Brandeis University
International Business School

BUS 160a
Competitive Strategy

Course Syllabus

Spring 2017
Lemberg 054
Tuesdays and Thursdays 3:30-4:50PM

Aldo Musacchio
Associate Professor of Strategy & International Business

Contact information
Office: Lemberg 252
Email: aldom@brandeis.edu (best way to contact me)
Office hours: Tuesdays and Thursdays from 2:00PM to 3:20PM or by appointment (email me to set time)
Purpose of the Course
This course will allow students to examine the basic challenges and opportunities of doing business using a few simple frameworks. Students will use such frameworks to think about the design and execution of successful strategies, in the US market, in emerging markets, in entrepreneurial firms and in social platforms.

Who should be taking this course?
• students interested in strategy, consulting, entrepreneurship, and global management
• students interested in the challenges startup entrepreneurs face when launching new products or services

Learning Goals and Outcomes
1. You will learn the basics of strategic management; you will understand how strategists and CEOs tackle the main challenges they face when entering into a new market or launching a new product
2. You will develop oral communication and presentation skills
3. You will learn to think critically about business models
4. You will learn the basics of two-sided platforms (e.g., such as Uber or Tripadvisor.com) and you will develop tools to help you develop ideas using such platforms
5. Because the course has a strong focus on team work and decision-making with limited information, you will learn to:
   a. Use limited information to crack business cases (very useful for job interviews)
   b. Recognize personality traits that may handicap you in your future career and identify your own biases, stemming from both your background and your culture;
   c. Write short business memos about a variety of topics using simple frameworks that strategists worldwide use;
   d. Work with a team under pressure, with limited resources and information, and facing high uncertainty; and,
   e. Develop skills to prepare power points and presentations for investors or for boards of directors

Prerequisite: BUS 10a & BUS 152a (highly recommended)

Expected workload
Students should expect to invest 9 hours/week outside of class on the course. Questions to prepare each session will be posted on Latte.

Materials for the Course
The course relies mostly on Harvard Business School case studies, which are available for purchase at http://cb.hbsp.harvard.edu/cbmp/access/56874914. Course packs are comprised of copyrighted materials, so please respect intellectual property by purchasing your own copy of the materials (Through the Harvard page we keep track of who buys the materials)

Grading
Here is a breakdown of how we are going to grade all the different assignments of the course. The overall composition of the final grade is the following:
• Participation 30%
• 2 writeups 30%
• Final Project presentation 15%
• Final Project assignment 25%

**GRADING GUIDE**

Grades in Bus 160a are VERY different from what you may have experienced in other courses at Brandeis University. All of the work is graded relative to your peers. That is, it is all based on rankings of performance for each of the assignments. Why is this the case? Well, in the real world not everyone can get an A and people are competing fiercely in the workplace. Your supervisors will have to evaluate you in relation to your peers (yes, more often than not ranking you). So take this course as your first contact with the harsh reality of the workplace.

**How I calculate the final Grade:**

At the end I will add up everything so that the maximum grade you can get is 100. I will then use these scores to rank students and to do a distribution of letter grades following a forced-curve (e.g., something like this 2 A+, 4 A, 4 A-, 8 B+, 8B, 4 B-, 2 C+, 1 D, etc...). The mean should be centered around B+, but the distribution can get stretched out to the right if people don’t turn in their assignments or miss too many sessions. In those cases the letter grades can go all the way to the Ds. So please do not assume you won’t get a D.

**Class Participation (30 out of 100 points)**

Class participation will be graded as follows:

- Students are expected to attend every class. You are, however, allowed 2 absences for any reason (excluding days in which there are presentations).
- Participation grades will depend on quantity and quality factors. I use the following scale to grade participation on a daily basis
  -5 attended class but made unauthorized use of technology
  -3 every absence beyond the two absences or for unsatisfactory class preparation
  0 present but without a class contribution (or one of your two allowed absences)
  +1 contributed a case fact
  +2-3 good analysis and structure and allowed others to see a new insight
  +4-5 excellent analysis and structure and cracked the case
- I encourage all students to meet with me half-way through the course to get participation feedback and to work on your participation style

In order to be fair to students with participation grades, students will have assigned seating from the second session of the course. Please select your seat for the semester by the start of the second class, and use a name card, at least for the first several sessions.

