Integrated Marketing Strategy
Fall Semester, 2013

Time: Wednesdays, 2:15 PM – 5:30 PM
Location: Uris 307

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Hours: Wednesdays 10:00AM – 2:00PM; Flexible (email to schedule)
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COURSE DESCRIPTION
Integrated Marketing Strategy focuses on what business managers need to know to create strategies that achieve competitive advantage for products and services. This capstone course will provide the insights and tools required to understand how marketing integrates with other key functions across the enterprise – product development, operations, finance and sales – in developing and executing successful business strategies. The course will also focus on competitive dynamics how to understand, anticipate and effectively respond to competitive threats.

During the semester, we will examine:
- How companies create, capture and renew competitive advantage in the marketplace
- The impact of industry structure on markets and competition
- Sources of value in product/service offerings and how they evolve over time
- The role of technology, operations and distribution in delivering value
- Competitive dynamics -- effective responses to preempt, deter or effectively counter competitive moves
- How to develop products and services that break away from competition
- Putting the pieces together: creating integrated business strategies to gain competitive advantage

While the course will build on a theoretical foundation, it is designed to be practical, hands-on, and applied, giving students the opportunity to analyze and plan integrated marketing strategies drawing on examples from firms in a variety of industries. Students will gain a deep and practical understanding of integrated marketing strategy from three mutually reinforcing approaches:
- Interactive presentations on relevant concepts and frameworks
- Case preparation and discussion spanning numerous B2B and B2C companies
- Guest speakers drawn from senior executive ranks of major corporations.
COURSE OBJECTIVES
The fundamental premise of this course is that firms are successful when they create, capture and sustain value. Accordingly, the overall objective of the course is to learn how to:

1. Analyze a company’s strategic options given its market and competitive position
2. Develop strategies that deliver sustainable competitive advantage, maximizing financial returns
3. Formulate plans to implement appropriate strategies
4. Anticipate and counter competitive responses

The target audience for this course is MBA students planning a career in positions where a holistic, integrated view of business performance is required, including:

- Product and Marketing Managers
- Entrepreneurs
- Corporate Strategic Planning Managers
- Business Unit General Managers
- Consultants
- Investment Analysts

CONNECTION WITH THE CORE
This is a capstone course intended for second-year MBA students that integrates many of the concepts covered in the core curriculum. The course focuses on strategies for new product development that create enormous value by redefining the categories in which companies compete. Case study examples include JetBlue, Yellow Tail Wine, IKEA, Swatch, SodaStream and Amazon (Kindle). As the course title suggests, we will explore the integrated elements of successful strategy encompassing product development, operations, distribution and marketing.

While all lectures will include a brief review of the concepts utilized, it will be assumed that students already understand the following core course concepts:

Strategy Formulation
- All concepts covered in this core course

Marketing Strategy
- All concepts covered in this core course

Managing Marketing Program
- Innovation, new products
- Integrated marketing communications; advertising; new media; media selection
- Distribution: channel design and conflict resolution

Operations Management
- Alignment of business strategy and process

Corporate Finance
• Cash flow NPV for new product valuation

Decision Models
• Sensitivity analysis
• Modeling competitive & cannibalization effects

READING MATERIALS
Materials used in this course will be distributed in a reading packet of assigned articles and multi-functional cases, supplemented by timely and topical articles posted on Canvas.

COURSE FORMAT
Classes will meet once per week for three hours with one 15 minute or two shorter midsession breaks. While the sequence of activities may vary somewhat from week-to-week to accommodate the schedule of our guest speakers, generally the first half of the class will be devoted to topical lectures and the second half will entail case study discussion and commentary from our visiting executives.

Weekly readings will generally include topical articles and a business case.

The class is intended to be highly participatory and students are expected to come prepared to discuss their ideas and defend their opinions on business case issues. Since there is generally no single right answer to the decisions highlighted in the business cases, our discussion will work best if there is an active debate on options, decisions and expected outcomes. Interactive polling devices will be used in the classroom to take stock of your views on decision-maker options in the cases.

