Brandeis University
International Business School

BUS 10a

FUNCTIONS OF THE CAPITALIST ENTERPRISE

COURSE SYLLABUS

Spring 2020

Class Hours  Tuesday and Friday, 12:30-1:50 p.m.
Location     Golding Judaica Center 101
Office       Lemberg 246
Office Hours Schedule with calendly.com/philippewells. Regular scheduling options available Tuesdays, 2:20 -4:40 p.m. Please email me if you need to schedule at a different time.
TA            TBA

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BUS 10a Functions of the Capitalist Enterprise

Course description and learning outcomes
This course, which is an integral part of the Business major, uses case studies and practical concepts to understand the key management skills, tools, and frameworks involved in starting, running, growing and adapting a successful business in the context of a rapidly changing technological, competitive, and consumer environment. The first half of the course reviews the key functions of a business enterprise through cases and lectures on marketing, finance, operations, strategy, and organizational behavior. The second half applies this knowledge to (1) entrepreneurship & innovation, (2) business in the global economy, and (3) a discussion of business ethics.

There are five primary learning outcomes for students:

(1) to understand the fundamental concepts and functions in business management
(2) to recognize the interrelationships and interdependencies of these functions
(3) to learn how to apply the conceptual framework and analytical tools of the course to understand business challenges and company-specific issues in the US and globally
(4) to learn how to read, analyze, and discuss business school case studies
(5) to develop essential writing, public presenting, and Excel-based analytical skills for business

Prerequisite
BUS 6a, which may be taken concurrently with BUS 10a.

Materials
For the first part of the course, prior to the midterm, you will use a NEW edition of the Pearson custom book. Available at the bookstore, the custom book consists of business school cases and chapters from Pearson’s Business Essentials (BE). For the second part of the course, you will purchase a Harvard Business Publishing (HBP) course packet. You are also required to read The Seven Spiritual Laws of Success by Deepak Chopra for the ethics portion of this course. After the start of the semester, I will share the link to purchase your HBP course packet.

Teaching Methods
This course uses readings, case studies, class discussions and lectures to address key management issues. Because this course is based on the case method, class participation by everyone is essential. In order for this method to work, you must prepare the cases and readings thoroughly. This allows us to conduct analytical, rather than descriptive, discussions. I will expect three P’s from you in every class:

(1) Presence: attendance is required.
(2) Preparation: reading and assignments are to be done on time.
(3) Participation: share your views and questions in class. Use name cards to facilitate discussion (and grading) and please sit in the same seat each class.
If you are unprepared for the discussion on any day, please let me know before the start of class.

**Grading**

You will be graded on a combination of the following (55% individual/45% team):

**Contributions to class discussions (25%)** I keep a record of class performance for each student and determine a grade based on the quality and frequency of in-class comments. If you would like feedback on your participation, I recommend you schedule an office hour appointment midway through the course, so I can offer feedback and suggestions for improvement.

NOTE: Except for the guest lecture, which, out of respect for our guest, is mandatory, you are permitted two absences for any reason (e.g., illness, family celebration, job interview, varsity sports, unfavorable airline schedule, you forgot to set your alarm); for each additional absence, your participation grade will be reduced by a half-grade, e.g., A- becomes A-/B+, and so on. If you have perfect attendance but rarely participate in class discussions, your participation grade will be C-.

**Two-page memo and attachments on “Under Armour” (5%)** to be prepared in teams of 2 students to be selected by the instructor. See LATTE and p. 11 for details. The memo is due at the start of class on **Tues, 1/28** (Teams assigned **1/21**), with a copy submitted electronically to TurnItIn.

A **PowerPoint presentation, “Feed Me!” (5%)**, given in teams of 6-7 students to be selected by the instructor on **1/31** on one of the cafeterias or food stores on campus. See pp. 12-13 for details, including deliverables due on **2/3** and **2/11**. Business attire is required.

A **homework assignment on “Clarkson Lumber Company” using Excel (2%)** to be done individually (without assistance from anyone). This assignment must be submitted electronically at the start of class on **3/3**. For details, see pp. 14-15 and LATTE. Be sure to have completed most, if not all, of the Excel training in advance of this assignment.

