Internet Wars

A Seminar on Strategy & The Internet Ecosystem

Fall 2013

PROFESSOR: Jared Earl Grusd

Jared is an accomplished executive who has helped lead three of the world's most innovative companies: Spotify, AOL, and Google. He is the current Head of Corporate Development and General Counsel of Spotify, the former Chief Strategy and Business Development Officer of AOL, and a former member of the executive team responsible for Google's multi-billion dollar advertising business in the Americas. Between these companies, he has led a wide range of global functions, including, corporate strategy, corporate development, business development, business affairs, legal, and public policy. He was recently named by Business Insider to the Silicon Alley 100, a list of the 100 "coolest" people in NY tech, and by Fortune/CNN Money as one of "five of tech's most powerful lawyers." Jared is also an Adjunct Associate Professor of Finance & Economics at Columbia Business School. He is a mentor at TechStars and a board member and advisor to several promising venture-backed start-ups, including Shake. Jared serves on the EU Media Futures Forum, a think tank set up by the European Commission to improve the media industry in Europe.

E-MAIL: jegrusd@gmail.com

TA NAME: TBD

COURSE DESCRIPTION

The Internet is contributing to economic growth that exceeds the pace of the Industrial Revolution of the 1800s. A recent report by McKinsey suggests that Internet use has created a significant amount of GDP growth globally. The Internet is not only transforming the global economy, creating enormous value for companies, investors and consumers, but is also transforming our daily lives. Accordingly, it is no surprise that the mainstream press seems to report on this sector more than any other, that a movie about Facebook won Academy Awards and that a book about Steve Jobs is one of the best selling books ever. Indeed, fueled by the unprecedented growth of hardware and software companies like Apple, Google, Amazon, Facebook, Twitter, and Samsung, the Internet economy has captured the imagination of the world. As major technology companies battle to control the underlying technology platforms, there is also an unprecedented number of Internet and technology start-ups valued at more than a billion dollars that are trying to disrupt every sector of the economy. The emergence of these highly funded and valued companies may imply seismic changes in how companies are built, financed, and compete and how industries are formed going forward.
This seminar seeks to explore many of the current trends taking place in the Internet and consumer technology ecosystems, with an emphasis on industry analysis, strategy, and the application of a range of fields from finance, economics, game theory, and psychology, to analyze the strategic decisions and interactions of firms within the ecosystem. We will rely mostly on business school cases, publicly available documents, and current news to assist in our discussions. Students should end the course with deeper insights about the sector, about strategy, and about how firms make decisions in real-life.

Grading:

- **Seminar Participation and Weekly Papers (75%)**
  - The course will succeed or fail based on the willingness of the class to come to class prepared for active discourse and debate. Accordingly, students will be required to prepare for each class session and to actively participate in all classroom discussions. In order to help stimulate these discussions, students will be required to prepare a weekly memo of no more than 2 pages in length that reflects his/her point of view about the particular battle we are studying. The goal of the memo is to express one’s own individual critical thinking of the assigned materials. I will count your top 6 memos towards your final grade. This means that you will be required to produce a high quality memo every other week during the term. Additionally, it is worth noting that although grading class participation is a somewhat subjective exercise, I understand that some people are more extroverted and others more introverted. To do well in the class participation part of the grade, I will take into consideration overall engagement with the course, looking at a multitude of factors, not just at frequency of participation but also quality.

- **Strategy Memo (25%)**
  - At any point during the Term, you will be required to draft and submit a more extensive strategy memo to the CEO of any company in the Internet space on a topic of your choosing, subject to my advance approval. Your memo must demonstrate knowledge of the company; the particular segment of the economy the company is participating in, and an analysis of how to advance the company’s strategic goals.

**Weekly Readings**

The weekly reading assignments will be presented below in the Course Schedule.

**Daily Readings**

A terrific way to stay abreast with current topics in the Internet ecosystem is to read the most relevant blogs on this space. We will maintain a list of blogs during the course of the seminar.

**Apps, Websites and Products**
Another important way for students to familiarize themselves with the Internet ecosystem, and particularly, the start-up and venture capital ecosystems, is to play around with new applications that are revolutionizing the manner in which consumers behave. We will maintain a list of apps during the course of the seminar.

Course Schedule

Week 1: Introduction to the Internet Wars

Concepts for discussion

- Intro
- Foundational Concepts
- Current overview of the Internet ecosystem & Economy
- Microsoft and its dominance

Readings


Week 2: The Battle for the Browser and the Battle for Search

Readings:


Cases:

Investor Relations: (Prepare one of the companies below so that you have a working knowledge of that company’s strategy and latest earnings. I recommend spending time with the last annual report of the company or the S-1, as applicable.)

- Google:  http://investor.google.com/
  - 2011 Earnings:  
    http://www.sec.gov/Archives/edgar/data/1288776/000119312512025336/d260164d10k.htm

Optional Readings


Week 3: The Battle between Search and Social

Guest Speaker(s): (TBD)

Cases: (prepare one of the two)


Investor Relations: (Prepare one of the companies below so that you have a working knowledge of that company’s strategy and latest earnings. I recommend spending time with the last annual report of the company or the S-1, as applicable.)

