

**BAC 380C IT Management**  
**Summer 2011**  
**Unique Number: 70890**

<b>Instructor</b>	Kit Webster – <a href="mailto:francis.webster@mcombs.utexas.edu">francis.webster@mcombs.utexas.edu</a> Information, Risk, & Operations Management (IROM) Department
<b>Class times</b>	Mondays, 6-9pm, except May 30, held June 1, and July 4, held July 6
<b>Class location</b>	ATT 106 (ATT M1056)
<b>Office</b>	CBA 3.410
<b>Mailbox</b>	IROM Department, CBA 5.202
<b>Phone</b>	(512) 658 9776
<b>Office Hours</b>	By appointment

### **Course Description**

From a mere 2% of the gross domestic product (GDP) in early 1990, the IT sector now constitutes over 12% of the GDP and is continuing to grow. In the U.S., over 50% of the capital expenditures are related to IT. It is possible for the IT sector to become one of the largest sectors in the U.S. With this growth, firms have become globally interconnected creating a complex network of customers, suppliers and partners. New forms of IT-enabled services and platform-mediated networks are mushrooming globally attracting millions of customers. There are numerous opportunities and challenges for both producers and users of IT to create shareholder value. Yet, many business leaders are mystified by the 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. This class explores the competitive dynamics of IT evolution and platform-mediated networks and how they create value or creatively destroy value for others. This is an interdisciplinary class that integrates concepts and principles from other functional areas. The class will also address the following: What are the strategic reasons for IT investments? Is IT changing industry structure, making markets more efficient, or altering a firm's boundary and competitive positioning? Are there profound changes in product and process design resulting from IT capabilities? How to extract meaningful information about customer preferences/satisfaction/loyalty? How to create an IT infrastructure that will enable global sourcing? How to justify IT investments? How to manage IT-enabled transformation (change management)? How to assess and manage risks? How to enable a real-time enterprise? What are the characteristics of software, hardware and communication ecosystems? What are some emerging new technologies and applications?

This class will explore the above (and more) issues in a case-based learning environment. The subject matter is interdisciplinary in nature that brings concepts from economics, strategy, marketing, accounting, organizational behavior, and finance.

#### First Half:

The first half will focus on broader issues related to strategic issues resulting from IT, and the IT ecosystem.

1. Strategic issues: Here we will explore how IT is changing industry structure due to product digitization, product IT enrichment, and product/service substitution. New issues emerge as more and more physical products incorporate IT. We will explore various issues involved with cases and new ventures.
2. Software, Hardware and Communication Ecosystem: We will explore how the IT sector is structured and what are some fundamental characteristics and industry dynamics of the different layers of the software and hardware ecosystem. We will investigate the role of network externalities, standards, open source movement, and other competitive dynamics using Microsoft, Google, Apple and Linux.
3. Emerging issues: We will the role of platform development to mobilize networks and create business value (e.g., Facebook or Google).

## Second Half:

The second half will focus on the use of IT in improving supply chain and customer relationship, and managing the change (change management, justifying IT investments, global sourcing)

1. Role of IT in supply chain management: Using cases we will explore how IT can transform supply chain. We will particularly focus on the need to recognize supply chain principles in enabling change, rather than IT functionalities. In doing so, we will explore emerging IT-based (e.g., vendor managed inventory and RFID) process management.
2. Role of IT in customer relationship management: We will study how IT can be effectively used in understanding and acquiring customer preference/knowledge. We will explore emerging methods to extract hidden knowledge from databases.
3. Global sourcing: No study in IT is complete without understanding global sourcing of IT and IT-enabled services (i.e., business process outsourcing). We will discuss this topic through guest speakers and my research on how to exploit global sourcing for strategic and tactical benefits. We will study what processes are desirable to insource or outsource and when to keep those domestic vis-à-vis offshore. We will study risk assessment and management.
4. IT Governance: We will explore emerging technologies and governance mechanisms. We will discuss issues related to running IT organization as a business center, and seeking IT services like utility. We will discuss the pros and cons of emerging IT business practices.