A **midterm exam (25%)**. This is a written open-book exam that will take place during normal class hours, on **3/10**. You will be asked questions about the materials covered and issues discussed in class.

A **PowerPoint (PPT) presentation on globalization (10%)**, given in teams of 5 students on **Fri, 4/17**, and **Tues, 4/21**. Each presentation (on a topic you will select from a list I will provide) should last 8-10 minutes, plus time for Q&A. Teams will be assigned in class on **Tues, 3/24**. Please inform me by email by **12:30 p.m. on Fri, 3/27**, what your team name is, and what your proposed topic will be. I will let you know the following day if that topic has already been selected by another team. Every team must email me their PPT deck by **12:30 p.m. Fri, 4/17**. This will be the presentation you will present, regardless of the day you present. Business attire is required for both days.

**In-class Excel exercise on 4/3 (1%)** based on completion of assigned Lynda chapters (which should take you 3-4 hours to complete). **BE SURE TO BRING IN YOUR LAPTOP.** The Lynda training
will provide you with advanced beginner knowledge of Excel and prepare you for further coursework in the Business Program. You must utilize Excel in your final paper, with brief explanatory footnotes to indicate where and how it was used; failure to do so will result in a grade deduction.

An in-class exercise on 4/24, based on assigned readings on business ethics (2%). After a discussion of the readings, you will be asked to write a one-page business memo based on a prompt. You may either use your laptop and email the memo to me (that’s my preference) or write it by hand.

A final paper analyzing a business problem facing a real company (25%). The final paper must be done in teams of 3 students. Please email me your outline by 12:30 p.m. on 3/20. The paper is due by 11 a.m. on 12/10. See the section below on “Final Paper” for details.

Notes
● Grades on team projects are assigned to all members of the team, though I reserve the right to alter individual grades if it is clear that an individual did not contribute to the assignment in a consistent and meaningful way.

● Sending emails to me on team deliverables: To avoid deductions, always “cc” all of your team members on emails (using everyone’s @brandeis.edu email address) - and only send me one email per team for each deliverable. In the subject line of the email, note the deliverable, e.g. “Final Paper Outline”.

Final Paper
The final paper is an opportunity to examine in depth a topic of your choice. The paper must:
● deal with a problem a real company is facing today
● incorporate specific learnings and/or paradigms from the course
● offer a clear set of recommendations that are carefully analyzed and presented

Failure to adhere to these requirements will result in a grade no better than C+. I also expect you to use Excel (and footnote precisely how you used it); otherwise, there will be a grade deduction.

The paper should be based on empirical evidence and apply the concepts in the course. The best papers make rigorous use of one paradigm while incorporating elements of others, as appropriate. The worst papers are “paradigm dumps”, which I will explain later in the course.

At a simple level, the paper sets out to answer the following six questions: What does the company do? What is the problem? How did it happen? What is management doing to fix it? Why isn’t it working? What should management do? This last question is the most important one!

The paper should contain the following elements:
Factual description of a company or aspect of a company’s business. This portion of the paper should be built on data and case histories selected from the business press, financial databases, annual reports, etc. As such, it is highly preferable, though not required, that you choose a company whose stock is publicly traded.

Identification and analysis of a business problem the company is facing. Please state the analytical purpose of the paper up front, i.e., the “question” you are addressing. (I strongly recommend that you fashion an appropriate subtitle for the paper that captures your theme - you will quickly see how it helps guide the overall analysis!). Use the topics in this course or in the custom book as a guide to focus on a specific aspect of the business that you will analyze. It is essential for you to get perspectives from sources other than the company itself - newspapers, competitors, industry reports, etc. These will help you take a critical stance toward the company information. I will expect you to refer to information from “Bloomberg” which is a world-class resource that many of you will be trained to use.

Conclusions and recommendations. Based on your research and analysis, you must suggest what the company should do about the problem you studied. Be specific. There is no need to solve more than one problem; in fact, the best papers dig deep, not wide. Generally, this section runs 3-4 pages.