We will allot adequate time for Q&A with our visiting executives, and I’ve alerted our guest speakers that Columbia MBA students are generally not bashful in asking probing questions!

During the semester, each student will be asked to submit a number of short (one page) topical analyses, a written analysis for two business cases and a final paper eliciting lessons learned from the cases and class discussion covered during the semester.

GUEST SPEAKERS
A number of senior executives have volunteered to participate in class discussions this semester. While schedules and availability may change, the likely roster of executive guest speakers includes:

• Mark Powers – CFO, Jet Blue
• Mike Ward, President – IKEA, US
• Jonathan Lehr – Brand Manager, Yellow Tail Wines
• Judith Curr, SVP, Simon & Schuster

COURSE GRADING
Your grade for this course will be based on the following allocation:

Class participation 20 %
Case writeups 30 %
Short assignments 15 %
Final paper 35 %
Participation
Active participation is a major contributor to the success of this course, since we learn most effectively through active class dialogue. You are expected to read all required articles and cases before class, to thoughtfully respond to the suggested questions and to participate actively in class discussions. Participation will involve summarizing case study situations, performing selected analyses, applying the case issues to your personal business experience, asking insightful questions, tying the frameworks together, recommending and defending a proposed solution—in other words, whatever helps the class effectively explore the ramifications of successful integrated marketing strategy. While each student will only be required to submit two case writeups during the semester, the instructor will call on all students to contribute to the case discussions through the course of the semester. Weekly preparation is essential.

Attendance is required for all classes, as we will always introduce concepts that go beyond what is covered in assigned reading materials. If for any reason, you find you cannot attend a class, you should advise the instructor by email in advance.

Students are encouraged and welcome to meet with the professor outside of class to discuss ideas, to clarify topics presented in class or to relate course topics to the students’ work or career aspirations.

Individual Written Work
There will be three individual written assignments during the course of the semester plus periodic short (one page) issue papers. All assignments should be submitted in Canvas under the class session for which the assignment is due. The instructor will repost feedback and grades on submitted assignments to Canvas. Spare the trees; no paper submissions please!

1. **Case Analysis (2 cases per student)**
   Each student will be randomly assigned two cases to analyze. Case writeups should be 5 pages maximum (not counting supporting exhibits) Word document posted to Canvas prior to the class discussion on that case. Case writeups are generally intended to:
   - Clarify your understanding of the strategic situation
   - Identify the strategic options and their expected impacts
   - Recommend actions: what would you do if you were the protagonist in the case?
   - Quantitatively and qualitatively substantiate your recommendation
   - Identify key uncertainties and how you might mitigate them in implementing your recommended approach

   While these are general learning objectives for all cases, student writeups should address the specific questions listed for each case in the syllabus below and on Canvas.

2. **Course Review: Key Lessons Learned**
   In no more than 6 pages, not counting exhibits (Word document), summarize the key lessons you learned from the class discussion and cases covered during the semester that explain the varying outcomes achieved by companies trying to formulate and implement successful integrated marketing strategies. You should choose the 4-5 lessons learned that you found most enlightening in illustrating the requirements for successful integrated marketing strategy that might be of value in your own career. In framing your response, indicate why you chose to
highlight particular key points from our class discussions and reading, for example in helping explain prior issues you’ve encountered at work or countering your prior conceptions on a given topic.

For each key lesson learned, cite examples from the business situations profiled in the cases covered in class:

• Each identified key lesson learned is to be the title of a subhead followed by explanatory text amplifying your point and drawing on selective case facts and class discussion that support your position
• All cases need not fit under each category (and probably won’t). What is most important is to demonstrate your clear understanding of key lessons learned. You need not and should not provide an exhaustive recap of facts from the cases, but only the key points necessary to support your conclusions on key lessons learned.

In addition to the three major submissions, there will be a few short (one page) assignments on the case and topical readings throughout the semester, as described in the course schedule below.

