



ENT6390.501: Business Model Innovation

SPRING 2018 / Class time: M 7:00-9:45

Location: JSOM 2.802

Instructor: H. Dennis Park
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Office: JSOM 4.203
Office hours: M 5:00-6:00 or by appointment

COURSE OBJECTIVES

A business model is a logical and internally consistent representation of the design and operations of a business, capturing the essence of how it will be focused and demonstrating how an interrelated set of decision variables will be addressed to create, deliver and capture value. By one definition, a business model consists of four interlocking elements:

- The customer value proposition (how does the firm create value for a customer)
- The profit formula (how does the firm capture value for itself while providing value to the customer)
- The key resources required to deliver the value proposition to the targeted customer
- The key processes that allow a firm to deliver value in a repeatable and scalable manner.

Business model innovation is focused on the design and development of new and unique business models that, by definition, challenge accepted conventions in a given industry about how to create and deliver customer value while making sustainable profits for the entrepreneur and his investors.

Although it may be possible, under ideal circumstances, to “design” an innovative business model, an alternative view holds that business model innovation is a somewhat messy, iterative process of experimentation and refinement. The essence of this perspective is captured in the admonition of an experienced entrepreneur and venture investor to: “try it, iterate it until you get it right, then build a repeatable scalable business process”. This view is consistent with the assertion that “no venture succeeds with its original business plan”, and maintains that the principal difference between winners and losers is the ability of the winners to recognize the shortcomings of their initial approach, update their assumptions, and redirect the organization from Plan A to a more workable Plan B before their funding is exhausted.

This course will explore the range and diversity of existing perspectives about business models and the tools of analysis essential to their understanding. We will learn to analyze and evaluate existing business models and pursue a logical and internally consistent approach to the choice and development of an appropriate business model for a new enterprise. The application of the course frameworks, tools, and techniques will be illustrated with case studies and evaluated in a series of individual and group exercises and assignments.

LEARNING OBJECTIVES

- Understand and be able to explain the purpose, role and importance of business models, including the key elements of a business model and the interactions and interdependencies among the elements.
- Demonstrate the ability to analyze existing business models utilizing the course frameworks, tools and techniques, evaluate their strengths and limitations, and make recommendations for improvement.
- Demonstrate the ability to evaluate, design, and recommend innovative business models for entrepreneurial new ventures or businesses experiencing significant changes in their external environments.

REQUIRED COURSE MATERIALS

- Course Pack: Cases and selected readings. Available directly from Harvard Business School Publishing at <http://cb.hbsp.harvard.edu/cbmp/access/71815118>
- Electronic Readings: Download eJournals (Harvard Business School and other articles) as required. The eJournals are available for download from the UTD McDermott Library website <http://www.utdallas.edu/library/> (see ASSIGNMENTS below). Teaching notes, exercise templates and other materials are located in the eLearning Session by Session Folder.

FORMATION OF GROUPS

Much of the work in this course will be performed in groups. Students should form small groups (3-4 members) during the first week 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 uploaded to eLearning prior to January 19th.

LECTURE NOTES

The MS-Powerpoint slides used in lectures and case discussions and other course-related materials will be posted in the Session by Session folder on eLearning (<https://elearningpilot.utdallas.edu/>) under course ID ENTP 6390. You should be able to access eLearning with your UTD ID and password. Call computer services at (972) 883-2911 if you need assistance.

COURSE REQUIREMENTS AND GRADING

The list of assigned readings and cases is detailed by session in the COURSE OUTLINE below. 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. 20% of your grade will be based on group exercises and written assignments, whereas 80% will be based on individual exercises, individual assignments and class participation.

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|---------------------------------------|-------------|
| Individual class participation | 25% |
| Individual case write-up (3) | 25% |
| Individual exercise of profit formula | 10% |
| Individual final takehome exam | 20% |
| Wild Card group case analysis (2) | 20% |
| TOTAL | 100% |

All assignments will be turned in through eLearning. Written feedback will be provided on all assignments. I will be looking for evidence that you understand the concepts and frameworks provided in the readings and lectures and can apply them effectively in your analysis. The discussion questions provided for each case are intended to help you focus on the important issues. I expect you to fully address each of the discussion questions in your response. Page length and format guidelines will be monitored; abuse will be noted in your communications grade.