Format of the paper. You need to cover the three areas above. Use your best writing skills and editorial judgment to decide how to structure the paper. Having said that, I have found that good papers are driven by the analytical goals that are identified up front; these goals and the material itself should guide how you decide to present your argument. Be aware that this paper should not be just a “case study” like those we read in class; those cases are purely descriptive. Your paper should be more like a “case study plus analysis”.

Process of writing the paper. Final papers must be written in teams of 3 students. Although the papers will be evaluated on quality, not quantity, their length must be 12 to 15 double-spaced pages, plus exhibits for material that was not needed directly in the body of the paper but still useful for the analysis, as well as for “Works Cited”. Please number the pages and use Times New Roman, font size 11, 1” margins all around. You will receive a deduction if you don’t! Be sure to use Chicago-Style citations. For help, see http://guides.library.brandeis.edu/citations/chicago

I will help you define an appropriate topic and give you guidance about the project. To do this, I will need to know early on what ideas you are considering. You must email me a one-page outline of the paper topic by 12:30 p.m. on 3/6, along with the names of your team’s members. I will give written feedback on these outlines within one week. After you have digested this feedback and worked a bit more on the research for the paper, you should arrange to meet with me. If, at any point, you wish to change your topic, please consult with me so I can review the new topic and offer comments.

The paper is due on 4/28 at 12:30 p.m.. This is the absolute latest date and time for handing in the paper. If you have a good reason for missing this deadline (e.g. illness), please let me know so we can
determine if an Incomplete is the best path to follow. Please bring a hard copy of the paper to class that day. Also, by that deadline, please electronically submit a copy to TurnItIn. You must submit a hardcopy as well as an electronic copy.

**Note**
You may **not** use the same topic for both the globalization project and the final paper.

**Workload Expectation**
As this is a four-credit course, you are expected to spend a minimum of 9 hours of study time per week in preparation for class (reading, cases, discussion questions, homework, research, etc.)

**Academic Honesty**
You are expected to be honest in all your academic work. Please consult Brandeis University’s *Rights and Responsibilities* ([https://www.brandeis.edu/studentlife/srcs/rightsresponsibilities/index.html](https://www.brandeis.edu/studentlife/srcs/rightsresponsibilities/index.html)) for all policies and procedures related to academic integrity. Students may be required to submit work to TurnItIn.com software to verify originality. Allegations of academic dishonesty will be forwarded to the Director of Academic Integrity. Sanctions for academic dishonesty can include failing grades and/or suspension from the University. Citation and research assistance can be found at [https://lts.brandeis.edu/research/help/](https://lts.brandeis.edu/research/help/)

**Office Hours**
All office hours must be scheduled with calendly.com/philippewells. I am available for appointments *Tuesdays, 2:20 - 4:40 p.m.*. If you can’t meet during those hours, you can request a different time by email (pwells@brandeis.edu).

**Special Accommodation**
If you are a student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, **please see me by the end of the third class**.
### Course Outline
*(see further pages for details)*

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<tr>
<th>Class</th>
<th>Date</th>
<th>Topic</th>
<th>Assignments</th>
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<tr>
<td>2</td>
<td>Fri, 1/17</td>
<td>The Management Process</td>
<td><strong>BE:</strong> ”Managing the Business” For instructions, see p. 10 of this syllabus</td>
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| 3     | Tues, 1/21 | Marketing Goods and Services (part one)    | **BE:** ”Marketing Processes and Consumer Behavior”  
“Distributing and Promoting Products”  
Teams for Under Armour memo assigned in class. Assignment due Tues, 1/28. |
| 4     | Fri, 1/24  | Marketing Goods and Services (part two)    | **BE:** ”Developing and Pricing Products”                                                                                                  |
| 5     | Tues, 1/28 | Case Analysis                              | “Under Armour”  
Case assignment is due before the start of class.                                                                                          |
| 6     | Fri, 1/31  | Case Analysis                              | “Clean Edge Razor: Splitting Hairs in Product Positioning”  
Choice of store due by email by 8pm, 2/3. |
| 7     | Tues, 2/4  | Operations Management                      | **BE:**”Operations Management and Quality”                                                                                               |
| 8     | Fri, 2/7   | Case Analysis                              | “Benihana of Tokyo”                                                                                                                         |
| 9     | Tues, 2/11 | “Feed Me!”                                  | **Team presentations. Business attire is required.**  
Every team must email me their PPT deck by 12:30 p.m. on 2/11.                                                                         |
### Executing Corporate Strategy