**Required Readings** • Course packet

**Class Website** • Announcements, assignments, course schedule, additional readings and other information are available at Blackboard <http://courses.utexas.edu/>. Log in using your UT EID and select **11SU-IT Management (70890)**.

## **Grading**

<b>Weights for Grading</b>	<b>Points</b>
Individual class participation and quizzes	300
Case write-ups	400
Exams	<u>300</u>
Total	<u>1,000</u>

## **Class Participation and Quizzes**

It is probably obvious that in a class based on readings and cases review of those readings is critical. It is expected that every student be prepared to discuss every case in class and to be ready to argue their approach to the ideas in the readings

It is important that you come to class ready to join the discussion on the day's reading. Your collective knowledge and experience add to the class learning, so everyone will share the job of keeping the discussion moving and productive. Students will be cold called, so it is in your best interest to come prepared and actively participate. In evaluating the quality of your class participation, I will take the following into consideration:

- Useful arguments expressed coherently and succinctly

- Good analysis supported by case facts or your own experience
- Constructive disagreement
- Readiness to contribute when called upon
- Willingness to let others speak and, in fact, encourage them to speak – the value of the learning will further increase if we hear from everyone, not just the eager few
- Arrival on time for class

A quality contribution presents facts in a concise manner, applies theories, frameworks, and insights from readings, lectures and other case discussions to the current case, analyzes similarities and differences between the situation in the readings and one's own experiences, builds on or criticizes constructively others' contributions, generalizes from facts and makes managerial recommendations for similar situations, and poses pertinent questions to the class. Speaking without adding value is not a quality contribution.

I will make every effort to enable consistent participation from all students.

Participation in every class by all members of the class would be unproductive, so that participation scores will be curved.

To enable accurate recording of participation, students are required to display name cards during every class and to attempt to sit in the same seat over the course of the semester.

There will be several short unannounced multiple-choice or short essay quizzes on assigned class readings and other class material. Because quizzes are related to class attendance, there are **NO MAKE-UPS** if you miss class or come in late.

(By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.)

### **Individual Case Write-Ups**

A case write-up is due from every student to be to me by email or physically in class before the class in which the case is to be discussed. **CASE WRITE-UPS WILL NOT BE ACCEPTED AFTER CLASS BEGINS.** Case write-ups will typically consist of answers to questions on each case posted to Blackboard.

The write-ups should be at least two pages, and no more than three pages, in length, typed using a 10-12 point font, single-spaced, and include your name and UT EID in the header/title.

Good write-ups apply theories, frameworks and insights from readings, lectures and other case discussions to the current case, and identify similarities and differences between the case situation and one's own personal experiences.

Issues raised in cases very often do not have one, right answer, and can be addressed from different perspectives.

Case write-ups should focus on the answers to questions for the case and include only as much background as necessary for the coherence of the response. Your write-up should not summarize the case. Rather, it should address assigned questions by utilizing course 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; 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; grammar, spelling and punctuation.

## Exams

There will be a mid-term and a final exam.

## Appeal Process

You must submit your request for an appeal of a grade within one week from when it was returned to you. Write up your appeal and put in my mailbox in the IROM department office, CBA 5.202.

Appeals will be granted only in the event of a miscalculation of the final grade; there will be no subjective grade adjustments, so don't ask.

## Tape Recorders and No Laptop Policy

Please do not tape record during class. Please turn cell phones, pagers, iPods, and other devices OFF during class time.

Based on strong feedback from previous students, the use of laptops is not allowed in this class. This is a simple rule; please respect it. (FYI, the same rule applies to ALL McCombs MBA classes, so you are in good company.) I recognize that some students prefer to take notes electronically on PPT slides. However, there is no way to stop students from checking email or stocks, IM-ing, playing games, going on Facebook, or surfing the web if laptops are allowed. The quality and flow of discussion is affected when people engage with laptops in these ways, and it distracts students who want to participate. PPT slides will be available on Blackboard in time for you to bring copies to class.