UNAVOIDABLE ABSENCE

From time to time, it may be necessary to miss a class due to illness or travel. Within reason, I will be flexible in accommodating your needs, but would appreciate prior notice by email. Required written assignments must be submitted through eLearning prior to the missed class.

PEER EVALUATION

A peer evaluation process will be utilized to adjust individual grades on all group assignments. The peer evaluation form is posted on eLearning and should be completed individually and submitted on eLearning prior to 11:59 pm on April 30th.

GUIDELINES FOR WRITTEN ASSIGNMENTS

Due Dates. Written assignments are due at 5 pm on the day of the class. No late assignments will be accepted.

Electronic Submissions. Submit all assignments to the appropriate eLearning dropbox by before class on the due date of the assignment. The file name on your submission should identify the course, assignment number and your name or group ID. For example, "ENTP 6390_2_JSmith.doc" would identify John Smith's written assignment 2; "ENTP 6390_3_Group 1.doc" would identify Group 1's written assignment 3.

Format. Your name (or the group identification and names of all group members), the course number and the date should appear in a header at the top of each page of the document. The body of 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. Charts and exhibits should be numbered and appropriately referenced in the document. A list of references should be attached as required. Cover pages, charts or exhibits, and lists of references are not included in the page count. The manuscript should use 11-12 point type, single-spaced, with 1" margins all around. Appropriate titles and section headings should be used.

Presentation Format. Use MS Powerpoint. Keep it simple (complex videos, sound effects, etc. are unnecessary and frequently distracting). The title page should include the full names of each group member. Limit animation to that required for an effective presentation. Provide electronic copy to the instructor no later than 5:00 PM on the day of the presentation.

Outline Form Response. Most of the assignments specify an outline form response. I will expect a statement of the question (bold type) followed by a bulleted or numbered list of the key items in your response. I will expect a well-organized paper that addresses the specified questions and uses section headings, bulleted lists, charts and exhibits as appropriate to clearly communicate your message.

Effective written and oral communications are critically important in the business world. It is equally important that students "put their best foot forward" in classroom presentations and written assignments. Poor organization, convoluted sentence structures, mangled grammar and misspelled words have no place in effective communications, and will be considered in evaluating your work.

WILD CARD ASSIGNMENTS

Each group will be responsible for two wild card assignments, worth 10% of your grade each. Peer evaluations will apply.

Written Assignment. Prepare an outline form response to each of the assigned case questions. See GUIDELINES FOR WRITTEN ASSIGNMENTS.

Presentation and Class Discussion. The group will be responsible for leading the class discussion of the assigned case. Prepare a deck of powerpoint slides to frame the class discussion. Your first slide should introduce the case and identify the key issues to be addressed. A detailed summary of the case is neither necessary nor appropriate – you should assume that everyone in the class is familiar with the material prior to class. The remainder of the presentation should proceed to address each of the case questions in turn (two or three slides posing questions to stimulate discussion of the case question, along with one slide to present your group’s analysis and response to the case question). Feel free to call on your classmates to answer specific questions about the cases or readings. Be alert to different points of view and use these as a point of departure for further discussion. Your performance will be evaluated based on your ability to engage the class and stimulate meaningful discussion about the case or the readings. You will have one hour for this portion of the assignment.

Deliverables. Submit both your written response and the powerpoint slide deck to the instructor prior to 5 pm on the day of the scheduled class. It is recommended that you submit a draft of your slide deck on the day prior to your presentation. I will give you feedback and suggestions prior to your final submission. Most assignments and class discussions are based on case studies. 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 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. I will expect you to use the data in the text and exhibits to analyze the case, draw logical conclusions and (as required) make recommendations that: (a) address the identified strategic issues; (b) follow logically from your analysis and conclusions; and (c) are feasible in the context of the case situation.

NOTE: A common approach to group assignments is to divide up the workload by assigning questions to each group member and then assembling the paper just before it is turned in. This doesn’t work well, is usually obvious, and is unacceptable. Any inconsistencies noted, either in style or in the responses to different questions will result in a minimum deduction of five points on the assignment.

CLASS PARTICIPATION

Fifteen percent (15%) of your grade will be based on the quality of your preparation and active participation in class discussions and exercises, with emphasis on your participation during Wild Card presentations. If you are absent or unprepared to discuss the readings and the case, you will receive a zero in class participation for that day. In addition, peer reviews conducted at the end of the course will be added to your regular class participation grade (10%).