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<th>Date</th>
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| 10   | Fri | Case Analysis | “Apple in 2010”  
“The Five Competitive Forces that Shape Strategy” |
|      | Tues | | |
|      | Fri | | Midterm Recess |
| 11   | Tues | Case Analysis | “Crown Cork & Seal in 1989” |

### Finance & Databases

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<th>Day</th>
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| 12   | Fri | Investing | Guest Lecture: TBA  
Location: TBA  
Mandatory for class participation requirement. |
|      | Tues | Financial Statement Analysis | BE: “The Role of Accountants and Accounting Information”  
See LATTE and p. 14 of this syllabus for Kellogg assignment. |
| 14   | Fri | Midterm Review | Bring a calculator for the review.  
See LATTE for assignment (nothing to hand in) |
| 15   | Tues | Midterm | Exam will cover everything we have done to date.  
The exam is open book, so bring all course materials and notes, as well as a calculator (but you may not have a laptop, smartwatch or smartphone or scientific calculator).  
Optional: Schedule time with me to go over class participation: calendly.com/philippewells. |
| 16   | Fri | Financial databases for business research | Guest Lecturer: Jason Bernard  
Associate Director of Academic Technology, IBS  
Learn about resources for globalization topics.  
Start putting together your final paper team & topic.  
Lab session on date TBD |
| 17   | Tues | Case Analysis | “Clarkson Lumber Company”  
See LATTE for Assignment due on 3/17 for this. |
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<th>Date</th>
<th>Day</th>
<th>Event</th>
<th>Details</th>
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<tr>
<td>18 Fri</td>
<td>3/20</td>
<td>Case Analysis</td>
<td>“Army Crew Team”</td>
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<td>BE: “Leadership and Decision Making”</td>
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<td><strong>Entrepreneurship</strong></td>
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<td>19 Tues</td>
<td>3/24</td>
<td>Case Analysis</td>
<td>“Zipcar: Refining the Business Model”</td>
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<td>Teams for “Globalization presentation assigned in class. See p. 3. Presentation on Fri, 4/17 and Tues, 4/21.</td>
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<td><strong>Business in the Global Economy</strong></td>
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<td>20 Fri</td>
<td>3/27</td>
<td>Case Analysis</td>
<td>“Kyocera Corporation”</td>
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<td>Email me your proposed globalization topics by 12:30 p.m on 3/27.</td>
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<td>21 Tues</td>
<td>3/31</td>
<td>Case Analysis</td>
<td>“Levendary Café: The China Challenge”</td>
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<td><strong>Excel Exercise</strong></td>
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<td>22 Fri</td>
<td>4/3</td>
<td>In-class graded Excel exercise</td>
<td>See LATTE for details.</td>
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<td>Tues, 4/7</td>
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<td><strong>Brandeis Thursday</strong></td>
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<td>Fri, 4/10</td>
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<td>Tues, 4/14</td>
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<td><strong>Passover and Spring Recess</strong></td>
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<tr>
<td>23 Fri</td>
<td>4/17</td>
<td>GLOBALIZATION PRESENTATIONS</td>
<td>Team Presentations. Business attire is required, even if you are not presenting. Every team must email me their PPT deck by 12:30 p.m. on 4/17.</td>
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<tr>
<td>24 Tues</td>
<td>4/21</td>
<td>GLOBALIZATION PRESENTATIONS</td>
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<td><strong>Business Ethics</strong></td>
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<tr>
<td>25 Fri</td>
<td>4/24</td>
<td>In-class graded exercise</td>
<td>Prof. Sherman note on business ethics (see LATTE)</td>
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<tr>
<td>26 Tues</td>
<td>4/28</td>
<td>Discussion</td>
<td>“The Seven Spiritual Laws of Success” by Chopra M.D., Deepak</td>
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ASSIGNMENTS & STUDY QUESTIONS

In addition to the assigned readings, here are the principal assignments to complete before coming to class. Do not hand in responses to study questions unless directed to do so.