Class participation will add 30 points to your final grade. Your grade will depend on your relative ranking. According to your ranking you will be assigned into 4 buckets:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Points towards your final score</th>
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<tr>
<td>Top 1-7 students</td>
<td>30 points</td>
</tr>
<tr>
<td>Top 7-14</td>
<td>25 points</td>
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<tr>
<td>Top 14-21</td>
<td>20 points</td>
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<tr>
<td>Top 21-28</td>
<td>15 points</td>
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The ranking is based on two scores. One score keeps track of student participation in every session and assigns a grade. The second score is based on quality of the comments. That is, the participation score is extremely high for people who provide insights that help everyone see the main points of a discussion
or who are actively participating to illustrate a point or do a complex calculation, those people who
systematically have high quality comments have a higher overall score and a better ranking.
Please don’t get too comfy with the ranking you get before the end of the semester because the
rankings are dynamic and change every day until the last day of class.

**Two individual write-ups (30%, 15% per writeup)**
Each write up will give you 15 points. To know how many points you have accumulated for the write-ups
just multiply the grade you got and multiply it by 0.15. Thus, if you got an 90 in writeup#1, that writeup
will add 13.5 points to your final score.

**Final Project (25% of the final grade)**
The grade for the project can add 25 points to your final score. The points will accrue in the following way:

1. (10% of the grade) you grade will be assigned to you by your team mates in the following way:
each team mate will be able to assign 5 points to each team mate and 10 points to ONLY ONE
team mate. I will then average out the points each person gets. The idea is that unless you were
a free rider you should get something between 50 and 100. Team leaders should end up with
something close to 100. We will then use those points to figure out how much you get out of the
10% for peer-assigned grades.
2. (15% of the grade) Prof. Musacchio will assign 15 points based on the group’s evaluation of your
business model and his evaluation of the final PowerPoint deck.
   a. (10%) Grades based on student votes will be as follows. The 10 points that come out of
student votes for presentations will be assigned as follows:
      i. Top 3 BUSINESS MODELS in the *pitch day* get 5 points, top 4-5 get 3 points, and
         bottom 6-7 get 2 points.
      ii. Top 3 BUSINESS MODELS in the *final presentation day* get 5 points, top 4-5 get 3
          points, and bottom 6-7 get 2 points.
   b. (5%) The other 5 points will come from the professor’s ranking based on how clever the
      business model is and how much research you did to understand the business, the go to
      market strategy and the profit formula. Because the idea is to create a curve, projects
      will be assigned the following grades:
         i. Top project 5 points
         ii. Top 2-3  3.5 points
         iii. Top 4-5 teams 2.5 points
         iv. Top 6-7 teams 1.5 points

**Final project presentation (15% of the final grade)**
The final project has two components, a grade from the instructor (5%) and a grade from the overall
group effort (10%). The overall group effort will be graded according to student votes for the best
projects during the final presentations:

1. (5%) Top 3 PRESENTATIONS in the pitch day get 5 points, top 4-5 get 3 points, and bottom 6-7
   get 2 points.
2. (5%) Top 3 PRESENTATIONS in the final day get 5 points, top 4-5 get 3 points, and bottom 6-7
   get 2 points.
3. (5%) Prof. Musacchio will have his own ranking of presentations (based only on the final
Write-ups

There will be two write-ups (1000-2000 words) about three different current topics. The write-ups will require students to use the frameworks discussed in class to analyze a piece of business news selected by the professor. There will be one question or two posted in advance on Latte, a link to a short article or blog post. Last year one writeup was about whether Apple should be in the electric car business. Students are required to do industry analysis (e.g., about the competitors, the suppliers, the buyers, etc...) and all of the strategy frameworks used in entrepreneurial firms (i.e., the lean startup, two-sided markets framework, or the social strategies note) to do their analysis of this specific example and produce a two-page analysis with recommendations for the firm in question.