OFFICE HOURS AND CONSULTATIONS

Scheduled office hours will be held in SOM 4.203 from 5:00 – 6:00 pm on Monday afternoons before class. I will also be available at other times by appointment. Consultation and mentoring are an important part of my job and I encourage you to meet with me individually for any reason. I look forward to the opportunity to work with you.

UNIVERSITY POLICIES

Technical Support. If you experience any problems with your UTD account you may send an email to: assist@utdallas.edu or call the UTD Computer Helpdesk at 972-883-2911.

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. 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: none.

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 printed 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, Series 50000, Board of Regents, The University of Texas System, 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, and online at <http://www.utdallas.edu/judicialaffairs/UTDJudicialAffairs-HOPV.html>. 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 and administration of the Jindal School of Management expect from our 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. We want to establish a reputation for the honorable behavior of our graduates, which extends throughout their careers. Both your individual reputation and the school's reputation matter to your success.

The Judicial Affairs website lists examples of academic dishonesty at <http://www.utdallas.edu/judicialaffairs/UTDJudicialAffairs-Basicexamples.html>. Students in this course suspected of academic dishonesty are subject to disciplinary proceedings, and if found responsible, the following minimum sanctions will be applied:

- Individual Written Assignments – zero for the assignment
- Group Written Assignments and Presentations – zero for the assignment for all group members

These sanctions will be administered only after a student has been found officially responsible for academic dishonesty, either through waiving their right for a disciplinary hearing, or being declared responsible after a hearing administered by Judicial Affairs and the Dean of Student's Office. In the event that the student receives a failing grade for the course for academic dishonesty, the student is not allowed to withdraw as a way of preventing the grade from being entered on their record. Where a student receives an F in a course and chooses to take the course over to improve their grade, the original grade of F remains on their transcript, but does not count towards calculation of their GPA. The School of Management also reserves the right to review a student's disciplinary record, on file with the Dean of Students, as one of the criteria for determining a student's eligibility for a scholarship.

Copyright Notice. The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials, including music and software. Copying, displaying, reproducing, or distributing copyrighted works may infringe the copyright owner's rights and such infringement is subject to appropriate disciplinary action as well as criminal penalties provided by federal law. Usage of such material is only appropriate when that usage constitutes "fair use" under the Copyright Act. As a UT Dallas student, you are required to follow the institution's copyright policy (Policy Memorandum 84-I.3-46). For more information about the fair use exemption, see <http://www.utsystem.edu/ogc/intellectualproperty/copypol2.htm>

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 UT 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 individuals 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 UT Dallas provides a method for students to have their UT 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 to 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:

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

If you anticipate issues related to the format or requirements of this course, please meet with the Coordinator of Disability Services. The Coordinator is available to discuss ways to ensure your full participation in the course. If you determine that formal, disability-related accommodations are necessary, it is very important that you be registered with Disability Services to notify them of your eligibility for reasonable accommodations. Disability Services can then plan how best to coordinate your accommodations. 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.