For our first class, on 1/14, please look at the Kellogg Company site:

Look at the home page for 60 seconds, scrolling across the various pages. Write down your immediate reactions. (If when you first access the site, you are offered a sales promotion, think about why Kellogg is doing that.) Now, explore some of the links in the middle of these pages. Comment on two that strike you as noteworthy. Now, go to the upper right hand corner and click “Who We Are”. Then, click “Marketplace Commitment”. What is your reaction to their “Promise to You”? Finally, look at the other 6 links in this section. Comment on one that strikes you as noteworthy.

There’s nothing to hand in; just bring your written comments to class and we will discuss them.

On 1/17 we discuss the management process.

Before class, carefully read our custom text chapter “Managing the Business,” paying special attention to the sections “Types of Strategy” and “Formulating Strategy.”

Then visit the Netflix website https://www.netflix.com/. (If you have a Netflix account, log out of it to see this link correctly.)

➔ How do your first impressions of this site compare to your first impressions of the Kellogg’s site? What might account for the differences between the sites?

Scroll to the bottom of the screen, and visit the section titled “Investor Relations” and select “Long-Term View”

➔ Judging from their “Long-Term View”, what does Netflix see as its long-term objectives?

Now go back and click “SEC Filings” From there choose the pdf or HTML version of the most recent “10-K Annual Report”. Navigate to Item 1. Business and read “About Us”, focusing especially on the paragraph that starts “Our core strategy…”

➔ Be prepared to discuss this strategy in light of the text reading and Netflix’s long-term view.
➔ Return to the Kellogg’s website. What is their ‘core strategy’? To get more insight, also navigate to “company site” > “investor relations” > “financial reports” > “SEC filings”. From there choose the pdf or HTML version of the “Latest 10-K”. Navigate to Item 1. Business and read “Global 2020 Growth Strategy” in the 5th paragraph on page 2.

On 1/21, we will discuss “Marketing Goods and Services (part one)”. See LATTE

Be prepared to discuss the following sections from the BE text:
● “Marketing Processes and Consumer Behavior”
● “Distributing and Promoting Products”
● “Developing and Pricing Products”

This discussion will continue on 1/24

On 1/28, we will discuss “Under Armour.”

See LATTE for the team assignment due at the start of class, with a copy submitted electronically prior to class on TurnItIn.

Here is your study guide:

Study Questions

➔ Should Under Armour continue targeting and growing the female market segment? Or should it target a broader population to gain more traction on Nike and get closer to the number one spot? Explain.

➔ Should Under Armour keep paying famous athletes to be part of its advertising campaigns or should it use more everyday people? Explain.

➔ Should the next campaign be run on multichannel platforms or should Under Armour solely focus on one channel, such as television or online advertisement?

On 1/31, we will discuss “Clean Edge Razor”.

Case Summary

In August 2010, after three years of development, Paramount Health and Beauty Company is crafting a launch strategy for its technologically advanced vibrating razor called Clean Edge. The innovative new design provides superior performance by stimulating the hair follicles to lift the hair from the skin, allowing for a more thorough shave. Jackson Randall, the Clean Edge product manager, struggles with how best to position the product for the launch. Some executives believe it should be positioned as a mainstream entry in the super-premium segment, with the broad appeal of being the most effective razor available in the market. Others feel a
niche strategy, targeting a small subset of the super-premium consumers would be optimal. Randall must provide his recommendation for product positioning with supporting economic analysis as well as guidance on a brand name for the product and marketing budget allocations.

Please read the case and come to class prepared to discuss the following questions:

➔ What changes are occurring in the non-disposable razor category? Assess Paramount's competitive position. What are the strategic life cycle challenges for Paramount's current products as well as for Clean Edge?

➔ How is the non-disposable razor market segmented? Examine consumer behavior for non-disposable razors

➔ What are the arguments for launching Clean Edge as (a) a niche product and (b) a mainstream brand? Which would you recommend? What are the strategic implications of your recommendation?

➔ Based on your positioning strategy, what brand name and marketing budget allocations would you advise?

