

INFORMATION TECHNOLOGY MANAGEMENT
TEMBA BA 380C
Summer 2010

VERSION: 5/13/2010

Instructor	:	Hüseyin Tanriverdi, Associate Professor
Class times	:	Monday 6pm-9:15pm (exception: in the 2 nd week of classes, we meet on Wednesday, June 2)
Class location	:	AT&T Center Room ATT 105
Instructor's Office	:	CBA 5.208
Phone	:	(512) 232-9164
Fax	:	(512) 471-0587
E-mail	:	Huseyin.Tanriverdi@mcombs.utexas.edu
Office Hours	:	By appointment
Teaching Assistant (TA)	:	Kui (Andy) Du
TA's Office	:	CBA 1.308G
TA's E-mail:	:	kui.du@phd.mcombs.utexas.edu

Course objectives

Information technology (IT) is a relatively young business function in corporate history compared to other business functions. But rapid developments in the short history of IT have already had profound impacts on firms. In addition to becoming an essential infrastructure over which almost all business functions run, IT has played major roles in expanding capacity of firms for sensemaking, learning, and improvising in complex, dynamically evolving competitive landscapes. Yet, many business leaders are mystified by technical complexities of IT. They have a tendency to relegate IT management to technical leaders and run IT as a support function rather than a strategic platform that determines where the firm can play and how it can win. For such business leaders, IT continues to be a blind spot and a stumbling block to the achievement of their firms' strategic objectives. This course is developed for students who would like to avoid such blind spots and stumbling blocks and use IT strategically. The course introduces students to fundamental concepts of information economics and strategic IT management. Understanding economics of information is essential especially in service-oriented economies in which the majority of goods and services are information based. The course examines how firms compete on information products and services that are subject to network externalities, switching costs, and lock-in. It explores how IT-enabled interconnections among products, customers, business processes, firms, industries, and economies affect the complexity of competitive landscapes and growth and decline of firms. The course also discusses how digital business strategy of a firm can enable or constrain profitable growth of the firm. It examines how digital business platform of the firm affects the firm's ability to derive value from corporate mergers, acquisitions, divestitures, and outsourcing and offshoring initiatives.

Course packet

We will use articles and cases to discuss fundamental concepts of information economics and digital business strategy. The course packet containing these articles and cases will be distributed to students by TEMBA program office. Reading assignments that are not available in the course packet will be posted on the course website, which is hosted on the Blackboard system <http://courses.utexas.edu/>. Updates to the syllabus and other course materials will be posted on this website. Please log on to the site before each class to view the announcements.

Grading

Contributions to in-class discussions	:	30%
Case write-ups (3 in total, 15% per case)	:	45%
Take home final	:	25%
Total	:	100%

Contributions to in-class discussions (30%)

This class uses a participant-centered, discussion-based, active learning format. Class discussions will be based on assigned readings and cases. You are expected to read, analyze, and think about the issues covered in assigned articles and cases before the class in which they are to be discussed. Your contribution level to each class session will be assessed throughout the semester.

- Your attendance is required, but attendance earns only 20% of the in-class participation credits. You can earn the remaining 80% of the in-class participation credits by making contributions to discussions and learning processes in the classroom.
- If you must miss a class, please notify the TA and instructor by email before the class that you will miss. You must turn in any assigned work before the missed class, and make up for participation expectations in subsequent classes.

The following factors will contribute positively to your in-class participation:

- Doing assigned readings and cases and coming to class prepared for discussing them
- Arriving before the start of class and staying until the end
- Listening actively to your peers and instructor
- Asking good questions
- Linking and synthesizing topics covered throughout the semester
- Bringing to discussions examples and questions from your prior work experiences
- Synthesizing or reconciling issues being discussed
- Responding to questions
- Disagreeing with others constructively
- Neither dominating the conversations nor being too quiet
- Exhibiting a good sense of humor

Please use a name card until the TA, instructor, and your peers learn your name. Sitting roughly in the same place in each class could help speed up this process.