COURSE OUTLINE

| Date | Reading and Preparation | Assignments |
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| S01 (1/8) | Introduction to Business Models: <ul style="list-style-type: none"> Magretta. Why Business Models Matter, HBR May 2002 (eJournal) Blank. Why the Lean Startup Changes Everything. HBR May 2013 (eJournal) | Come to class prepared to discuss the readings |
| S02 (1/22) | Defining the Business Model: <ul style="list-style-type: none"> Johnson, Christensen & Kagermann. Reinventing Your Business Model, HBR Dec. 2008 (eJournal) <u>Exercise:</u> Using the Business Model Canvas | Submit group rosters Come to class prepared to discuss the readings |
| S03 (1/29) | Business Model Analysis – Tools and Techniques (I) <ul style="list-style-type: none"> Kim & Mauborgne. Knowing a Winning Business Idea When You See One. HBR Sep-Oct 2002 (eJournal) Kim and Mauborgne. Value Innovation: The Strategic Logic of High Growth. HBR Jan-Feb 1997 (eJournal) <u>Case:</u> Naveen Jindal School of Management <u>Exercise:</u> Use the Bayer Utility Map Business Model Canvas | Individual case exercise (5%) |
| S04 (2/5) | Business Model Analysis – Tools and Techniques (II) <ul style="list-style-type: none"> Eisenmann, Ries, & Dillard: Hypothesis-Driven Entrepreneurship: The Lean Startup. HBS 9-812-095 (coursepack) <u>Case:</u> Staples: A Year in the Life of a Startup HBS 9-800-241 | Individual case write-up (up to 3 pages) (10%) |
| S05 (2/12) | Business Models: Pattern and Prototype <ul style="list-style-type: none"> Hagel & Singer. Unbundling the Corporation, HBR Mar-Apr 1999 (eJournal) <u>Case:</u> Netflix HBS 9-607-138 | Wild Card Group Case 1 (10%) |
| S06 (2/19) | The Customer Value Proposition <ul style="list-style-type: none"> Anderson, Narus & Van Rossum: Customer Value Propositions in Business Markets. HBR March 2006 <u>Case:</u> Skype HBS 9-806-165 | Wild Card Group Case 2 (10%) |
| S07 (2/26) | The Profit Formula: Revenue and Profits <ul style="list-style-type: none"> Reading material to be uploaded on eLearning <u>Case:</u> ZipCar: Redefining the Business Model HBS 9-803-096 | Individual case write-up ((Up to 3 pages) 10%) |
| S08 (3/5) | Delivering Customer Value: Activities, Resources, and Partnerships <ul style="list-style-type: none"> Chesbrough, H.W. The Era of Open Innovation. MIT Sloan Management Review Spring 2003 (eJournal) <u>Video:</u> Chesborough: Open Business Model <u>Case:</u> Innocentive.com HBS 9-608-170 | Wild Card Group Case 3 (10%) |
| S09 (3/19) | The Profit Formula: Margin Model, Cost Structure and Resource Velocity Exercise of profit formula Ex: Amazon vs. B&N, Netflix vs. Blockbuster | Individual preparation and submission (10%) In-class group exercise |
| S10 (3/26) | Discovery-Driven Planning & the Investment Model <ul style="list-style-type: none"> McGrath & MacMillan. Discovery-Driven Planning. HBR July 1995 (eJournal) <u>Case:</u> Ryanair Holdings plc HBS 9-106-003 | Wild Card Group Case 4 (10%) |
| S11 (4/2) | Creating New Business Models – Thinking Outside the Box <ul style="list-style-type: none"> Amit & Zott. 2012. Creating Value through Business Model Innovation. SMR Spr 2012 (eJournal) Girotra & Netessine. 2014. Four Paths to Business Model Innovation. HBR Jul-Aug 2014 (eJournal) <u>Case:</u> Better Place: The Electric Vehicle Renaissance IN 1163-PDF-ENG | Wild Card Group Case 5 (10%) |

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| S12 (4/9) | Business Model Design: Process, Context, Environment <ul style="list-style-type: none"> • Brown, T. Design Thinking. HBR June 2008 (eJournal) • Prahalad & Ramaswamy. The New Frontier of Experience Innovation. SMR July 2003 (eJournal) <u>Case:</u> Inhale Therapeutics: Executing and Growing the Business Model HBS 9-602-132 | Wild Card Group Case 6 (10%) |
| S13 (4/16) | Aligning Strategy and Business Models <ul style="list-style-type: none"> • Christensen, Raynor & McDonald. What is Disruptive Innovation? HBR Dec 2015 (eJournal) • Prahalad and Mashelkar. Innovation's Holy Grail. HBR Jul-Aug 2010 (eJournal) <u>Case:</u> Gome Electronics: Evolving the Business Model HBS 9-308-026 | Wild Card Group Case 7 (10%) |
| S14 (4/23) | Implementing New Business Models <ul style="list-style-type: none"> • Winter & Govindarajan. 2015. Engineering Reverse Innovations. HBR Jul-Aug 2015 (eJournal) <u>Case:</u> Big Bazaar HBS 9-606-099 | Wild Card Group Case 8 (10%) Peer evaluation due |
| Final | Final takehome exam due on April 30 th 11:59 pm | Final Takehome Exam (20%) |

EXERCISES AND DISCUSSION QUESTIONS FOR CASE ANALYSIS

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

S03 Case: Naveen Jindal School of Management (individual advance preparation and in-class exercise)