Papers will be graded on content (75%) and effectiveness of business writing style (25%). Content includes the insightfulness, quality of analysis and conclusions, support for conclusions, and the overall logic of the paper. Style includes the clarity and effectiveness of writing that would be expected in a business recap submitted for executive review in a professionally managed business enterprise.

Students will receive detailed feedback from the instructor on written submissions.
COURSE SCHEDULE
The schedule for the course is outlined below. It may be necessary to swap some sessions to adapt to class interests or to accommodate calendar conflicts of our executive guest speakers. Please check Canvas weekly as assignments and schedules may change through the course of the semester and certain readings will only be available through postings on Canvas.

The reading and written assignments provide a foundation and a context for class discussion and thus are to be completed before the class for which they are scheduled.

SESSION 1: Course Introduction
Sept. 4 Fundamentals of Integrated Marketing Strategy

Topics
Course orientation and overview
The growth imperative: importance and challenges of sustained enterprise growth
Value creation and bases of competitive advantage
Rules of marketplace competition

Reading
1. Course syllabus

Activities
Prior to class, read the assigned reading for Session #1

Prior to class, post to Canvas in the text box a short description of the following:
1. Identify one of your most favorite brands - presumably a company whose products or services have been particularly well suited to your needs, and that you would recommend without hesitation to family or friends. Just to make the exercise a little more interesting, let’s just stipulate that most of us love Apple, so let’s leave them off the list.
2. In a couple of sentences at most, indicate why you are so satisfied with and loyal to your chosen company/brand.

In class, be prepared to discuss:

- Why is growth important to corporate enterprises?
- Why is sustained profitable growth so difficult to achieve?
- Based on Porter’s “5 forces”, are companies in structurally challenged industries destined to earn low returns?

SESSION 2: Competitive Dynamics
Sept. 11 Coors Case
Topics: Integrated Marketing Strategy Diagnostics  
Competitive Dynamics  
Coors Case

Reading:  

Activities: Prior to class, per the Collis and Rukstad article, post to Canvas your articulation of Coors’ strategy prior to 1975 (i.e. prior to Coors’ decision to expand towards national distribution) in 35 words or less.  
Note that the case does not provide guidance on Coors’ financial targets. Craft your statement of Coors’ strategy in terms of the two other critical elements of an effective strategy described by Collis & Rukstad.

In class, be prepared to discuss your answers to the following questions regarding the Coors case:  
1. Was Coors successful in the early- to mid-1970’s and if so, what evidence and specific metrics substantiate your understanding of Coors’ market and competitive position?  
2. How would you articulate Coors’ consumer value proposition and basis of competitive advantage in the years leading up to 1977?  
3. In 1985 has their business performance changed? How so, and what specific metrics prove your point?  
4. How would you explain Coor's change in performance? Did the market change? Did competitors change their strategy? Did Coors shift their strategy?  
5. In 1985, Coors committed to opening a new plant in Virginia. Was this a good idea – why or why not?  
6. In retrospect, what if anything might Coors have done over the period covered in the case to sustain a stronger market and competitive position?

SESSION 3: Responding to Market Shifts  
Sept. 18 Mountain Man Beer Case  
Topics: Brand equity  
Product positioning  
Breakeven & NPV Analysis

Reading:  
2. Mountain Man Beer Scenario Financials (35% & 60% cannibalization scenarios posted on Canvas)  

Activities: Prior to class, using facts from the case, the accompanying pro forma financials provided on Canvas and your own best judgment estimates, students not assigned for a
case writeup should submit an answer to questions 4-6 below on one page or less. Students assigned to write up the Mountain Man case should answer all questions below in five pages or less, not counting accompanying exhibits. Note that there are two spreadsheets posted to Canvas associated with 2 scenarios: 1) Light beer launched with 35% cannibalization; 2) Light beer launched with 60% cannibalization