Case write-ups (45%)

We will discuss a total of ten cases throughout the semester. The first one is for introduction purposes. The remaining nine will be graded case write-ups and discussions. You are required to sign up for a subset of three cases and submit write-ups for them. Each case write-up is worth 15% of the final course grade. Three cases will add up to $3 \times 15\% = 45\%$ of the final course grade.

The nine cases are classified into three categories: **Category A** = [A1, A2, A3]; **Category B** = [B1, B2, B3], and **Category C** = [C1, C2, C3]. You must sign up for a subset that contains one case from each category: e.g., {A1, B1, C1}, {A1, B3, C2}, {A3, B1, C1}, {...}, etc. Please e-mail your top preferences to our TA, Kui (Andy) Du, at kui.du@phd.mcombs.utexas.edu before midnight on Tuesday May 25, 2010. In addition to your top preference, please also specify a backup for each category of cases: e.g., {A2 [backup=A3], B3 [backup=B1], C1 [backup=C3]}. We will sign up about 20 students for each case on a first-come first served basis. When the capacity of 20 is reached for a case,

if there are additional students demanding the same case, we will start signing them up for their backup choices. We plan to email you the finalized case sign-up lists by the end of the day on Wednesday May 26, 2010.

For a case that you sign up for, you have two responsibilities: (a) before the class discussion: submit your written analyses of the case; and (b) during case discussion in class: help your peers better understand the issues and potential courses of action by presenting your analyses, advocating your findings and recommendations, or posing questions and engaging them in the discussions. The write-up and discussion questions for each case will be posted on the class website at least one week in advance of the case discussion date. You are required to submit your case write-ups 24 hours in advance of the in-class discussion of the case, i.e., by 6pm, the day before the class. Instructor and TA will use the 24 hour lead time for reviewing the case write-ups and summarizing various strategic options suggested. We will present the summarized strategic options to class to kick off the discussions. Submissions that arrive after the submission deadline (6pm) will incur a penalty of 5 points (out of 100) for every hour of lateness.

Your write-up should not summarize the case. Rather, it should address assigned questions by utilizing course concepts in analyses of case facts and issues. The criteria for evaluation of case write-ups include: your ability to distinguish central and tangential issues in the case and focus on the most relevant and important issues; the clarity of your decisions and recommendations to the managers in charge of the issues; the soundness of your analyses and justifications for your recommended courses of actions; presentation of analyses and evidence in support of your decisions and recommendations; application and integration of course concepts in addressing the issues raised in the case; adherence to format and length requirements; grammar, spelling, and punctuation. The managerial issues entailed in the cases are open ended. They can potentially be analyzed and addressed in multiple different ways.

In preparing and submitting your case write-ups, please follow the format and submission guidelines that will be posted on the course website.

Take home final (25%)

The take home final will be a paper in which you critically analyze the current competitive environment and strategies of a firm of your choosing and propose a digital business strategy articulating how the firm can improve its performance. To earn a passing grade, the paper must demonstrate that you understand and effectively apply key concepts from course readings, cases, and discussions. To earn an A on this requirement, you must also go beyond the material covered in the course and generate new insights and actionable recommendations for the firm you analyze. You can start the paper anytime during the semester. You are expected to submit the completed paper by the end of our last class session, i.e., by 9:15pm on August 9, 2010. Earlier submissions are acceptable. However, since you are expected to demonstrate an understanding of all key course concepts, if you must make an early submission, please make sure that you read all course materials to be covered by the end of class on August 2, 2010 and incorporate them into your paper. We will not conduct a class on August 9, 2010 so that you can use the class time for completing your take home final requirement. In preparing and submitting the paper, please follow the format and submission guidelines that will be posted on the course website.

McCombs Classroom Professionalism Policy

The highest professional standards are expected of all members of the McCombs

community. The collective class reputation and the value of the Texas MBA experience hinges on this.