## Blackboard Use

Your use of Blackboard's email should be for **course-related messages only**; please see UT Austin's Acceptable Use Policy. Messages such as selling football tickets and posting party invites are not considered course-related unless your instructor has specifically allowed this usage for his/her class. Violations of the UT Austin Acceptable Use Policy will be vigorously pursued. Violators may face disciplinary action including, but not limited to verbal warnings, negative impact on grades, or loss of email privileges. For information on reporting emails that you believe violate the policy, please see the UT Acceptable Use Policy site at [http://www.utexas.edu/academic/blackboard/answers/email\\_abuse.html](http://www.utexas.edu/academic/blackboard/answers/email_abuse.html).

## Scholastic Dishonesty Policy

I take this issue very seriously. **Any dishonesty—such as cheating, false representation, plagiarism, etc.—that comes to my attention will result in an F in the course.**

The University defines academic dishonesty as cheating, plagiarism, unauthorized collaboration, falsifying academic records, and any act designed to avoid participating honestly in the learning process. Scholastic dishonesty also includes, but is not limited to, providing false or misleading information to receive a postponement or an extension on an exam or other assignment, and submission of essentially the same written assignment for two different courses without the permission of faculty members. The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Policy Statement on Scholastic Dishonesty for the McCombs School of Business. By teaching this course, I have agreed to observe all of the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all of the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification.

*Policy on Scholastic Dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course an/or dismissal from*

*the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced.*

Students should refer to the Student Judicial Services <http://www.utexas.edu/depts/dos/> or the General Information Catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

### **Special Accommodations**

Upon request, The University of Texas at Austin provides appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.

### **Information Privacy**

Password-protected class sites, such as Blackboard, are available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging email, engaging in class discussions and chats, and exchanging files. In addition, class email rosters are a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1, but you should know – being anonymous makes posting and seeing grades challenging. If you have chosen confidentiality, it is your responsibility to give me your Jdoe number. For information on restricting directory information, see <http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html>.

## Course Schedule

Lecture number	Date	Subject	Readings
1	5/23	Introduction Corporate, IT and Competitive Strategy The Software Ecosystem	What is Strategy? Strategy and the Internet The Real New economy IT-Enabled Transformation Disruptive Technologies Recognizing Lock-in Networks and positive Feedback Case: Kodak and the Digital Revolution Case: Microsoft in 2005
2	6/1	Corporate, IT and Competitive Strategy The Software Ecosystem - Continued	
3	6/6	Network- and Platform- Based Competition	Strategies for Two-Sided Markets How Companies Become Platform Leaders Case: Apple 2008 Case: Air France Internet Strategy Case: Google's Android
4	6/13	Network- and Platform- Based Competition - Continued	
5	6/20	Business Process and Supply Chain Excellence	Crating strategic Alignment and Readiness with IT Deep Change How Productivity is Killing the American Enterprise Checklist for Business Process Excellence Case: MCDM Inc (A) Case: MCDM Inc (B) Case: Providian Trust It and Supply Chain Management Aligning Supply Chain Strategies with Product Uncertainties The Bullwhip Effect in Supply Chain How Digital is Your Business? Nestle's ERP Odyssey Case: Zara: IT for Fashion
6	6/27	Business Process and Supply Chain Excellence - Continued	
7	7/6	Mid-term exam Data Mining and Customer Relationship Management	Diamond in Data Mine Wal-Mart versus Tesco Case: Understanding Customer Profitability Beyond the Business Case It Doesn't Matter
8	7/11	Data Mining and Customer Relationship Management - Continued	
9	7/18	IT Investment Return Social Networks	IT Project Management Putting Real Options to Work What's the Best Approach to IT? Case: RFID at the METRO Group

			Case: UnMe Jeans Case: Volkswagen of America Using Social Media in the B@B Context Practical Guide to Social Networks Best Buy's CFO on Learning to Love Social Media Can You Measure the ROI of Your Social Media Marketing? Empowering Customers with Mobile Applications Explaining XML
10	7/25	IT Investment Return Social Networks	
11	8/1	Outsourcing – Make or Buy	Today's Solution and Tomorrow's Problem Global Sourcing and Value Chain Unbundling Proven Practices for Effective Offshoring IT Work Delusions of Success Case: Oracle vs. Salsesforce.com Case: Procter and Gamble: Global Business Services
12	8/8	Outsourcing – Make or Buy – Continued Wrap up Final exam	