- Google:  http://investor.google.com/
  - 2011 Earnings:  
    http://www.sec.gov/Archives/edgar/data/1288776/000119312512025336/d260164d10k.htm
- Facebook: http://investor.fb.com/
  - S-1: http://investor.fb.com/secfiling.cfm?filingID=1193125-12-34517&CIK=1326801

Optional Readings:

- Google:
- Facebook:
Week 4: The Battle for Mobile Platforms

Guest Speaker(s): (TBD)

Readings:


Cases: (prepare one of the two)


Investor Relations: (Prepare one of the companies below so that you have a working knowledge of that company’s strategy and latest earnings. I recommend spending time with the last annual report of the company or the S-1, as applicable.)

- Google: http://investor.google.com/
  - 2011 Annual report: http://www.sec.gov/Archives/edgar/data/1288776/000119312512025336/d260164d10k.htm
- Apple: http://investor.apple.com/

Optional Readings: (recommended)

- Steve Jobs by Walter Isaacson (Oct 24, 2011)

Week 5: The Battle for Smartphones, Tablets and Computers

Guest Speaker(s): TBD

Readings:

Cases: (prepare one of the below).


Investor Relations: (Prepare one of the companies below so that you have a working knowledge of that company’s strategy and latest earnings. I recommend spending time with the last annual report of the company or the S-1, as applicable.)

  o Apple: http://investor.apple.com/
  o Microsoft: http://www.microsoft.com/investor/default.aspx
  o Nokia: http://www.nokia.com/global/about-nokia/investors
  o RIM: http://www.rim.com/investors/index.shtml

Week 6: The Clash of the Titans / The War for the Platform Between Google, Apple, Microsoft, Facebook, Amazon, Samsung and Others

Readings: (prepare one of the two)


Cases: (prepare one)

Investor Relations: (Prepare one of the companies below so that you have a working knowledge of that company’s strategy and latest earnings. I recommend spending time with the last annual report of the company or the S-1, as applicable.)

- Apple: http://investor.apple.com/
- Google: http://investor.google.com/
- Facebook: http://investor.fb.com/
  - S-1: http://investor.fb.com/secfiling.cfm?filingID=1193125-12-34517&CIK=1326801

Week 7: The Battle for Survival and Revival: AOL and Yahoo

Investor Relations: Prepare one of the Two so that you have a working knowledge of the company’s strategy and latest earnings. I recommend spending time with the last annual report of the company or the S-1, as applicable.

- AOL: http://ir.aol.com/phoenix.zhtml?c=147895&p=irpol-irhome
- Yahoo: http://yhoo.client.shareholder.com/

Optional Readings:

- AOL.com by Kara Swisher (Jun 29, 1999).
- There Must Be a Pony in Here Somewhere: The AOL Time Warner Debacle and the Quest for the Digital Future by Kara Swisher (Oct 26, 2004).

Week 8: The Battle for Content: Music and Video

Guest Speakers: (TBD)

Cases: (prepare One)


Readings

- Selected Articles to read:
  - [http://www.wired.com/magazine/2011/10/ff_music/all/1](http://www.wired.com/magazine/2011/10/ff_music/all/1)
  - [http://www.ft.com/intl/cms/s/0/d2087fb8-5988-11e1-8d36-00144feabdc0.html#axzz1pWTdL6ls](http://www.ft.com/intl/cms/s/0/d2087fb8-5988-11e1-8d36-00144feabdc0.html#axzz1pWTdL6ls)

Investor Relations: (Prepare one of the Two so that you have a working knowledge of the company’s strategy and latest earnings. I recommend spending time with the last annual report of the company or the S-1, as applicable.)

- Netflix: [http://ir.netflix.com/](http://ir.netflix.com/)
  - 2011 Earnings: [http://www.sec.gov/Archives/edgar/data/1288776/000119312512025336/d260164d10k.htm](http://www.sec.gov/Archives/edgar/data/1288776/000119312512025336/d260164d10k.htm)

Optional Readings

- The Business of Media Distribution: Monetizing Film, TV and Video Content in an Online World by Jeff Ulin
- This Business of Television by Howard J. Blumenthal, Oliver R. Goodenough and Howard Blumenthal (Mar 1, 2006)
- All You Need to Know About the Music Business: Seventh Edition by Donald S. Passman (Nov 17, 2009)

Week 9: The Battle for Commerce

Guest Speaker(s): TBD

Cases

Investor Relations: Prepare one of the Two so that you have a working knowledge of the company's strategy and latest earnings. I recommend spending time with the last annual report of the company or the S-1, as applicable.


Optional Reading:

- One Click: Jeff Bezos and the Rise of Amazon.com by Richard L. Brandt
- Groupon's Biggest Deal Ever: The Inside Story of How One Insane Gamble, Tons of Unbelievable Hype, and Millions of Wild Deals Made Billions for One Ballsy Joker by Frank Sennett (Jun 5, 2012)
- INSIDE Groupon: The Truth About The World's Most Controversial Company by Business Insider and Nicholas Carlson (Nov 1, 2011)

Week 10: The Battle for Venture Capital and Amongst Venture Capitalists and Reflections on the future of the Internet war and battles The Battle for Intellectual Property

- TBD

Week 11: The Battle for Content: News

Guest Speaker(s): TBD

Cases:


Optional Readings

- Morning Miracle: Inside the Washington Post A Great Newspaper Fights for Its Life by Dave Kindred (Jul 20, 2010).

Week 12: The Battle for Intellectual Property

Guest Speaker(s): TBD
Cases


Readings:

- Other readings will be supplemented based on current events.