Faculty are expected to be professional and prepared to deliver value for each and every class session. Students are expected to be professional in all respects.

The Texas MBA classroom experience is enhanced when:

- **Students arrive on time.** On time arrival ensures that classes are able to start and finish at the scheduled time. On time arrival shows respect for both fellow students and faculty and it enhances learning by reducing avoidable distractions.
- **Students display their name cards.** This permits fellow students and faculty to learn names, enhancing opportunities for community building and evaluation of in-class contributions.
- **Students minimize unscheduled personal breaks.** The learning environment improves when disruptions are limited.
- **Students are fully prepared for each class.** Much of the learning in the Texas MBA program takes place during classroom discussions. When students are not prepared they cannot contribute to the overall learning process. This affects not only the individual, but their peers who count on them, as well.
- **Students respect the views and opinions of their colleagues.** Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- **Laptops are closed and put away.** When students are surfing the web, responding to e-mail, instant messaging each other, and otherwise not devoting their full attention to the topic at hand they are doing themselves and their peers a major disservice.
- **Phones and wireless devices are turned off.** We've all heard the annoying ringing in the middle of a meeting. Not only is it not professional, it cuts off the flow of discussion when the search for the offender begins. When a true need to communicate with someone outside of class exists (e.g., for some medical need) please inform the professor prior to class.

Academic Dishonesty

I have no tolerance for acts of academic dishonesty. Such acts damage the reputation of the school and the degree and demean the honest efforts of the majority of students. The minimum penalty for an act of academic dishonesty will be a zero for that assignment or exam.

The responsibilities for both students and faculty with regard to the Honor System are described on <http://mba.mcombs.utexas.edu/students/academics/honor/index.asp> and on the final pages of this syllabus. As the instructor for this course, I agree to observe all the faculty responsibilities described therein. During Orientation, you signed the Honor Code Pledge. In doing so, you agreed to observe all of the student responsibilities of the Honor Code. If the application of the Honor System to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification.

Students with Disabilities

Upon request, the University of Texas at Austin provides appropriate academic accommodations for qualified students with disabilities. Services for Students with Disabilities (SSD) is housed in the Office of the Dean of Students, located on the fourth floor of the Student Services Building. Information on how to register, downloadable forms, including guidelines for documentation, accommodation request letters, and releases of information are available online at <http://deanofstudents.utexas.edu/ssd/index.php>. Please do not hesitate to contact SSD at (512) 471-6259, VP: (512) 232-2937 or via e-mail if you have any questions.

**INFORMATION TECHNOLOGY MANAGEMENT, TEMBA BA 380C
Summer 2010 COURSE OUTLINE**

Where to find the assigned discussion articles and cases?

(CP): These articles and cases are available from Harvard Business School Publishing and included in the course packet.

(BB): These articles and cases are available in publications that are part of the electronic database subscriptions of the UT library. Depending on their copyright policy, we will either obtain permission to include them in the course packet, or post copies of them on Blackboard, or provide electronic links to them so students can download them.

