do they plan to create and sustain competitive advantage? What actions do they plan to ensure that these advantages are sustainable?
2. The traditional office products industry was essentially "unbundled" already. Staples' strategy is based on "rebundling" this industry in a way that fundamentally changes the industry structure – in effect creating a new market space. In what ways does Staples' strategy reflect the ideas from "*Creating New Market Space*"? How would you characterize their business model following Moore's "two hands" perspective?
3. Construct the value curves for: (a) the traditional office supply industry; and (b) Staples. Can you clearly demonstrate how Staples created a new value proposition for its customers?

**Case: Vinod Khosla and Sun Microsystems (A) HBS 9-390-049**

1. This description of the early years of Sun Microsystems provides insights into the early years of a bootstrap startup, and outlines the key strategic principles Sun pursued in its initial business plan (see Exhibit 3). Evaluate Vinod Khosla and the early startup against the criteria set forth in "*The Questions Every Entrepreneur Must Answer*".
2. Evaluate Sun's initial strategy using the concepts from "*What is Strategy?*" and "*Strategy as Revolution*". Does your analysis provide insights into the company's ultimate success?
3. Evaluate Sun's initial marketing efforts using the concepts articulated in "*Crossing the Chasm*", "*Eager Sellers – Stony Buyers*" and "*Blue Ocean Strategy*". Did they pursue the right strategy? Did they implement effectively?
4. At the end of the case, Khosla has just learned that he has lost a critical sale to an established competitor. Outline a competitive strategy for Sun Microsystems to compete effectively with Apollo using the concepts outlined in "*Judo Strategy*", "*Maneuver Warfare*", and "*The Elements of Platform Leadership*"

## COURSE OUTLINE

Date	Preparation	Assignments
<b>Session 01</b> 1/12	<b>Entrepreneurial Business Strategies</b> <ol style="list-style-type: none"> <li>Bhide, Amar. 1994. <i>How Entrepreneurs Craft Strategies that Work</i>. Harvard Business Review. Mar-Apr 1994. 150-161. R94202. (eJournal)</li> <li>Bhide, Amar. 1996. <i>The Questions Every Entrepreneur Must Answer</i>. Harvard Business Review. Nov-Dec 1996. 120-130. R 96603 (eJournal)</li> </ol>	Come to class prepared to discuss the readings
<b>MLK HOLIDAY</b>		
<b>Session 02</b> 1/26	<b>Perspectives on Strategy: Conventional Wisdom</b> <ol style="list-style-type: none"> <li>Porter, Michael E. 1996. <i>What is Strategy?</i> Harvard Business Review. Nov-Dec 1996. 61-78. R9660 (eJournal)</li> <li>Collis, David J. and Cynthia A. Montgomery. 1995. <i>Competing on Resources: Strategy in the 1990's</i>. Harvard Business Review. Jul-Aug 1995. 118-128. R95403 (eJournal)</li> <li>Porter, Michael E. <i>Strategy and the Internet</i>. 2001. Harvard Business Review. Mar 2001. 62-78. R0103D. (eJournal)</li> </ol>	Come to class prepared to discuss the readings
<b>Session 03</b> 2/2	<b>Perspectives on Strategy: Challenging Conventional Wisdom</b> <ol style="list-style-type: none"> <li>Hamel, Gary. 1996. <i>Strategy as Revolution</i>. Harvard Business Review. Jul-Aug 1996. 69-82. R96405. (eJournal)</li> <li>Eisenhardt, K.M. and Donald N. Sull. 2001. <i>Strategy as Simple Rules</i>. Harvard Business Review. January 2001. 106-116. R0101G (eJournal)</li> <li>Courtney, Hugh, Jane Kirkland and Patrick Viguerie. 1997. <i>Strategy Under Uncertainty</i>. Harvard Business Review. Nov-Dec 1997. 66-79. R97603. (eJournal)</li> <li>Teaching Note: <i>Weighted Criterion Decision Matrix</i> (Web CT)</li> </ol>	Come to class prepared to discuss the readings
<b>Session 04</b> 2/9	<b>Understanding the Industry Context: Markets &amp; Customers</b> <ol style="list-style-type: none"> <li>Moore, Geoffrey A. 2002. <i>Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers</i>. HarperBusiness. New York. (Ch 1-2; pp 3-59)</li> <li>W. Chan Kim and Renee Mauborgne. 2000. <i>Knowing a Winning Business Idea When You See One</i>. Harvard Business Review. Sept-Oct 2002. 129-138. R00510. (eJournal)</li> <li>Gourville, John T. 2006. <i>Eager Sellers – Stony Buyers: Understanding the Psychology of New-Product Adoption</i>. Harvard Business Review. June 2006. 99-106. R0606F. (eJournal)</li> <li>CASE: Scott Cook and Intuit HBS 9-396-282</li> </ol>	Written Assignment #1: Group (outline form)
<b>Session 05</b> 2/16	<b>Early Stage Strategies: Creating New Markets and Business Models</b> <ol style="list-style-type: none"> <li>Kim, W. Chan and Renee Mauborgne. 2004. <i>Blue Ocean Strategy</i>. Harvard Business Review. Oct 2004. 76-84. R0410D. (eJournal)</li> <li>Moore, Geoffrey A. 2005. <i>Strategy and Your Stronger Hand</i>. Harvard Business Review. December 2005. 62-72. R0512C. (eJournal) (focus on the two different business and organizational models).</li> <li>Magretta: <i>Why Business Models Matter</i> (HBR R0205F) HBR May 2002 (eJournal)</li> <li>Shafer, Smith &amp; Linder: <i>The Power of Business Models</i>. Business Horizons (2005) 48, 199-207 (eJournal)</li> <li>CASE: Tivo HBS 9-501-038</li> </ol>	Written Assignment #2: Individual (outline form)
<b>Session 06</b> 2/23	<b>Early Stage Strategies: Driving for Market Leadership</b> <ol style="list-style-type: none"> <li>Moore, Geoffrey A. 2002. <i>Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers</i>. HarperBusiness. New York. (CH 3-5; pp 63-135)</li> <li>Zook, Chris and James Allen. 2003. <i>Growth Outside the Core</i>. Harvard Business Review. December 2003. 66-73. R0312E. (eJournal)</li> <li>von Krogh, Georg and Michael A. Cusumano. 2001. <i>Three Strategies for Managing Fast Growth</i>. Sloan Management Review. Winter 2001. 53-61. Reprint 4224. (eJournal)</li> <li>CASE: Compaq Computer 1995 IVEY 9A95A011</li> </ol>	Wild Card #1