In class, be prepared to discuss the following questions:
1. What has made MMBC successful in the past? What distinguishes the brand from competitors in terms of product, customers, distribution, marketing approach and cachet?
2. What has caused the decline in MMBC’s operating results in spite of its strong brand? Based on case facts, develop a simple “do-nothing” pro forma (2005-2010) which projects Revenue, Contribution Profit, Fixed Expenses and Operating Profit
3. What are the pros and cons of introducing a Mountain Man light beer?
4. The case suggests that in order to get approval to launch a Light Beer, MMBC would have to break even within 2 years by more than covering the costs associated with launch advertising, incremental SG&A and lost MMB sales due to cannibalization. Based on the pro formas shown in the accompanying spreadsheets, should MMBC launch a light beer product?
5. Is MMBC’s stated “go/no-go” objective appropriate to guide their decision making process? If not, what would be a more appropriate objective and why?
6. Which factors are most important in determining 5 year NPV’s for a light beer launch? Which factors can/should MMBC try to change to improve NPV? Substantiate your answer to this question (i.e. how can you analytically demonstrate which factors are most important?)
7. How might Mountain Man mitigate some of the risks of launching a light beer? (for example launch under the MMBC brand or a separate brand?)
8. For your recommended approach with respect to your answers to questions 5 & 7, modify the pro forma analysis to reflect your key assumptions
9. Based on your answers to question #8 and other non-tangible factors, should MMBC introduce a light beer?
10. What other strategic options for growth does Chris have if Mountain Man Light is not launched or is unsuccessful?

SESSION 4: Choosing the Right Strategic Option
Sept. 25 Delta Airlines Case
Topics Formulating Strategic Options
Competitive Response
Delta Airlines case
Guest Speaker: Mark Powers, CFO - JetBlue

Activities: In class, be prepared to discuss your answers to the following questions regarding the Delta Airlines case:

1. During the 1990s, none of the five largest US carriers earned their cost of capital. Why have such low rates of return persisted in the airline industry?
2. Despite the challenging industry environment airlines like Southwest and JetBlue earn enviable returns. How? What are the major differences in their strategies?
3. Why have all the low cost subsidiaries of legacy airlines, including Delta Express, failed?
4. What would happen to Delta if it continued to respond to low cost carriers in the way it did in the past? Using data provided in the case and additional assumptions as necessary, quantify the consequences for Delta’s revenue in the Florida market of continuing with the status quo for 5 more years (through 2006).
5. What are the strategic options available to the cross-functional team that Mark Balloun co-leads and what steps should the team take to choose among these options?
6. Based on the information available to you, what course of action would you recommend to Delta’s board?
7. (Optional) Since January 1, 2012, a broad index of airline stocks (ticker XAL) has outperformed the S&P 500 by over 2X in stock price appreciation. What explains the improved fortunes of this beleaguered industry?

SESSION 5: Product Positioning
Oct. 2 Clean Edge Razor: Splitting Hairs in Product Positioning

Topics
Product positioning
New product launches and cannibalization effects
Clean Edge Razor Case

Reading
3. Clean Edge pro forma financials, posted to Canvas

Activities Prior to class, review the pro forma forecasts of Paramount’s financial performance over the first two years of the Clean Edge launch either as a mainstream or niche product shown on tab TN B. All data used in the pro forma are in Exhibits shown on other tabs of the spreadsheet (which also display all case Exhibits) or from the case text. Students not assigned to the Clean Edge case writeup should post answers to questions #4 and #5 below in less than one page as a text entry to Canvas.

Students assigned to the Clean Edge case writeup should answer all the questions below in as a Word Document attachment as well as posting their revised pro forma to Canvas.
In class, be prepared to discuss your answers to the following questions regarding the Clean Edge case:

1. Assess Paramount’s competitive position. What are the strategic life cycle challenges for Paramount’s current products as well as for Clean Edge?
2. What are the salient behavioral differences between key segments in the nondisposable razor market?
3. The case is surprisingly silent on what they mean by a “Niche” or “Mainstream” launch strategy. Clarify your assumptions on how these two approaches would differ with respect to:
   - Total advertising and promotion budget
   - Types of customers targeted
   - Advertising and promotion channels used
   - Retail channels sold through
   - Any other distinguishing characteristics
4. What are the arguments for launching Clean Edge as a Niche product or a Mainstream brand?
5. Are the pro forma analyses as specified appropriate to guide Paramount’s decision-making process? If not, what’s wrong with the pro formas and how would you modify the analysis?
6. Would you recommend launching Clean Edge as a Niche or Mainstream product? Substantiate your recommendation using data and assumptions from the case.
7. Based on your recommendation, what are the implications for branding and marketing budgets for Clean Edge?