1. Advance Preparation (individual): Review the information available on the session by session folder and the Jindal School website (<http://jindal.utdallas.edu/>). The material provided describes the entire scope of the school. Note that there are multiple customer segments including undergraduate, Masters, PhD, Executive Education and online markets. For the purposes of this exercise, we will focus on the undergraduate and graduate (MS and MBA) programs only (exclude Executive Education and PhD). Address both the classroom and online delivery methods.
 - a. Use the S03 Jindal School Exercise Template (eLearning Session by Session) to show how the Jindal School creates value for its students and analyze the school's business model. Modify the slide footer (INSERT/HEADER&FOOTER) to put your name at the bottom of each slide.
 - b. Use the first Template - Buyer Utility Map to show how the Jindal School creates value for Undergraduate students and the second to show how the Jindal School creates value for Graduate students. Note that the headings for the Buyer Experience Cycle have been changed for the purpose of this exercise.
 - c. Use the Template - Business Model Canvas to analyze the business model for the Jindal School. Address both the undergraduate and graduate customer segments. Change the file name to include your name (see above) and upload to the assignment dropbox.
2. In Class Exercise (group): Use the Business Model Canvas/Buyer Utility Map Whiteboard to explore value creation and the Jindal School business model. The exercise will proceed as follows:
 - a. Discuss any differences in your individual analyses and reach a group consensus about the Jindal School Buyer Utility Maps for undergraduate and graduate students. Use different colored markers for undergraduates and graduates. (15 minutes)
 - b. Discuss any differences in your individual analyses and reach a group consensus about the Jindal School Business Model. (15 minutes to prepare)
 - c. Each group will briefly present their analyses (5 minutes per group) and we will then discuss.
3. What-if Exercise (class discussion): As time permits, we will use the Business Model Canvas Whiteboard to explore how the business model would change if:
 - a. The Jindal School repositioned itself primarily as an online university.

S04 Case Staples: A Year in the Life of a Startup – HBS 9-800-241 (individual assignment)

1. Identify the key assumptions implicit in the initial development of the Staples business concept. How were these validated? What analogs and antilogs did Stemberg and Kahn rely upon as they developed their business concept (see Teaching Note). What role did analogs and antilogs play in the development and refinement of the customer value proposition and the business model?
2. What are the key benefits provided by Staples to the small business customer? What is the job to be done? What is the offering? How would Johnson et al describe the customer value proposition? Did Staples take advantage of all three platforms for value innovation (see Kim & Mauborgne)? Was Staples' business model a disruptive innovation? By what criteria? Who was most likely to be disrupted?
3. Use the Template - Value Curve Analysis provided in eLearning Course Materials to compare Staples' offering to: (a) the offering of the traditional office supply retailer; and (b) the offering of the major office supply dealers who sold exclusively through mail order catalogs. What are the key elements of

value that must be considered at each stage of the customer experience cycle (see Buyer Utility Map from Knowing a Winning Business Idea)? Use the value curves to show how Staples plans to differentiate its offering.

4. Using the business model framework described by Johnson et al, (2008) ,describe Staples' intended business model, describing each element of the business model (as detailed in Chapter 2) and detailing the key assumptions made by the group.
5. Discuss and describe how the elements of the profit formula, key resources and key processes work together to deliver Staples' customer value proposition to the small business customer. How will the planned management information system contribute to the delivery of the customer value proposition?

S05 Wild Card Case: Netflix HBS 9-607-138 group assignment)

1. Analyze and describe Netflix' business model (prior to the launch of VOD) using the Template - Business Model Canvas (BMC) (eLearning Course Materials). What are the key assumptions implicit in the business model? What role do the key partners, activities and resources play in shaping the value proposition? How have the desired relationships with the targeted customer segments shaped the value proposition? How do all the elements work together to create a unique business model?
2. Consider the evolution of Netflix' business model over the period of the case. Describe how the model has evolved from the original Plan A through several iterations. How do you think Netflix would have fared if it had stuck with Plan A?
3. Compare the offerings of Netflix and Blockbuster at the end of 2006 utilizing the Template - Value Curve Analysis provided in eLearning Course Materials. What are the key elements of value that must be considered at each stage of the customer experience cycle (Knowing a Winning Business Idea)? How has Netflix differentiated its offering from that of Blockbuster?
4. At the end of the case, Netflix is considering three alternative approaches to the introduction of a VOD offering. How would each of these impact the current business model (modify the BMC developed in question 1 for each of the three alternatives)?
5. How would a VOD offering change Netflix' value curve (add another line to the value curve chart)? How would you expect a VOD offering to impact (a) Netflix' current business; and (b) its competitive position vs. Blockbuster?