S#	Date	TOPIC	Discussion materials
1	May24	Corporate strategy and competitive strategy	<p>Reading assignments:</p> <ul style="list-style-type: none"> • (CP) Porter, M.E. "What Is Strategy?" <i>Harvard Business Review</i> (74:6), Nov-Dec 1996, pp. 61-78. • (CP) Collis, D.J., and Montgomery, C.A. "Creating Corporate Advantage," <i>Harvard Business Review</i> (76:3) 1998, pp 70-83. <p>Case discussion:</p> <ul style="list-style-type: none"> • (CP) Anand, B., Collis, D.J., and Hood, S. "Danaher Corporation," <i>Harvard Business School Case # 9-708-445</i>, pp. 1-31.
2	June2	Economics of information and competing on information goods and services	<p>Reading assignments:</p> <ul style="list-style-type: none"> • (CP) Shapiro, C., and Varian, H.R. "Versioning: The Smart Way to Sell Information," <i>Harvard Business Review</i> (76:6), Nov/Dec 1998, pp. 107-114. • (CP) Thomas R. Eisenmann. "Winner-take all in networked markets" <i>Harvard Business School Module Note # 9-806-131</i>, pp. 1-15, 2007. <p>Write-up and discussion case #1:</p> <ul style="list-style-type: none"> • A1. (CP) Suarez, F., Edelman, B., and Srinivasan, A. "Symbian, Google & Apple in the Mobile Space (a)," <i>Harvard Business School Case # 9-909-055</i>, pp. 1-18.
3	June7	Digital business platforms and platform-mediated business networks	<p>Reading assignment:</p> <ul style="list-style-type: none"> • (CP) Thomas R. Eisenmann. "Platform-Mediated Networks: Definitions and Core Concepts" <i>Harvard Business School Module Note # 9-807-049</i>, pp. 1-34. <p>Write-up and discussion case #2:</p> <ul style="list-style-type: none"> • A2. (CP) Rivkin, J.W., and Van Den Steen, E. "Microsoft's Search," <i>Harvard Business School Case # 9-709-461</i>, pp. 1-18.

S#	Date	TOPIC	Discussion materials
4	June14	Competing on digital business platforms	<p>Reading assignment:</p> <ul style="list-style-type: none"> (CP) Gawer, A., and Cusumano, M.A. "How Companies Become Platform Leaders," <i>MIT Sloan Management Review</i> (49:2), Winter 2008, pp 28-35. <p>Write-up and discussion case #3:</p> <ul style="list-style-type: none"> A3. (CP) Piskorski, M.J., Eisenmann, T., Chen, D., and Feinstein, B. "Facebook's Platforms," Harvard Business School Case #: 9-808-128, pp. 1-33.
5	June21	Hypercompetition	<p>Reading assignments:</p> <ul style="list-style-type: none"> (BB) Devan, J., Klusas, M.B., and Ruefli, T.W. "The Elusive Goal of Corporate Outperformance," <i>McKinsey Quarterly</i> (3), May 2007, pp. 1-3. (CP) McAfee, A., and Brynjolfsson, E. "Investing in the IT that makes a competitive difference," <i>Harvard Business Review</i> (86:7-8), Jul-Aug 2008, pp. 98-107. (BB) Beinhocker, E.D. "Robust adaptive strategies," <i>Sloan Management Review</i> (40:3), Spr 1999, pp 95-106. <p>Write-up and discussion case #4:</p> <ul style="list-style-type: none"> B1. (CP) Yoffie, D.B., Kim, R. "Apple Inc. in 2010" Harvard Business School Case #: 710467-PDF-ENG, pp. 1-25, Apr 13, 2010.
6	June28	When to ally with, acquire, or divest a business in business networks mediated by digital business platforms	<p>Reading assignments:</p> <ul style="list-style-type: none"> (CP) Bower, J.L., and Christensen, C.M. 1995. "Disruptive Technologies: Catching the Wave," <i>Harvard Business Review</i>, (73:1), 01, pp 43-53. (CP) Dyer, J.H., Kale, P., and Singh, H. 2004. "When to Ally & When to Acquire," <i>Harvard Business Review</i> (82:7/8), pp 108-115. <p>Write-up and discussion case #5:</p> <ul style="list-style-type: none"> B2. (BB) Vitzthum, S., and Konsynski, B. "EBAY's Acquisition of Skype SA: Valuing The Voice of the Buyer," <i>Communications of the Association for Information Systems</i> (24:6) 2009, pp 89-104.
7	July5	IT integration challenges in corporate mergers and acquisitions; and IT carve-out challenges in corporate divestitures	<p>Reading assignments:</p> <ul style="list-style-type: none"> (BB) LeFave, R., Branch, B., Brown, C.V., and Wixom, B. "How Sprint Nextel Reconfigured IT Resources for Results," <i>MIS Quarterly Executive</i> (7:4) 2008, pp 171-179. (BB) Föhling, J., Leimeister, J.M., Yetton, P., and Krcmar, H. "Managing an IT carve out at a multi-national enterprise: Teaching case description," <i>Proceedings of the 17th European Conference on Information Systems</i>, Verona, Italy, 2009, pp. 2882-2889. <p>Write-up and discussion case #6:</p> <ul style="list-style-type: none"> B3. (CP) Lynda M. Applegate, Edward Watson, and Vatz, M.E. "Royal DSM N.V.: Information Technology Enabling Business Transformation," Harvard Business School Case #: 9-807-167, pp. 1-31.