SESSION 6: Positioning Products and Services
Oct. 9 IKEA

Topics: Weaknesses with conventional product positioning paradigms
         Distinctive positioning strategies
         IKEA Case
         Guest Speaker: Michael Ward, President IKEA US


Activities: Prior to class, post to Canvas your answer to the following question on one page or less: if you were Mike Ward (President of IKEA US), what would be your two highest priorities to drive profitable growth in IKEA’s US market over the next five years? Also, indicate what element(s) of IKEA’s current strategy you would definitely NOT change. For each suggestion, explain your reasoning.
In class, be prepared to discuss your answers to the following questions regarding
the IKEA case:

1. How would you characterize IKEA’s value proposition?
2. What accounts for the success of IKEA? Express in terms of the Integrated
   Marketing Strategy concepts discussed earlier this semester
3. What are some of the downsides of shopping at IKEA? How does IKEA’s appeal
   vary by customer segment?
4. How would you improve IKEA’s value proposition to attract and retain more
   American consumers? For each recommendation indicate how it would address key
   shortcomings in IKEA’s current value proposition without compromising the brand’s
   core values
5. Some industry observers have suggested the following strategies. Indicate whether
   you agree or disagree and why:
   - IKEA should open a number of smaller, satellite stores across the United States
     (e.g., in shopping malls, strip malls, etc.). By offering a limited range of IKEA
     products, these “IKEA Lite” shops would presumably give consumers who do
     not otherwise have access to a full-size IKEA the opportunity to experience the
     brand.
   - IKEA should expand its sustainable product offerings and heavily promote its
     commitment to recycled materials, reforestation, recycling and other elements of
     corporate social responsibility
   - IKEA should substantially upgrade its webstore content and design to promote
     greater ecommerce sales. Areas for improvement
6. If you were Mike Ward, what would be your two highest priorities to drive profitable
   growth in IKEA’s US market over the next five years? For each suggestion, explain
   your reasoning. Also, indicate what element(s) of IKEA’s current strategy you would
   definitely NOT change.

SESSION 7: Blue and Red Ocean Businesses
Oct. 23 Yellow Tail Case

Topics: Structuralist vs. Reconstructionalist views of strategy
Blue Ocean strategy concepts
Yellow Tail wine case
Guest Speaker: Jonathan Lehr – Brand Manager, Yellow Tail

   Review, October 2004
2. Creating a Blue Ocean in the US Wine Industry With Yellow Tail Wines,
   Columbia CaseWorks

Activities: In class, be prepared to discuss your answers to the following questions regarding
the Yellow Tail case:
1. From the viewpoint of “Porter’s 5 Forces” strategic analysis, how attractive is the US budget and premium wine industry?
2. Would you characterize this market as a “red ocean”?
3. How did most existing players compete? Distinguish by segment as appropriate. If you were planning to enter the US wine industry, which segment (budget or one of the premium segments) would you choose and why?
4. In what ways did Casella/W.J. Deutsch exploit “blue ocean” strategic opportunities in launching its Yellow Tail wines?
5. What factors did Yellow Tail Eliminate, Reduce, Raise and Create in positioning Yellow Tail wine? What did its strategy canvas look like relative to competitors?
6. What explains the success Yellow Tail achieved over its first decade on the US market?
7. By 2010, has Yellow Tail’s opportunity to capture new customers largely run its course?
8. How can the company maintain consumer loyalty, particularly given no end in sight to copycat brands?
9. Thinking more broadly, where might Casella Wines and W.J. Deutsch find their next “blue ocean” market opportunity? Can “lightning strike twice” for either of these partners?