S06 Wild Card Case: Skype HBS 9-806-165 (group assignment)

1. Skype's business model is illustrated in Business Model Generation (98-99), but the identification of customer segments and the value proposition are rather brief and generic. Prepare a more detailed Business Model Canvas for Skype based on the information provided in the case.
2. The case identifies four different Skype offerings. Develop a table that describes each offering, identifies the target market segments, and addresses the full range of competing alternatives available to the targeted customers.
3. Develop a table that identifies the features and benefits of Skype's offering to each of the targeted customer segments. Rank the features and benefits in terms of importance to each of the targeted customer segments. What differences appear? Which of the value disciplines (Treacy & Wiersma) make the most sense for Skype in meeting the needs of each target market segment?
4. Based on the analyses you prepared in response to the first three questions, prepare a resonating focus value proposition for Skype for each of the targeted customer segments.
5. Despite the economic advantages of VoIP technology as compared to regular fixed line telephone service (POTS), by 2007 only about 25% of US broadband subscribers were using Skype or an alternate VoIP provider (Exhibit 7). Consider Skype's value proposition in light of the pricing comparisons detailed in Exhibit 2, the survey results detailed in Exhibit 3, and the operational

statistics provided in Exhibit 9. What are the key elements of value? Why do you think that their market penetration is lagging?

S07 Case: Zipcar: Refining the Business Model HBS 9-803-096 (individual assignment)

1. Describe Zipcar's business model, focusing on the CVP (describe the target customer, the job-to-be-done, the existing solutions, and the offering) and the Profit Formula (specifically address the revenue model, the cost structure, target unit margin and resource velocity required to achieve profitability) as defined in Johnson (Ch 2). Prepare a list of the key assumptions implicit in the original financial plan (Exhibit 3) (see Teaching Note: Identification and Validation of Assumptions).
2. Identify the relevant analogs and antilogs (see Teaching Note) considered by Chase and Danielson and discuss how these influenced Zipcar's initial choice of business model. Identify the most critical assumptions (leaps of faith) to be validated in their initial market entry. Develop a Dashboard to monitor progress (see Teaching Note: Getting to Plan B – Testing and Validating Assumptions) What hypotheses will be tested (consider both the value hypothesis and the growth hypothesis)? What measures and metrics should be used? (Their findings and insights will be addressed in Question 5).
3. Analyze the changes in the profit model from the original (Exhibit 3) to the revised plan (Exhibit 5). What are the principal changes in the assumptions and the profit model? Why were these changes made? Do they make sense?
4. Examine the Membership Data and the September Operating Data in Exhibits 8a & 8b. What changes in the Profit Model are reflected in the data in 8b (as compared to the assumptions reflected in Exhibit 5)? Why did actual performance deviate from plan?
5. Evaluate Zipcar's performance through September 2000 utilizing the data in Exhibits 8a and 8b. What are your findings and insights based on the data through September 2000? Which assumptions were validated by their experience? Which were not? Are the leap of faith questions still the same after your analysis, or should they be modified? How?
6. What would you recommend to Zipcar's management at this point?

S08 Wild Card Case: Innocentive.com (A) HBS 9-608-170 (group assignment)

1. Chesbrough (2003) describes the innovation landscape in terms of three broad categories of firm roles: funding, generating, or commercializing innovation, with different firms playing different roles in each category according to their strategic priorities. Where does Innocentive fit in this scheme?
 - a. How would a relationship with Innocentive facilitate or leverage the activities of a firm engaged in funding innovation?
 - b. How would a relationship with Innocentive facilitate or leverage the activities of a firm engaged in generating innovation?
 - c. How would a relationship with Innocentive facilitate or leverage the activities of a firm engaged in commercializing innovation?
2. What is Innocentive's value proposition? How do they create value for their customers (seekers & solvers)? How do they capture value for the company? Use the Buyer Utility Map Whiteboard to facilitate a discussion.
3. How would Innocentive's business model change with the collaborative innovation model described at the end of the case.
4. Consider your own organization. How effectively could your company utilize the services of a company like Innocentive? Would there be resistance? What barriers to implementation would get in the way?

S09 Exercise: Analysis of Profit Formula (individual preparation and group exercise/class discussion)1.

Advance Preparation (individual).