Group project:

Students will work in teams of 4-5 people on a final project. The group project consists of a 10-slide PowerPoint deck (with quantitative appendices if necessary) and a class presentation in which students will present a new product or service using the tools studied in class.

Students need to setup their teams by February 14th
Project outlines, with proposed topic and team member names, due by on March 2nd (3PM)
First presentations will be on March 30th and April 4th (lottery to assign times/dates)
Final presentations will be on April 27th and May 2nd (worst teams in first round get 4/27)

Disabilities

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 immediately before or after the first class.

Academic Integrity

You are expected to be honest in all of your academic work. Please consult Brandeis University Rights and Responsibilities 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 alleged 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 LTS - Library guides.

Office hours

Office hours are every Tuesday and Thursday from 2:00-3:20PM at Lember 252. Please email me to sign up for a 20 minute time slot.

LEARNING BY THE CASE METHOD

Because this course is based on the case method of learning, class participation by all students is critical. We will assume that everyone has prepared the case and readings thoroughly—there is simply no time to explain or reiterate case facts. Our discussions will aim to be analytical, not descriptive. This does not mean that we will ignore the facts; to the contrary, students should strive to back up their arguments with the facts of the case. In sum, I will expect three P’s from students in every class:

• Presence: You are expected to prepare for and attend all class sessions. It is your responsibility to catch up on material for any class that you miss.
• **Preparation:** You are expected to do the class assignments and be ready to start class or answer assigned questions if called on. In addition, it means that you have analyzed the case and exhibits, not just read them lightly. Where there is numerical analysis to be done to understand the financials or economics of the case, you will be expected to do this. It is often extremely useful to work in groups in preparing the cases for each class; you are encouraged to do this. *(THERE ARE COLD CALLS in EVERY SESSION)*

• **Participation:** You are expected to share your views and questions in class. Your class participation grade will depend on the cumulative quality of your contributions in class.

*Laptops, tablets and phones are not needed during class and should not be open at all unless we are analyzing the exhibits of a case;* even "quiet" screens are distracting to those around you. Preferably, you should print the materials you need for class and take notes on paper, as it is not possible to analyze a case deeply without marking it up. Calculators are allowed in class, text-messaging and Internet access are not. Failing to follow these rules will lead to a penalization in participation for the day (see participation grades above). Disrupting class repeatedly with technology will lead to direct penalization on the final grade.
Course Outline

- **Cases** and **required articles** are in case packet: [http://cb.hbsp.harvard.edu/cbmp/access/56874914](http://cb.hbsp.harvard.edu/cbmp/access/56874914)

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
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<tbody>
<tr>
<td>1</td>
<td>Tuesday, January 17, 2017</td>
<td>What is Strategy</td>
<td>“What is Strategy?” Porter</td>
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<td>3</td>
<td>Tuesday, January 24, 2017</td>
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<td>“Apple Computer 2006”</td>
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<td>4</td>
<td>Thursday, January 26, 2017</td>
<td></td>
<td>“Competitive Advantage: The Value Chain and Your P&amp;L” (Joan Magretta)</td>
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<td>5</td>
<td>Tuesday, January 31, 2017</td>
<td>Framework #2: Capabilities, Core Competencies and Competitor Analysis</td>
<td>“Competing on Resources” and “Amazon 2015”</td>
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<td>6</td>
<td>Thursday, February 02, 2017</td>
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<td>“Wal-Mart Stores in 2003”</td>
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<td>7</td>
<td>Tuesday, February 07, 2017</td>
<td>Framework #3: Choosing Scope</td>
<td>“Choosing Corporate and Global Scope” and &quot;Real Madrid Club de Futbol&quot;</td>
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<td>8</td>
<td>Thursday, February 09, 2017</td>
<td>Framework #4: Strategy in Entrepreneurial Firms</td>
<td>“Hypothesis-driven entrepreneurship” HBS NOTE <em><strong>First writeup due TODAY</strong></em></td>
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<td>9</td>
<td>Tuesday, February 14, 2017</td>
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<td>“ Dropbox: It just works”</td>
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<td>10</td>
<td>Thursday, February 16, 2017</td>
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<td>&quot;Rent the Runway&quot;</td>
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<td>Tuesday, February 21, 2017</td>
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<td>Tuesday, February 28, 2017</td>
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<td>Borrowlenses.com</td>
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<td>13</td>
<td>Tuesday, March 07, 2017</td>
<td></td>
<td>“Safer Taxi”</td>
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14 Thursday, March 09, 2017
15 Tuesday, March 14, 2017