SESSION 8: Breakaway Products
Oct. 30 The Birth of Swatch

Topics: Innovation-driven product differentiation
Adjacent vs. white space growth strategies
Evolution or product categories
Swatch case

2. The Birth of the Swatch, Harvard Business School Case, 2004

Activities: In class, be prepared to discuss your answers to the following questions regarding the Swatch case:

1. Characterize the evolution of the watch industry from the 1950’s to the 1990’s. One can argue that there were two breakaway positioning events during this span. What were they? (Hint: remember that a key aspect of a “breakaway” product is that it gets consumers to think very differently about product attributes)
2. The case suggests that Hayek paid little attention to market research in either developing the Swatch product concept or in the go-ahead decision to scale the business. Why do you think the pilot tests failed (page 6)? Was Hayek reckless in pushing forward anyway?
3. Why did Swatch succeed? What were the key elements of Swatch’s Integrated Marketing Strategy that contributed to its success?
4. As with all cases we’ve discussed to date, Swatch’s strong growth began to subside near the end of the case time frame. What factors did (and continue to) contribute to slowing growth?

5. In response, Swatch pursued business expansions in a number of additional product categories. Did these growth initiatives make sense? For each, why or why not?

6. What could/should Swatch do today to grow their business?

SESSION 9: Developing New Products and Services

Nov. 6   SodaStream Case + Jobs To Be Done

Topics: Quantitative vs. Qualitative consumer research techniques
Customer-driven product differentiation
SodaStream case

3. SodaStream: Transforming a 100 Year-Old Company Into a ‘Stylish Rebel’, Columbia CaseWorks (if not in reading pack, available on Canvas)

Activities: Prior to class post to Canvas a brief description (<1 page) of a product or service from your experience that succeeded in the marketplace by identifying and fulfilling a “job consumers wanted to get done” better than competitive alternatives:
• What is the product?
• What job was it designed to perform?
• How/why did it succeed relative to competition?
This should not be one of the examples given in the “Marketing Malpractice” article assigned for this week

In class, be prepared to discuss your answers to the following questions regarding the SodaStream case:

1. SodaStream languished in the marketplace for >100 years under seven different corporate owners before achieving extremely rapid global growth under the leadership of Daniel Birnbaum. What explains their recent success?
2. What are the key elements of SodaStream’s integrated marketing strategy? How do all the key elements reinforce each other to create a strong consumer and partner value proposition and strong business model? Map the key elements, similar to the analysis used earlier to define Coors’ strategy in the early 1970s
3. What are the salient similarities between strategies underlying the success of SodaStream, Swatch, IKEA and Yellow Tail?
4. What are the greatest competitive threats facing SodaStream and how would you anticipate and preemptively respond?
5. If you were the CEO of PepsiCo or Coca-Cola, how would you respond to Sodastream’s inroads into the carbonated soft drink market: ignore, launch a directly competitive offering, acquire or some other strategy? Explain your rationale.

SESSION 10: Disruptive Products and Services
Nov. 13 Xiameter Case

Topics:
Disruptive Technologies
Predicting the next great disruptive technology
Price Strategy
IMS in B2B industries

Reading:
1. Watch video of disruptive technology lecture, accessed through Canvas (before reading HBR article)
3. Xiameter: The Past and Future of a Disruptive Innovation, IMD Case

Activities:
Prior to class, watch lecture video, read article & case and answer online questions regarding content

In class, be prepared to discuss your answers to the following questions regarding the Xiameter case:

1. What factors, internal or external, were responsible for Dow Corning’s poor performance between 1995 and 2001 as shown in case Exhibit 3?
2. What did the new segmentation reveal about customers beyond that which the company knew already? In what ways was the “needs-based segmentation” scheme an improvement over the previous and traditional end-user segmentation?
3. Using the “five barriers” framework advanced in the Wessel & Christensen article, how vulnerable was Dow Corning to disruptive competition?
4. Trace the development of Xiameter from its beginnings: what were, in your opinion, the key decisions that shaped its successful business model and marketing strategy?
5. Given Xiameter’s performance to date, and recent changes in the competitive scene, is the moment ripe to make changes in the business model? More specifically:
   • Is a price seeker-focused “Dare to compare” value proposition still valid or, should Xiameter drop its low-price positioning and compete on other benefits including product quality, simplicity, reliability, etc.?
   • Should Xiameter “let the customers decide” by expanding its limited range of products to include all other Dow Corning silicones and, possibly, complementary non-silicone compounds from third parties?
5. What advice do you have for Ron Fillmore going forward?

