Course Overview and Objectives

Many of an enterprise’s strategically important decisions involve marketing issues: understanding how to properly segment the market and target the right customer(s), differentiating the product/service offerings, formulating pricing and distribution channels, forming the alliances and network relationships necessary for dynamic, global marketplaces. This course focuses on these issues for companies selling technology-based products where market uncertainties, technology risks and the difficulty of researching markets that don’t yet exist all magnify the marketing challenges. Specific objectives:

- Understand entrepreneurial marketing, i.e. the difference between breakthrough technology (brave new world) vs. incremental improvement (better, faster, cheaper) and the impact on marketing decisions.
- Provide decision making frameworks for managing the marketing process, e.g.
  - Strategic Focus,
  - Technology diffusion models,
  - Economic value pricing,
- Integrate marketing frameworks with financial results and business models.
- Focus on the balance of growth, risk and profitability when evaluating strategic marketing alternatives.
- Relate the creation of customer value to shareholder value.
- Understand the importance of new media in customer communication.
- Look at the importance of branding and other intangible assets (intellectual property) to sustainable competitive advantage.
- Examine the interplay of internal efficiency (supply chain management) and external relationships (customer, distributor, partner relationship management).

My goal is to make this the best elective in the MBA program. I am committed to:

- Clear objectives, integrated analytical frameworks leading to significant insights;
- Rigorous intellectual discussion;
- Transparent grading criteria;
- Responsive and timely communications;
- Fun!

I ask that you share these values and commit to submitting your best work, or make room for those who will.
Contact and Background:

Professor: Kevin Williams
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Office phone: 512-471-3764
Email: kevin.williams@mccombs.utexas.edu

Kevin Williams develops and teaches strategic marketing and entrepreneurship courses in the McCombs School of Business at The University of Texas at Austin, where he has won several teaching awards. Mr. Williams was a Venture Partner with ARCH Venture Partners from 1999 to 2005 where he was involved in seed and early-stage technology investing. Previously, Williams was the COO of Sandefer Capital Partners, a private equity fund. He took an active role in deal evaluation, due diligence, negotiation of terms, and the management of portfolio companies at both funds. Prior to that, Williams was founder and CEO of Zeoponics, Inc., a NASA biotechnology spin-off. Preceding his entrepreneurial and investment activities, Mr. Williams spent 14 years in various marketing and business development positions with Rockwell International and Texas Instruments. Williams has an M.B.A. from the University of Texas at Austin and a B.B.A. from the University of North Texas.

Course Materials

There is no text book for this course. Students may use this link to access the cases and readings required:

https://hbsp.harvard.edu/import/557910

Canvas will also be used for course materials—primarily as the repository for slide presentations and other materials introduced in class.

Format and Performance Evaluation:

The course will emphasize case discussion, although short lectures and additional readings will also be used. The emphasis will be on integration of skills and concepts through the thorough analysis and examination of cases. Grading will be based on class participation, two group case assignments and a final project, as follows:

- Individual class participation 20%
- Written case assignment (1) 15%
- Case presentation (1) 15%
- Mini-case presentation 10%
- Final Presentation (50/50 student/instructor) 40%

Participation is graded as a "1" for those in the bottom 1/3 of the class for quantity and quality of their contribution to case discussions, a "2" for the middle 1/3 and a "3" for the upper 1/3. A very few people
get a "4" if they contribute really insightful comments in numerous classes. These scores are then adjusted for attendance and peer feedback.

Final grades will be converted to standard letter grades based on the distribution of 25% A, 20% A-, 15% B+, 35% B, 5% B- or below.

**Team Formation and Assignments**

Students will form 4 person teams. Case write-ups and presentations will be randomly assigned. I reserve the right to adjust team sizes so that we get the right team to case ratio.

**Honor System and Code of Classroom Conduct**

The Honor System is taken seriously at McCombs. You are expected to act within the code. For case preparation, all work is to be your own (and your team’s) and *no outside research* of any kind. You must stick to the information in the case. Honor System: [http://mba.mccombs.utexas.edu/students/academics/honor/index.asp](http://mba.mccombs.utexas.edu/students/academics/honor/index.asp)

Classroom expectations of students include:

- Students will arrive on time.
- Students will minimize unscheduled personal breaks.
- Students will be fully prepared for each class.
- Students will attend the class section to which they are registered.
- Students will respect the views and opinions of their colleagues. Disagreement and debate are encouraged.
- Intolerance for the views of others is unacceptable.
- Plagiarism will not be tolerated and will be dealt with severely.
- Work submitted for one class should not be submitted for credit in another without permission of the instructor.
- Phones and wireless devices are turned off.
- Laptops are closed and put away unless faculty requires their use.

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 471-6259.