Part III. Social Strategies
16 Thursday, March 16, 2017 Framework #6: Social Strategies “Competing with Social Networks: Designing Social Strategy”
“Twitter”
17 Tuesday, March 21, 2017
18 Thursday, March 23, 2017 “Facebook” #Second writeup due TODAY
“Social Strategy at Nike”
19 Tuesday, March 28, 2017
20 Thursday, March 30, 2017 Students present projects
21 Tuesday, April 04, 2017 Students present projects

Part IV. Strategy in Large Corporations over time, across borders, and in acquisitions
22 Thursday, April 06, 2017 “Walt Disney Company”
23 Thursday, April 11, 2017 NO CLASS
Tuesday, April 13, 2017 NO CLASS
Tuesday, April 18, 2017 NO CLASS
24 Tuesday, April 25, 2017 "Haier's U.S. Refrigerator Strategy"
"$19B 4 txt app WhatsApp...omg!"
25 Thursday, April 27, 2017 Final student presentations
26 Tuesday, May 02, 2017 Final student presentations
BUS 160a AN IN-DEPTH LOOK AT THE COURSE

This is a course that aims to teach students the basics of corporate strategy or competitive strategy and the basics of competition in the digital age. As such, this is a fairly complex course because there are many moving pieces and many frameworks applied to different parts of the course.

In the first part of the course the idea is to have students examining the main tools and frameworks used for strategic analysis; mainly:
1. Basic financial analysis
2. Five forces framework for industry analysis
3. Core competencies and the resource-based view of strategy
4. Competitive analysis, how to create a competitor set and how to understand the competitive advantage of a firm from that
5. Value chain, horizontal and vertical integration
6. Scope of the firm

The second part of the course delves into topics specific to the technology industry. Thus, the main idea is to provide students with basic frameworks entrepreneurs use to think strategically about tech companies (that is in fast-growing firms that face high uncertainty and that rely on high technology or the internet to develop competitive advantages). The main frameworks used are:
1. The lean startup framework, also known as hypothesis-driven entrepreneurship
2. Frameworks to understand two-sided platforms; and,
3. The Opportunity Analysis Canvas

The third part of the course relies on very recent developments in the analysis of strategy using social networks. The frameworks are then applied to fun cases, such as Facebook, Twitter, and Nike.

The fourth part of the course focuses on strategic decisions in large firms. That is, it takes all of the frameworks of the course and applies them to important decisions of large corporations. In particular, there are three decisions or broad ideas studied. First, using the Walt Disney Case we look at how companies manage intangible resources over time to create value. Second, we use the Haier’s U.S. Refrigerator Strategy to look at how a multinational from China can create a niche for itself in the U.S. market, when it is competing with giants such as GE, Whirlpool, Bosch, etc. Finally, we close the course with a case on Facebook’s acquisition of WhatsApp. This is a very interesting case because it allows us to learn how big companies think about acquisitions. But it also lets us use everything we know about entrepreneurial firms to think about the value proposition of WhatsApp, a messenger application for mobile phones.
1/17 Introduction to strategy

Introduction to strategy

Reading assignment:
“What is Strategy?” Porter

Study questions:
- What is strategy?
- How can companies differentiate themselves (i.e., what sources of strategic positioning are there)?
- What is “strategic fit”?
- Go online and try to figure out: What’s the strategy of Twitter? What’s the strategy of Google?

1/19 Part I. Basic frameworks to study competitive strategy: INDUSTRY ANALYSIS

Framework #1: Michael Porter’s Five Forces

Main activity: Discussing the Cola Wars case as an application of the five forces framework.