<b>Session 07</b> 3/2	<b>Growth Stage Strategies: Fast Follower (Creative Imitation)</b> 23. Kim, W. Chan and Renee Mauborgne. 1997. <i>Value Innovation: The Strategic Logic of High Growth</i> . Harvard Business Review. Jan-Feb 1997. 103-112. R97108. (eJournal) 24. Christensen, Clayton M., Michael Raynor, and Matt Verlinde. <i>Skate to Where the Money Will Be</i> . Harvard Business Review. November 2001. 73-81. R0110D. (eJournal) 25. <b>CASE: Browser Wars 1994-1998 HBS 9-798-094</b>	<b>Written Assignment #3:</b> Group (outline form)
<b>Session 08</b> 3/9	<b>Growth Stage Strategies: Disruptive Technologies</b> 26. Bower, Joseph L. and Clayton M. Christensen. 1995. <i>Disruptive Technologies: Catching the Wave</i> . Harvard Business Review. Jan-Feb 1995. 43-62. R95104. (eJournal) 27. Gilbert, Clark. 2003. <i>The Disruption Opportunity</i> . Sloan Management Review. Summer 2003. 27-32. Reprint 4443 (eJournal) 28. Adner: <i>Match your Innovation Strategy to Your Innovation Ecosystem</i> (HBR R0604F April 2006) (eJournal) 29. <b>CASE: Disruptive Technology a Heartbeat Away: Ecton, Inc. HBS 9-699-018</b>	<b>Wild Card #2</b>
<b>SPRING BREAK</b>		
<b>Session 09</b> 3/23	<b>Growth Stage Strategies: Continuous Innovation</b> 30. Eisenhardt, Kathleen N. and Shona L. Brown. 1998. <i>Time Pacing: Competing in Markets that Won't Stand Still</i> . Harvard Business Review. Mar-Apr 1998. 59-69. R98202 (eJournal) 31. Prahalad, C.K. and Venkatram Ramaswamy. 2003. <i>The New Frontier of Experience Innovation</i> . Sloan Management Review. Summer 2003. 12-18. Reprint 4442 (eJournal) 32. <b>CASE: Charles Schwab &amp; Co. Inc. in 1999. SM-35</b>	<b>Written Assignment #4:</b> Individual (outline form)
<b>Session 10</b> 3/30	<b>Growth Stage Strategies: Entrepreneurial Judo (Speed &amp; Agility)</b> 33. Yoffie, David B. and Michael A. Cusumano. 1999. <i>Judo Strategy: The Competitive Dynamics of Internet Time</i> . Harvard Business Review. Jan-Feb 1999. 70-81. R99110. (eJournal) 34. Clemons, Eric K. and Jason A. Santamaria. 2002. <i>Maneuver Warfare: Can Modern Military Strategy Lead You to Victory?</i> Harvard Business Review. April 2002. 57-65. R0204D. (eJournal) 35. <b>CASE: Dell Computer Corporation HBS 9-596-058</b>	<b>Wild Card #3</b>
<b>Session 11</b> 4/6	<b>Niche Market Strategies: Building a Toll Bridge</b> 36. Moore, Geoffrey A. 2002. <i>Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers</i> . HarperBusiness. New York. (CH 6-7; pp 136-192) 37. <b>CASE: Firefly Network (A) GSBSU OIT-22A</b>	<b>Wild Card #4</b>
<b>Session 12</b> 4/13	<b>Niche Market Strategies: Unique Skills or Market Knowledge</b> 38. Hagel III, John. 2002. <i>Leveraged Growth: Expanding Sales without Sacrificing Profits</i> . Harvard Business Review. Oct 2002. 68-77. R0210E. (eJournal) 39. Cusumano, Michael A. and Annabelle Gawer. 2002. <i>The Elements of Platform Leadership</i> . Sloan Management Review. Spring 2002. 51-58. Reprint 4335. (eJournal) 40. <b>CASE: Handspring – “Partnerships” SM-79 (A)</b>	<b>Written Assignment #5:</b> Group (outline form)
<b>Session 13</b> 4/20	<b>Exploiting Change: Culture, Demographics, Industry Structure</b> 41. Hagel III, John and Marc Singer. 1999. <i>Unbundling the Corporation</i> . Harvard Business Review. Mar-Apr 1999. 133-141 R99205. (eJournal) 42. McGahan, Anita M. 2004. <i>How Industries Change</i> . Harvard Business Review. October 2004. 87-94. R0410E. (eJournal) 43. <b>CASE: Staples: A Year in the Life of a Startup HBS 9-800-241</b>	<b>Wild Card #5</b>
<b>Session 14</b> 4/27	<b>Strategy Implementation: Making it Happen</b> 44. <b>CASE: Vinod Khosla and Sun Microsystems (A) HBS 9-390-049</b>	<b>Written Assignment #6</b> Group (outline form)