On 2/7, we will discuss “Benihana of Tokyo”.

Case Summary

Set in the 1970s, this case describes the development of a particular limited-menu restaurant and the expansion of this model into a chain. The creator of this chain, Rocky Aoki, is a young Japanese entrepreneur who grew the business to its current state of 15 restaurants, 5 of which are franchised. The case illustrates how a well-designed operating system can fit into the competitive strategy of a business and help to deliver superior performance.

Study Questions

➔ What is the Benihana concept? What attracts customers to its restaurants?

➔ How does Benihana's cost structure differ from that of a typical sit-down restaurant?

➔ Examine the production system in detail. (It may help if you draw a process flow diagram that identifies how customers pass through the system, where key operations are done, how food is handled, etc.) What are the major design choices which generate operating efficiencies?

On 2/11, using PowerPoint, you will be presenting in teams of 6-7 students one of the cafeterias or food stores on campus (“Feed Me!”). Please follow these instructions carefully.
Based on your own experience and, as appropriate, on the concepts in the Benihana case and in the assigned chapter in BE, please be sure to address the following:

➔ How does the cafeteria or store define "quality"?

➔ Draw a flow diagram depicting how customers move through the cafeteria or store to select, purchase, and consume products.

➔ How might the cafeteria or store be reorganized to provide greater value to its customers?

A member of each team must send me an e-mail with “cc” to the other team members by 8 pm on 2/3 with your choice of cafeteria or store. I cannot guarantee your choice if another team has already selected it.

You MUST email me your PPT slides by 12:30 p.m. on Tues, 2/11.

Each team will have 8 minutes to deliver the presentation. Everyone should have a speaking role; please practice your presentation. Be sure to wear business attire (required).

On 2/14, we will discuss “Apple in 2010”

Study Questions

Please read the case and the Porter article, and come prepared to discuss the following questions:

➔ What, historically, have been Apple’s competitive advantages?

➔ Analyze the personal computer industry. Are the dynamics favorable or problematic for Apple? How did the competitive forces shaped Apple’s success/failure?


➔ What are the prospects for the iPad?

➔ Porter suggests that a company “shape forces in its favor.” What forces can Apple shape and how?

On 2/25, we will discuss “Crown Cork & Seal in 1989”

Case Summary

John Connelly ran Crown Cork & Seal, a producer of metal cans and containers, for over 30 years and followed essentially the same strategy for the entire period. The total return to
shareholders over the 32-year period was just under 20% compounded. Now that Connelly has stepped down as CEO and given control to William Avery, is it finally time for a change?

Study Questions

➔ How attractive has the metal container industry been over the years?

➔ How well did Crown Cork do under John Connelly? What were the keys to their success?

➔ What significant changes are taking place in the industry? How should the new CEO, Bill Avery, respond? Is it time to change to Connelly strategy that has been successful for over 30 years?

On 3/3, we will again discuss the Kellogg Company.

Please return to the site: http://www.kelloggs.com/en_US/home.html. At the top near the center, click the tiny link “Company Site”. On the drag down menu, click “Investor Relations”. Near the top of the page, click on “Financials”. From the drag down menu, select “SEC Filings”. Under the SEC FILINGS header, select 10-K from the drop down menu. Open the HTML version, and search for “Consolidated Statement of Income” and “Consolidated Balance Sheet”. Copy the numbers you need to separate tabs in your Kellogg’s Assignment workbook (from LATTE). See Kellogg’s Assignment Excel workbook for instructions.

On 3/6, we will have an in-class review for the midterm.

The mid-term will be held at a location TBD during our scheduled class time on 10/29.

On 3/13, Jason Bernard (Associate Director of Academic Technology at IBS) will teach us about the various financial databases available at Brandeis; you will be expected to make use of them in your globalization project and final paper. See LATTE for the assignment.

The follow-on session in the Bloomberg lab will be on date TBD.

On 3/17, we will discuss “Clarkson Lumber Company”.
You have an assignment due on this date. Please ensure you complete the assignment and upload it prior to the start of class.