1. Download S09 – Example: Amazon vs Barnes & Noble from the eLearning Session by Session Folder. Review the step by step process for preparing each of the analyses contained in the example.
2. Analyze the financial statements of Amazon and Barnes & Noble, respectively, and evaluate the major differences in the cost structures (percent of revenue and operations analyses), margin models (breakeven analysis) and resource velocity drivers (day's sales analysis and working capital analyses). Summarize your findings from the analysis of Amazon vs. Barnes & Noble (1-2 pages).
3. Download S09 –Exercise: Netflix vs. Blockbuster from eLearning Session by Session Folder. Using the Amazon vs. Barnes & Noble 2016 analysis as a guide, complete each element of the analysis for Netflix and Blockbuster, respectively:
 - Percent of revenue
 - Days sales outstanding
 - Financial measures of operating performance
 - Resource velocity analysis
 - Operations analysis
 - Breakeven analysis
4. Analyze the financial statements of Netflix and Blockbuster, respectively, and evaluate the major differences in the cost structures (percent of revenue and operations analyses), margin models (breakeven analysis) and resource velocity drivers (day's sales analysis and working capital analyses) for each pair of companies. Consider Content and Rental Libraries as a separate category of productive assets in your resource velocity analysis (neither inventory nor fixed assets, but somewhere in between). Calculate the return on these assets in your financial measures. Summarize your findings from the analysis of Netflix vs. Blockbuster (1-2 pages)).
5. Submit the completed exercise (S09–Exercise: Netflix vs. Blockbuster 2007-2009) and the summaries of your findings to the designated eLearning assignment dropbox by 5 pm on the day of the class.

S10 Wild Card Case: Ryanair Holdings, PLC HBS 9-106-003 (group assignment)

The case provides ample information for analyzing the economics of Ryanair's business model, but you will have to spend time with the exhibits and tables to gain a full understanding of the company's profit formula. Download the S10 - Exercise Instructions: Ryanair Profit Formula Analysis and S10 – Template – Ryanair Profit Formula Analysis from the eLearning Session by Session Folder (2 files). Follow the instructions provided to complete the comparative analysis of the profit formulas of Ryanair and British Airways. Annotate your spreadsheets to clearly identify the assumptions, calculations and steps in your analysis.

1. Evaluate the financial statements for each airline and analyze the major differences in the cost structures based on the spreadsheet provided. On pages 3-4 of the case, nine factors that contribute to Ryanair's profitability are described. Explain how each of these factors are reflected in the differences in the cost structures.
2. Based on the results of the prior analyses, conduct a resource velocity analysis for each of the airlines. What have you learned? Explain how the differences in resource velocity are reflected in the net profit margin and return on assets calculated for each airline. What are the implications of your findings?
3. Copy the Base Case sheet into a new tab. Label it "Breakeven Analysis".
 - a. Analyze the financial statements for Ryanair and British Airways . Reclassify the operating expenses into fixed and variable cost categories. Explain why you decided to categorize each element as a fixed or variable cost. Not all categories are totally fixed or totally variable,

- but if a cost is mostly fixed, or mostly variable, put it into that category and explain your logic.
- b. Calculate the variable operating margin (gross margin) for each airline. Analyze and explain the differences and the implications for profitability.
- c. Based on the analysis you completed in (2) above, conduct a breakeven analysis for each airline (based on total revenues). What have you learned, and what are the implications?
- 4. Copy the Breakeven Analysis sheet into a new tab. Label it "Load Factor Analysis". Modify the analysis to analyze the implications of a 10% increase or decrease in load factor for each airline (assume that all relevant costs are fixed and the only change is in the load factor). What have you concluded from this analysis?
- 5. Ryanair has set forth some aggressive goals for the future in its 2004 annual report (page 3). Copy the Breakeven Analysis sheet from (3) into a new tab. Label it "Projection". Considering the approach outlined in Discovery Driven Planning and the goals set forth on page 3 of the case, project their annual financial performance from Ryanair's 3/31/2007 financials to 3/31/2010. What would the company's financials look like at that point? Are these goals realistic and achievable?

S11 Wild Card Case: Better Place: The Electric Vehicle Renaissance IN 1163-PDF-ENG (group assignment)

1. What was Better Place's business model? Why is the battery the most important piece in the Better Place model?
2. Who are stakeholders in the Better Place model and what are their objectives and incentives?
3. Why did Better Place fail? If you had been the CEO of Better Place, what would you have done differently?