**Effective Case Analysis**

- Skim the narrative quickly to get a feel for the company and the context. Don’t worry about what the issues might be and resist the urge to jump to conclusions and recommendations. As you’re skimming the case, highlight all the quantitative data buried in the narrative.
- Study the exhibits, especially any summary financial statements provided. What is the top line doing (revenue)? What is happening to margins (gross and net)? If revenues are growing but margins are declining then something significant is happening—there is a price war in the industry or the company has let its expenses get out of line. What does the balance sheet look like? What does the cost structure for this business look like, i.e. is it a high fixed cost/low variable cost type business or a low fixed/high variable cost type business? What are the implications of that structure?
- Is there any quantitative data in the case that is NOT summarized for you in an exhibit? Often there is data about market share, competitive pricing, or other important facts that is not in the exhibits.
Summarize this data for yourself in a form that makes sense—maybe a pie chart for market share or a trend line for revenue.

• Try to draw some insights from the quantitative information independent of the case narrative. Use these insights to compare/contrast with the qualitative information in the case.

• Now go back and reread the case slowly, armed with your analysis of the numbers. What are the real issues? Has this company missed a larger problem by focusing on a small one? Have they defined their business correctly? Have they diagnosed their situation clearly? Are they clear about the basis for their competitive advantage? Do they have a sustainable model? What strategic and tactical choices are open to them? (Hint: there are ALWAYS more options than the obvious ones. Don’t put unnecessary constraints on the situation.) CAN THEY MAKE A BUCK? (Not revenue, not market share, not penetration—those things are means to an end, not an end in and of themselves.)

These cases are written with a high level of ambiguity and contradiction by design. Usually the best way—often the only way—to resolve the ambiguity is to use the quantitative information to test and evaluate the qualitative. What assumptions have they made? Do they make sense? Do the numbers work? Always question the assumptions!

DON’T RELY ON STATEMENTS MADE BY COMPANY MANAGEMENT, ENGINEERS, ACCOUNTANTS OR OTHER INSIDERS. They are myopic and/or guilty of wishful thinking and/or confused and/or going with company and cultural momentum and/or have incentive structures that taint their analysis. Your job is to evaluate the situation as an objective bystander and exercise your own critical thinking skills, based on solid reasoning, informed by rigorous quantitative analysis.

DON’T RUSH TO CONCLUSIONS, RECOMMENDATIONS AND ACTION. Think about medical practice. It is relatively easy for doctors to listen to a patient describe a set of symptoms and then prescribe treatment to address those symptoms. But good doctors don’t practice medicine that way. They get a careful medical history including as much information about family medical history as possible. They listen to the patient but also perform independent tests, consult with other doctors, use specialists, take vital signs, draw blood…. It is the diagnostic process that is important. If it is done carefully and correctly then treatment or remedy is almost automatic.

We will look at several basic frameworks or models that are useful because they can help insure that you are not overlooking some key aspects of a case. Here’s an outline, in the form of questions, which may be useful:

I. Opportunity analysis
   a. What is it?
   b. Is it based on a new technology (push) or a customer demand (pull)?
   c. How big is it?
   d. How long will it last?
   e. How competitive will the market be?
   f. What are the critical success factors going to be?

II. Creation of value
   a. Based on innovation? Breakthrough or disruptive or incremental? Are other forms of product leadership relevant, e.g. quality?
   b. Based on operational efficiency? Supply chain or internal processes or what?
c. Based on brand and relationship management? Customers or collaborators or distribution channel or what?
d. What are the core competencies—the unique, internal capabilities, processes, resources, values or people that are the basis for competitive advantage?

III. Capturing value
a. What is the economic model?
b. How do we acquire customers? What does it cost?
c. What is the right marketing mix (4P’s)?
d. Do we have the right team/skills/experience?
e. Have we reduced our strategy to an executable plan? Have we communicated it clearly?
f. Do we have the right incentive structures?

d. Do we have the right team/skills/experience?

IV. Sustaining value and renewal
a. What is the competitive response likely to be if we are successful?
b. Are there contextual issues to worry about – regulation, social/political, macroeconomic trends.
c. Do we understand the product life cycle, diffusion, maturation issues, obsolescence, and substitution?
d. How do we retain customers? What does it cost?
e. Do we have a product/service pipeline consistent with our PLC?
f. What if things go wrong—competition is more nimble than we thought or we’ve under scoped costs or we stumble on execution? Do we have contingency plans?

Can we create a sustainable competitive advantage, based on a compelling value proposition to customers, and will it be profitable?

Class Discussion
A major element of success depends on your ability to communicate relevant ideas in a clear, concise, and persuasive manner. It is critical that you be able to follow a discussion, understand other perspectives, and offer insights to advance discussion, i.e., to contribute to your work group’s effectiveness. Therefore, the development of oral and written communication skills is important in this course.