SESSION 11: Responding to Disruptive Change
Nov. 20 Book Publishing Case

Topics: Responding to disruption
The book publishing industry
Guest Speaker: Judith Curr, Executive Vice President & Publisher,
Simon & Shuster

Reading: 1. Bezos, Jeff, Julia Kirby and Thomas A. Stewart, “Institutional Yes: The HBR
Interview with Jeff Bezos”, Harvard Business Review, October, 2007
School, Product “9-711-419

Activities: In class, be prepared to discuss your answers to the following questions regarding the book publishing industry:

- Sony and other consumer electronics manufacturers had been trying to market e-readers for years without much market uptake. How do you explain the success of the Kindle?
- How does e-reader technology affect each of the key stakeholders in the book ecosystem:
  - Publishers
  - Authors/literary agents
  - Book wholesalers and retailers
  - Amazon, before and after Kindle
  - Other consumer electronic players
  - Consumers
- Support your hypothesis with your own version of the book “value chain” as shown (poorly) in case Exhibit 1 before and after the full impact of e-book disruption. For the purpose of this exercise, draw two versions of the value chain: one with traditional print books only and the second in a fully disrupted marketplace, where most popular books are brought to market only in e-book form
- The initial response by many publishers to Kindle’s growing popularity was to “window” e-books, followed by an insistence on “agency pricing”. What are the pros and cons of this response? Would you have pursued such a course?
- Longer term, what should publishers do to thrive in the electronic book era?
- Both Amazon and book publishers were threatened by the disruptive threat posed by e-books (for different reasons). Contrast the behavior of Jeff Bezos (as described in
the assigned readings) with the CEO’s of major publishers. What are the key differences in the motivation and philosophies the chief executives of Amazon and the book publishers?

- Who do you think will capture the majority of the value in the publishing ecosystem (from the stakeholder list above) over the next 5-10 years?

SESSION 12: Course summary
Dec. 4 Disrupting Business School Education

Topics: Early stage disruption
Rethinking the MBA
Summary of key learnings

2. Shirky, Clay, “Your Massively Open Offline College is Broken” http://www.theawl.com/2013/02/how-to-save-college
3. Driving Towards A Disruption, Harvard Business School Case

Activities: Prior to class, read the Tony Tjan book excerpt first, then go to www.hsgl.com and take the entrepreneurial aptitude test. Submit on Canvas the results of your entrepreneurial profile, i.e. the percentage ratings you scored on each of the four elements of personal entrepreneurship: Heart, Smarts, Guts & Luck.

In class be prepared to answer the questions below with respect to the disruptive MBA education case.
1. For CBS’ MBA program, who is the customer and what is the product?
2. What are the dimensions of performance by which CBS should be evaluated by various stakeholders?
3. Craft what you believe is the strategy of CBS in 35 words or less, using the elements of effective strategy formulation discussed in the second lecture (ignoring a specific financial objective)
4. If you were CBS today to start a premier graduate business school “clean sheet”, what would be the key elements of how you could establish the organization to be aligned with and effectively support the stated strategy?
5. Are there signs that graduate business schools are being disrupted? If so, what are they?
6. Are Tier 1 B-Schools like CBS immune to disruptive change? Under any circumstances, what market or competitive factors would you consider to be the biggest threat to CBS were it to maintain the status quo?
7. What would you do if you were the Dean of Columbia Business School?

In class, be prepared to ask all the questions you didn’t get a chance to ask earlier!
By December 11th, submit your final paper on key lessons learned from this course.