S#	Date	TOPIC	Discussion materials
8	July12	Strategic decision making in complex adaptive business systems	<p>Reading assignments:</p> <ul style="list-style-type: none"> • (BB) McDaniel, R.R., Jordan, M.E., and Fleeman, B.F. "Surprise, surprise, surprise! A complexity science view of the unexpected," <i>Health Care Management Review</i> (28:3), Jul-Sep 2003, pp 266-278. • (CP) Davenport, T.H., Harris, J.G., Morison, R. "Enterprise: Integrating Across Organizational Silos--Using Analytics to Improve Performance at All Levels of the Business" Harvard Business School Product #: 5743BC-PDF-ENG, pp. 1-20, February 12, 2010. <p>Write-up and discussion case #7:</p> <ul style="list-style-type: none"> • C1. (CP) Porter, M.E, Teisberg, E.O. "The Cleveland Clinic: Growth Strategy 2008" Harvard Business School Case #: 709473-PDF-ENG, pp. 1-22, February 1, 2010.
9	July19	Challenges of profitable growth in hybrid, information & physical services businesses	<p>Reading assignment:</p> <ul style="list-style-type: none"> • (BB) Hallowell, R. "'Scalability": the paradox of human resources in e-commerce," <i>International Journal of Service Industry Management</i> (12:1) 2001, pp 34-43. <p>Write-up and discussion case #8. The two UPS cases below have to be read and analyzed together:</p> <ul style="list-style-type: none"> • C2. (BB) Kohli, R. "Innovating to Create IT-Based New Business Opportunities at United Parcel Service," <i>MIS Quarterly Executive</i> (6:4) 2007, pp. 199-210. • C2. (CP) Hess, E.D. "United Parcel Service of America, Inc.," Darden School of Business Case # UV0906, pp. 1-11.
10	July26	Challenges of profitable growth through digitally extended, globally integrated enterprises	<p>Reading assignments:</p> <ul style="list-style-type: none"> • (BB) Blinder, A.S. "Offshoring: The next industrial revolution?" <i>Foreign Affairs</i> (85:2), Mar-Apr 2006, pp 113-128. • (BB) Palmisano, S.J. "The globally integrated enterprise," <i>Foreign Affairs</i> (85:3), May-Jun 2006, pp 127-136. <p>Write-up and discussion case #9:</p> <ul style="list-style-type: none"> • C3. (CP) Kanter, R.M., and Bird, M. "Procter & Gamble in the 21st Century (a): Becoming Truly Global," Harvard Business School Case #: 9-309-030, pp. 1-22.
11	Aug2	The Big Shift	<p>Reading assignments:</p> <ul style="list-style-type: none"> • (CP) Camillus, J.C. "Strategy as a Wicked Problem," <i>Harvard Business Review</i> (86:5), May 2008, pp. 98-106. • (CP) Hagel, J., Brown, J.S., and Davison, L. "The Big Shift: Measuring the Forces of Change," <i>Harvard Business Review</i> (87:7-8), Jul-Aug 2009, pp 86-90.
12	Aug9	No class: Complete take home final	