Reading assignments

"The Five Competitive Forces that Shape Strategy," Michael Porter
“Cola Wars: Coke vs Pepsi”

Study questions

1. Be sure you understand Porter’s “Five Forces” model discussed in the article and apply the model to the case. We will use this model in the next few classes. For each of the “forces” in the market for carbonated sodas think about whether their bargaining power is HIGH, MEDIUM, or LOW.
2. Make sure to get the slide with the basic financial ratios from Latte and make sure to analyze the profitability of the soft industry. Answer the following question: Why is the soft drink industry so profitable? Consider this question for two separate segments of the industry: (1) concentrate producers and (2) bottlers.
3. Why do concentrate producers want to integrate vertically into bottling?
4. How has the rivalry between Coke and Pepsi affected the industry’s profitability?
### 1/24 Five Forces in High Tech Industries

**Reading assignments**
- “Apple Computer 2006”

**Study questions**
- Look at the financials of Apple. What story do they tell us? What’s Apple’s secret sauce before 2006?
- Before the launching of the iPod and the iTunes store, what accounts for Apple’s success in the personal computer space?
- How does the iPod and iTunes change that story? What business model do these two innovations rely on?
- Compare the success of Apple in PCs and in the iPod/iTunes spaces against that of Microsoft in software. What did Steve Jobs learn from Bill Gates?

### 1/26 Strategy, Value Chain, and Profitability

**Reading assignment:**
“Competitive Advantage: The Value Chain and Your P&L” (Joan Magretta)

**Study questions:**
- What is competitive advantage? How do companies gain competitive advantage according to Porter?
- What is value chain?
- Use the Apple Computer 2006 case and think about how Steve Jobs thought about the value chain of the personal computer business Apple had. What parts did he let go? What parts did he add? Why?
- Now think about the entire value chain of the ipod according to the case (or if you know about the iphone go for it) and think about where Apple is inserted. What’s the point of having the apple online and physical store? Why not just let the distribution and repairs to third parties? Think about how value is captured in this market?

### 1/31 Core Competencies and Competitor Analysis

**Reading assignments:**
- “Competing on Resources”
- “Amazon 2015”

**Study questions:**
- What business is Amazon in? Is it spreading itself too thin or is it well positioned for the future?
- Who are Amazon’s competitors? What is Amazon’s competitive advantage? What are its core competencies?
- What should traditional retailers like Best Buy do to compete with Amazon?
- Does it make sense for Amazon to get into the phone business with the Amazon Fire phone?
2/2 Competitor Analysis – Wal Mart

Reading Assignment
“Wal-Mart Stores in 2003”

Study questions
1. What are Wal-Mart’s sources of competitive advantage in discount retailing? Examine the value chain at Wal-Mart and explain the advantages Wal-Mart has in each part of the value chain.
2. Compare the financial performance and cost structure of Wal-Mart to that of its competitors (focus on Target and K-mart) and explain the differences that you see (work with the exhibits). In fact, see if by looking at the comparison in financials you can come up with a story of why Wal-Mart is the leader retailer in the world.
3. Why are many communities so resistant to allow Wal-Mart to establish locally? Is Wal-Mart good or bad for the local community?

2/7 Choosing Corporate Scope

Reading Assignment
"Choosing Corporate and Global Scope" and "Real Madrid Club de Futbol"

Study questions
1. What’s the business model of Real Madrid?
2. Who is Real Madrid's customer?
3. What’s the competitive advantage of Real Madrid (please do five forces analysis and figure out competitive advantage and capabilities)?
4. Do they have the right global scope? Do they have the right corporate scope?
5. What are the weaknesses of Real Madrid’s business model?