## PEER EVALUATION FORM

### INSTRUCTIONS

The peer evaluation process is intended to provide group members with an opportunity to contribute to the evaluation of the performance of your team members on group activities. On the form below, you may rate the performance and contributions of your team members (including yourself) in the preparation of the group assignments. Instructions follow:

1. Enter the names of your group members (alphabetically by last name). Include yourself.
2. Evaluate each assignment separately. Each team member will begin with 100 points on each assignment.
3. You may reallocate the total number of points among team members within a range of 80 to 120 points for each individual, based on their contributions to the group effort on that assignment.
4. The total number of points allocated on any single assignment must equal 100 times the number of members of the team. If you have four members on the team, the total for each column should be equal to 400.
5. I will calculate an overall assessment as a weighted average of the individual ratings, using the percentage weights indicated below.

Please sign your evaluation at the bottom of the page, place it in a sealed envelope, and turn it in with your final group assignment on [April 27<sup>th</sup>](#).

### PEER EVALUATION

Group Member (list alphabetically)	WA-1 2/9/09	WA-3 3/2/09	WA-5 4/13/09	WA-6 4/27/09	WA-7 Wild Card
<b>1</b>					
<b>2</b>					
<b>3</b>					
<b>4</b>					
<b>Total</b>					

### COMMENTS

Group Member	Comments (please support and justify any assessment below 90% or above 110%) Continue on reverse if necessary.
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	

**Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_