S12 Wild Card Case: Inhale Therapeutics: Executing and Growing the Business Model HBS 9-602-132 (group assignment)

1. Map the industry ecosystem in which Inhale Therapeutics competes [see Teaching Note: Mapping the Industry Ecosystem]. In what market(s) or business(s) do they compete? What (if any) is (are) the company's unique core competence(s)? Who is (are) their customer(s)? What is the "job to be done" for each? What is (are) the customer value proposition(s) for each?
2. Analyze and describe the company's business model in November 2000 using the Template - Business Model Canvas. What customer segments do they serve? What is their unique value proposition? What channels and customer relationships are required? How have their relationships with the customer segments shaped the value proposition? What roles do the key partners, activities and resources play in shaping the value proposition? Do all of the elements work together to create a successful business model? What issues and/or concerns do you see?
3. Consider the market environment in light of the ideas contained in Business Model Generation (pp 198-211). What are the major trends and external forces affecting Inhale Therapeutics' business? What impacts do you expect these trends and forces to have? Will Inhale Therapeutics need a different business model to compete more effectively in the coming years?
4. What changes would you recommend in the company's business model in order to effectively execute each of the three strategic options proposed? Use the Business Model Canvas to illustrate the impact of the recommended changes for each strategic option. Which of the strategic options makes the most sense? Why?

S13 Wild Card Case: Gome Electronics: Evolving the Business Model HBS 9-308-026 (group assignment)

1. Analyze and describe Gome's business model in 2006 using the Template - Business Model Canvas (eLearning Course Materials). What role do the key partners, activities and resources play in shaping

the value proposition? How have the desired relationships with the targeted customer segments shaped the value proposition? How do all of the elements work together to create a successful business model?

2. Over a period of twenty years, Gome's business model has evolved through several iterations. The company has established a leading position in the appliance and consumer electronics segment, however, by consistently focusing on the "productivity loop" (Figure A. Consider the targeted customer segments, the value proposition(s) offered, product mix, geographic scope and focus, relationships with suppliers, and other factors. What trends do you see? What changes have been made with respect to content, structure and governance [Amit & Zott (2012)]? What has changed in product/service mix, timing, responsibility and priorities [Girotra & Netessine (2014)]? How have these changes affected the consumer? How have they affected partners? How have they affected the company? What conclusions can you draw from this analysis?
3. Although the market is far from saturated, a diminishing landscape of "low hanging fruit" in the largest and wealthiest markets, increased domestic competition, and the entry of "deep pocketed" foreign competitors all pose new challenges for Gome. Consider the changing environment in light of the ideas contained in Business Model Generation (pp 198-211). What are the major trends and external forces impacting Gome's business? What are the implications?
4. Does Gome need a new business model to compete more effectively in the coming years? How should the business model described in Question 1 change to respond to the changing environment? Illustrate the changes using the Template - Business Model Canvas and discuss the necessary changes and implications for the future success of the business.

S14 Wild Card Case: Big Bazaar HBS 9-606-099 (group assignment)

1. Analyze the environment of the Indian retail industry in late 2005. What are the major trends and external forces that will impact the Big Bazaar and its competitors over the next decade? What are the key challenges to their continued growth?
2. Using the Template - Business Model Canvas, compare and contrast the business models of (a) the highly fragmented traditional retailing industry; and (b) Big Bazaar (prepare two separate BMCs). What are the key differences? Which aspects of the traditional model represent barriers to entry for Big Bazaar and other modern "organized" retailers?
3. The case suggests (p 3) that there was "a window of opportunity from 2005-2009 for domestic retailers to acquire real estate and roll out stores in a protected environment". If foreign retailers such as Marks & Spencer and WalMart were allowed to enter the Indian market by 2009, what additional challenges and barriers to entry (see Seizing the White Space, Ch.4) would they face in establishing a viable competitive position in the country.
4. The final section of the case (Charting the Future) raises a number of issues and opportunities for Big Bazaar and PRIL.
 - a. What would you recommend with respect to (a) expansion and increased market penetration with existing concepts vs. the development of new concepts; (b) infrastructure development (supply chain and management systems); (c) local vs. global sourcing; (d) availability of qualified labor and management skills; (e) real estate acquisition; and (f) pace of growth? Which issues and constraints will be most critical? Why? Overall, how would you recommend that Pantaloon proceed?
 - b. What changes to the BMC would be required to implement your recommendation? Modify the BMC from 2(b) to illustrate.