2/9 Strategy in Entrepreneurial Firms & Design thinking workshop

Reading assignments
"Hypothesis-driven entrepreneurship" HBS NOTE
###First writeup due TODAY

Study questions:
1. What are the steps entrepreneurs should follow to test a new idea/product/service?
2. What is MVP?
3. What is optimism bias? How can we prevent optimism bias?
4. If we were designing a site/app to facilitate the rental of skiing equipment among college students, how would we go about testing the idea? What would an MVP look like? What hypotheses would we need to test? What are the potential problems for such an idea?
2/14 Strategy in Entrepreneurial Firms II

Reading assignment:
“Dropbox: It just works”
###TEAMs SETUP by TODAY

Study questions:
1. Dropbox is a late mover in a crowded space. What opportunity did Houston see? Specifically, what are the key elements of Dropbox’s current business model?
2. Is Dropbox profitable as of June 2010? Are you optimistic about its prospects? How does your estimate of Dropbox’s current profitability influence your evaluation of the venture’s prospects?
3. When he applied to Y Combinator (see case Exhibit 2), what hypotheses did Houston hold about key elements of Dropbox’s business model? As of June 2010, which of these hypotheses have been confirmed, and which have been discarded? What is your assessment of the approach Houston used to test hypotheses? Did he waste time/resources or make notable mistakes? Can you imagine better ways to test key hypotheses?
4. Imagine that at the same time Dropbox was founded, Google decided to target the opportunity that Houston had identified. How would Google’s approach to pursuing “G-Drive” have differed from the approach that Dropbox’s team followed?
5. What should Houston do about the decision posed at the end of the case, i.e., creating a separate version for small and medium-sized business (SMB) customers? What process should he use to make this decision?

2/16 Strategy in Entrepreneurial Firms III

Reading assignment
“Rent the Runway” HBS case

Study questions:
Apply the hypothesis-driven entrepreneurship (lean startup) framework to this case. Understand the problem they are trying to solve and their MVP? Create a timeline of actions undertaken by Rent the Runway’s cofounders. Do you agree with the decision to pursue each action? Which actions were important in validating business model hypotheses and refining the concept? Can you suggest different actions that the cofounders should have taken?
As the case ends in January 2010, the cofounders are considering whether to: (1) stick with their original plan to pursue operational improvements in 2010 before raising more capital in early 2011; or (2) accelerate fundraising in order to expand inventory and product range, enabling RTR to serve a broader set of customer segments and usage occasions. What would you do about this decision?

2/28 Strategy in Entrepreneurial Firms IV

Preparation
Borrowlenses.com (visit the page);
Study questions:
Read the interview with Mark Gurevich, our guest, and think about the following.
1. If you were thinking about launching this company, what would be your MVP?
2. Where do you test the market?
3. If you wanted to do some surveys to see interest, where would you do them?
4. Calculate the gross profits (gross margin) and net income (net margin) for this business

At the end of 2012 using the following assumptions:
- Per year, the average customer rents equipment that new would cost $3500
- Average rental price is 5% of equipment value
- They have 35,000 total renters per year, each renting around 2x per year
- In terms of costs we have: 20 employees making around $60k per year, 3 management (assume $150k per year); and they are running credit card debt, so interest payments of $80k per year. Finally, sales and marketing expenses of $1M (for adwords, etc.)

5. Breakeven analysis:
- If the average piece rents 20x per year (for 8 days on average). How long before they can break even for each piece of equipment?
- If the average piece has a useful lifetime of 3 years, how much do they make per piece (without taking into account resale) over the lifetime of the product?
- If pieces can resale after 3 years for 90% of their original value, how much do they make per piece after reselling them?

6. Finally, for bonus points. At the end of 2012 the owners were thinking about selling the company. How much is it worth? (this one is a hard one so don’t feel bad if you have no clue of how to answer it)

3/2 Framework #5: Strategy in Two-Sided Platforms

Reading assignment:
“Strategies for Two-Sided Markets”

###Team project outline due today!###

Study questions:
1. What are the components of a two-sided platform?
2. What are network externalities? What role do they play in two-sided platforms?
3. Think of a site/app like YouTube. Does it fit the framework of two-sided platforms? If so, can you explain its success using this framework? What’s the money side in the case of YouTube?
4. Why can’t YouTube just charge us a fee upfront like Netflix? (in fact, they are already trying to do that, so the relevant question is: Will it work?)

3/7 Strategy in Two-Sided Platforms II

Reading assignment:
“Safer Taxi” (an Uber like App for taxi rides in South America)

Study questions
1. What is the business model of Safer Taxi in South America? (how is it different from say the business model of Uber in the United States?)

