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 on the first class day on May 30, 2012. The readings for the first session will be posted on the course website, which is hosted on the Blackboard system http://courses.utexas.edu/. Reading assignments that are not available in the course packet, and updates to the syllabus and other course materials will also be
posted on the course website. Please log on to the course website before each class to view the announcements.

**Grading**

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<thead>
<tr>
<th>Contributions to in-class discussions</th>
<th>25%</th>
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<tbody>
<tr>
<td>Case write-ups (Two case write-ups 25% per case)</td>
<td>50%</td>
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<tr>
<td>Take home final</td>
<td>25%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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**Contributions to in-class discussions (25%)**

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 (50%)**

We will discuss a total of eight cases throughout the semester. You are required to submit write-ups for two of them. You can pick any two. Each case write-up is worth 25% of the final course grade.

For a case write-up, 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 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 13, 2012. 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 6, 2012 and incorporate them into your paper. We will not conduct a class on August 13, 2012 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.mccombs.utexas.edu/students/academics/honor/index.asp](http://mba.mccombs.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](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.
**Where to find the assigned discussion articles and cases?**

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

(**BB**): We have both hard and soft copies of these articles. Hard copies are in the course packet; soft copies are posted on Blackboard (BB).

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<th>S#</th>
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<th>TOPIC</th>
<th>Discussion materials</th>
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| 1  | May30 | Building a digital foundation to execute strategy: Operating model and IT governance | **Reading assignments:**  
  **Case discussion #1:**  
| 2  | June4 | Architecting business and IT                                        | **Reading assignments:**  
  **Case discussion #2:**  
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| 3  | June11| Exploiting a digital foundation for scalability and profitable growth | Reading assignments:  
Case discussion #3:  
| 4  | June18| Exploiting a digital platform for value creation in mergers, acquisitions, and divestitures | Reading assignment:  
Case discussion #4:  
| 5  | June25| Benefits and limits of a digital platform in exploiting big data and analytics for high quality decision making | Reading assignments:  
Case discussion #5:  
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| 6  | July2 | Economics of information and competing on  | **Reading assignments:**  
|    |       |                                            | **Case discussion #6:**  
| 7  | July9 | Digital platform-mediated business networks | **Reading assignments:**  
|    |       |                                            | **Case discussion #7:**  
| 8  | July16| Platform-based competition                 | **Reading assignments:**  
|    |       |                                            | **Case discussion #8:**  
| 9  | July23| The Big Shift & Hypercompetition           | **Reading assignments:**  
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| 10 | July30| Strategy in complex adaptive business systems | **Reading assignments:**  
| 11 | Aug6  | Synthesis & conclusion                     | **Reading assignment:**  
| 12 | Aug13 | No class: Complete take home final         |                                                                                      |