Case Summary

Clarkson Lumber Company has been expanding rapidly for several years. Increases in working capital requirements have outrun the capacity of the company to generate funds from internal sources. Part of the company’s available funds have been used by Mr. Clarkson to buy out his
partner, thereby further increasing the financial pressure on the company. To continue to expand, he is actively considering entering into a relationship with a new bank which will lend him the needed funds.

Study Questions

➔ Why does this profitable company need to borrow money?

➔ How has Mr. Clarkson met the financing needs of the company over the past few years?

➔ During this period, has the financial strength of the company improved or deteriorated?

On 3/20, we will discuss “Army Crew Team”

Study Questions

➔ Why does the Varsity team lose to the JV team?

➔ What should Coach P. have done differently earlier in the season to resolve this problem? At exactly what point should he have intervened differently?

➔ At the end of the case, what action should Coach P. take on Tuesday? Why do you recommend this action? How should he implement this action? Please be specific.

➔ How would you compare the Army Crew team to other types of organizational teams? What are the key similarities and differences? What lessons can we learn from the Army Crew team?

On 3/24, we discuss “Zipcar: Refining the Business Model.” After reading the case, please watch a short video featuring HBS professor Clayton Christensen explaining the concept of “Disruptive Innovation.” See: http://www.youtube.com/watch?v=qDrMAzCHFUU

Case Summary

Zipcar is a start-up organized around the idea of "sharing" car usage via a membership organization. This case describes several iterations of the Zipcar business model and financial plan. These iterations include a very early version and a version developed just prior to the launch of the business, as well as data from the first few months of operations. You are to analyze the underlying economics and business model for the venture and discover how these assumptions are holding up as the business is actually rolled out.

Study Questions
Evaluate this potential venture and the progress that Chase has made.

What is the business model and how did it change between December 1999 and May 2000? What do the data from actual operations in September say about how the business model is playing out in practice? Does this data give you comfort or concern?

What actions should Chase take as a result of the September operating results?

What is the strongest argument Chase could make to a potential investor about the attractiveness of the venture? What should her elevator pitch” be at the Springboard forum?

Does Zipcar seem to fit Christensen’s model of a “disruptive innovator”? Why did Zipcar hit the scene when it did, rather than perhaps a decade earlier?

On 3/27, we will discuss “Kyocera Corporation”.

Study Questions

Why has Kyocera done so well?

What are the key elements of Kyocera's corporate culture?

Would Kyocera’s culture work in the US?

On 3/31, we will discuss “Levendary Café: The China Challenge”

Case Summary

The case describes the establishment of Levendary Café’s subsidiary company in China and its evolving relationship with its parent company during the first two years of its existence. In particular, it focuses on the decisions and actions of Louis Chen, the founding president of the subsidiary, as he tries to establish operations in China and to negotiate his relationships with US headquarters. The trigger issue revolves around how the recently appointed chief executive, Mia Foster, should manage the Chinese subsidiary. Chen has been resistant to headquarter interference in local operations and Foster, who is concerned about aspects of the Chinese expansion, has struggled to work effectively with him.

Study Questions

What is your evaluation of the way Levendary Café has entered the China market?

What changes (if any) should Mia Foster make? Specifically, what should she do about Louis Chen? And what changes (if any) would you propose at headquarters?
Prepare a specific action program for Foster to help her deal with the need for continued growth in China. What should be on the agenda for her meeting with Chen?

On 4/17, and 4/21, your teams will present your **Globalization decks in class**. *Business attire is required for all students, regardless of the day you present.*

All PPT decks must be emailed to me by **12:30 p.m.** on 4/17, regardless of the day you present.

On **4/3**, we will have an **in-class graded Excel exercise**. **Bring in your laptops!**

On **4/24**, we will discuss the note on **business ethics** posted on LATTE written by Professor Ben Sherman of our Philosophy Department. I will then ask you to apply Prof. Sherman’s framework to an **in-class graded assignment**.

On **4/28**, in our last class, we discuss “The Seven Spiritual Laws of Success”.

Remember to bring a hard copy of your final paper to myself or our TA on **4/28**, by **12:30 p.m.** By that time, you must have also electronically submitted your paper to TurnItIn.