2. How would you do a minimum viable test for Safer Taxi? What confirmation would you need to avoid biases?

3. Using the lean startup framework, what did Safer Taxi do right? What did they do wrong?

4. As Safer Taxi thinks about scope and competitive advantage, please think about what the right mix of business lines is for them. The case mentions they have two types of business models, one is for corporates and the other one is for people on the street. Does it make sense for them to be on both? Shouldn’t they focus on competing with Easy Taxi (their biggest competitor in South America) and Uber, where they need more resources to do marketing? Should they consider the corporate market at all?

5. What’s the biggest risk you see for a startup like Safer Taxi in the near horizon?
**3/9 Strategy in Two-Sided Platforms: Crowdsourcing value**

Reading assignment:
“TripAdvisor” HBS Case

Study questions:
1. Why is TripAdvisor (TA) appealing to consumers? Why do consumers write reviews?
2. What do hotel owners and property managers feel about TA? How does TA manage to create a balance between consumers and hotel managers?
3. How does TA monetize its UGC? How does it differ from other UGC sites such as Yelp?
4. Why has TA been so successful in hotel reviews? Why is it not known for restaurant reviews?
5. Does it make sense for TA to get into the business of vacation rentals? Explain who is on this platform, what incentives they have to join, and how TA can add value in this market? Is the value proposition aligned with TA’s overall value proposition?

**3/14 Strategy in Two-Sided Platforms: Dealing with Government**

Reading assignment:
“Uber in China: Driving in the Gray Zone”

Study questions:
1. What is Uber’s value proposition? Explain their business model using what we know about 2-sided platforms.
2. What are the major risks to their business model in the United States and Europe?
3. Would you invest in Uber if you could?
4. Now, explain why Uber failed at outcompeting its Chinese peers?
5. Why did they end up doing a joint venture with Didi (explain it using what we know of strategy)?

**Part III. Social Strategies**

**Tue 3/16 Framework #6: Social Strategies that Work**

Reading assignment
“Competing with Social Networks: ”

Study questions:
1. What are social failures? Why do they exist?
2. What two main types of social failures are there? What 4 subtypes of social failures are out there?
3. Now think of sites like eHarmony, matching people for serious relationships, what type of social failure are they solving? How do they solve it? What’s their social strategy? (if you don’t know eHarmony do a quick visit to their site)
4. What about gaming platforms such as Zynga (FarmVille, Words with Friends)? What social failures do they solve? How? What’s the business model? What’s their social strategy?

**Tue 3/21 Social Strategies III**
**Reading assignment:**
“Twitter“ HBS Case Study

**Study questions:**

<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>0. How did Twitter amass so many users?</td>
</tr>
<tr>
<td>1. Which Twitter users contribute content and which ones do not? Why?</td>
</tr>
<tr>
<td>2. Who gets followed on Twitter and who does not? Why?</td>
</tr>
<tr>
<td>3. What’s the business model of Twitter? What are its core competencies?</td>
</tr>
<tr>
<td>4. What should Twitter do not increase its revenues?</td>
</tr>
</tbody>
</table>

**Tue 3/23 Social Strategies III**

**Assigned reading**
“Facebook” HBS Case Study

**Study questions:**

- Why do people use Facebook and what do they do when they are there?
- Evaluate the success of advertising on Facebook?
- Evaluate Facebook Platform and Facebook for Websites
- Which of the three options should Facebook prioritize as it seeks to monetize its business model?

**Tue 3/28 Social Strategies IV**

**Reading assignment:**
“Social Strategy at Nike”
[https://www.youtube.com/watch?v=F_ybXfLPUU](https://www.youtube.com/watch?v=F_ybXfLPUU)

**Study questions:**

- Evaluate the Nike+ ecosystem as a foundation for the company’s social strategy
- What’s unique about the way Nike uses Facebook, Twitter and YouTube for its digital strategy?
- What’s its digital strategy? What is its social strategy? Why are these two different? How does Nike integrate its digital strategy with its social strategy?
- What kind of capabilities did Nike have that allowed it to develop a rich, integrated social and digital strategy? Can Reebok or New Balance replicate it?
- Did the Nike social strategy work? How would you evaluate it? If you were presenting to the board of directors of Nike, what do you think they would ask? Think about how you’d answer those questions?

**Thu 3/30 First pitch day for student projects**

**PROJECT PITCH DAY**

ALL TEAMS WILL PRESENT TODAY. EACH TEAM HAS 6 minutes to make the first pitch & there will be 4 minutes for Q&A (prepare a 5 minute pitch that will give you 1 minute of slack).

**TIPS for your presentation**

4. Do not prepare more than 5 slides
5. Make sure you explain the pain point clearly
6. The hypotheses and MVP have to be there and you need to explain how you’re going to test
1. What's the monetization strategy? What's the go to market strategy?
2. Do not just say "we will talk to x people"... actually say how many and WHO... or if you've been working on your test why not set the example and show us your test
3. If you're going to run a survey/focus groups tell us what questions you want to ask
4. Obviously you are not supposed to have EVERYTHING, but you need to have thought of every step.
5. DO NOT GO OVER TIME, you need the feedback from your peers.
6. We will have a secret ballot to choose the three best projects and three best pitches (that is the three best projects vs. three best presentations)... they will get extra credit.

Part IV. Strategy in Large Corporations over time, across borders, and in acquisitions

4/06 Sustaining Competitive Advantage over time: Walt Disney Co.
Reading assignment:
"The Walt Disney Company: The Entertainment King" HBS Case

Study questions:
1. Why has Disney been successful for so long (do full analysis using all frameworks)?
2. What were the key elements of success of Michael Eisner's rejuvenation plan?
3. Does Disney have the right corporate scope or is it too diversified?
4. Would you invest in Walt Disney Company?

4/20 Strategy in Large Corporations: How do companies decide what products to sell and where to locate their factories?

Reading assignment:
"Haier’s U.S. Refrigerator Strategy" HBS Case

Study questions:
1. Why did Haier enter the US Market with compact refrigerators? Did it pay off?
2. Why didn’t other competitors do the same?
3. Work the financials of refrigerators to explain Haier’s decision to play in the compact segment and not in the large fridge market?
4. What advantages/disadvantages did Haier have for being a Chinese company?

4/25 Strategy in Large Corporations: How do Companies Decide on an Acquisition? Facebook’s acquisition of WhatsApp for $19 billion

Reading assignment:
"$19B 4 txt app WhatsApp...omg!" HBS Case

Study questions:
1. Using the frameworks we have studied, explain the business model of WhatsApp and how it monetaizes or can monetize value?
2. If you were working for Facebook, how do you come up with the valuation of WhatsApp? How do companies value target firms for acquisitions?
3. Was Facebook's acquisition of WhatsApp for $22 billion the most outrageous waste of shareholder funds or the deal of the century? (explain the analysis that supports your position)

### 4/27 FINAL PITCH DAY

**FINAL PROJECT PITCH DAY**

HALF of the TEAMS WILL PRESENT TODAY. EACH TEAM HAS 10 minutes to make a presentation & there will be 5 minutes for Q&A

**Class logistics:**

- Please arrive early and upload your presentation to the classroom's computer (no laptops will be allowed to facilitate smooth transitions)
- Seat with your team
- Do not waste time switching presentations. You should be ready to go as soon as the previous team finishes their presentation.
- Be respectful of other people's presentations. After class starts DO NOT talk to your team mates, do not open your computer (STRICTLY PROHIBITED), do not work on your team's presentation, and smile :)

### 5/2 FINAL PITCH DAY

**FINAL PROJECT PITCH DAY**

The SECOND HALF of the TEAMS WILL PRESENT TODAY. EACH TEAM HAS 10 minutes to make a presentation & there will be 5 minutes for Q&A

**Class logistics:**

- Please arrive early and upload your presentation to the classroom's computer (no laptops will be allowed to facilitate smooth transitions)
- Seat with your team
- Do not waste time switching presentations. You should be ready to go as soon as the previous team finishes their presentation.
- Be respectful of other people's presentations. After class starts DO NOT talk to your team mates, do not open your computer (STRICTLY PROHIBITED), do not work on your team's presentation, and smile :)