Class participation grades will be based on a number of factors, involving both the content and the process of your participation:

- Attendance – as Woody Allen said, 90% of life is just showing up. Students are expected to attend EVERY class. Also, EVERY student should plan to participate in EVERY class session.
- Analysis – do your comments reflect in-depth analysis of the cases? Did you think about the issues or are your comments just gut reactions? Are your comments based on evidence, reasons and supportable assumptions?
- Relevancy – are your comments timely and linked to the comments of others? Do your comments add value to the discussion and move it in a constructive direction?
- Risk-taking – are you willing to participate? Take a contrarian’s viewpoint? Test new ideas? Question assumptions? Or, are all your comments “safe”?
- Clarity – Reaching class consensus is not necessarily important. But, conceptual clarity and focused debate, based on intellectual rigor and powers of persuasion are critical.
There will also be an opportunity to provide peer feedback on your team members, which will be factored into the final course grade.

We will generally start class with a student or team presenting the critical issues and their recommendations on the case assigned. Everyone will have read and analyzed the case so a rehash of the general situation is not necessary. Following the presentation we will have a brief Q&A session and will then open up the discussion. We’ll try to conclude with some key takeaway points and lessons learned.

**Format for Case Write-ups**

The paper should be written in an active voice from the viewpoint of the protagonist in the case, or a team of consultants advising the company. It should be 6—10 pages long, double-spaced, 11 or 12 point font, with 1 inch margins. Below is a suggested outline but students may choose whatever format works for their purposes:

- Critical issues
- Recommendations
- Support for recommendations, including charts, graphs, tables on analysis.
- Implementation
- Risks, contingencies and alternatives considered

Don’t rehash the case, go off on tangent issues or equivocate. Draw conclusions and make decisions! Business writing should be direct and succinct. Avoid gratuitous exhibits/analysis.

**Format and Guidelines for Final Project Presentations**

The slide presentation should follow the 10/20/30 rule, i.e. 10 slides, 20 minutes, 30 point font.

*Open with a bang.* humor, a rhetorical question, a provocative statement...something other than "OK, we are going to present the XYZ case." Close by thanking your audience.

*Respect your audience.* Avoid being too informal, too conversational and lacking in energy. It IS a performance, believe it or not. Energy! Projection!

*Respect yourself.* It is obvious when you don’t know the material well and/or have not practiced. "Winging it" is usually apparent. Notes or index cards are OK for a freshman speech class, not a professional pitch.

*Respect the format.* This is not a chance to explain your paper on the case. In the time allotted you can make 2-3 killer points and not much more. Paint a picture—"here's the problem and here's how we solve it." Less is more. Say something memorable.

*Respect your teammates.* If you aren't presenting and you don't plan to answer any questions then you don't need to stand up. With multiple presenters, practice the handoffs and the staging so that you aren't stepping on each others' toes, literally or figuratively.

*The Q&A is everything!* LISTEN to the question. Don't filibuster. One question gets one (brief) answer from one person. The questioner can follow up if he/she wants more.
**Other common mistakes:** Turning your back on the audience to read the slide. Too many words on the slides (prepare them, then cut 20%). Too many words spoken (this is part of rehearsal--edit your script by 20% too). Too many buzzwords and meaningless jargon. Outside of mechanical engineering (and maybe finance) what does the verb "leverage" mean? At the end of the day let's all get on the same page and leverage our synergies by eliminating the clichés, buzzwords and jargon.

We live in a time when your career advancement is less about your technical knowledge and analytical skills than about your ability to communicate clearly and persuade others. How many of you make regular PowerPoint presentations at work? How many of you hate going to meetings to hear others present PowerPoint slides? We are universally mediocre at it (myself included). You can differentiate yourself by doing better. Here are some references you may be helpful:

- The Visual Display of Quantitative Information by Edward Tufte
- Changing Minds by Howard Gardner
- presentationzen by Garr Reynolds

**Case Presentations**

The case presentations should follow the general guidelines above but will be shorter: 5 slides, 10 minutes, plus about 5 minutes of Q&A. I recommend 1 slide to identify the critical issues or decisions to be made, 2-3 on your recommendations (with summary support) and 1-2 slides on implementation, alternatives or contingency plans, as appropriate for your case. Please provide a hard copy of your slides for me at the time of your presentation.

**Mini-case Presentations**

This is an opportunity for student teams to pick relevant current topics, companies or technologies to discuss in class. Each team will pick a topic, prepare a 1 page handout and lead the class in a 10 minute discussion on the relevant issues and how they relate to the concepts developed in the course. No visuals are permitted, other than the one page handout. A suggested outline:

- Brief description of the product or service.
- Who is the customer?
- What are you selling?
- How is it different?
- How do you make money?
## Course Schedule

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Syllabus Attachment 1—Final Project Assignment

We live at a time when a number of strategic inflections points are coming to bear on marketing strategy and tactics. New technology platforms and business models are dramatically reshaping the value creation, communication, delivery and capture processes in every industry. The Future of Marketing project is intended to help us understand these technologies and their impact across the spectrum of marketing activities.

Teams will present as follows:

1. Gaming
2. Social Media
3. Consumer Transportation
4. Mobile payments/transaction processing
5. Sharing economy
6. Wearables

Each of these projects involves innovations that are disrupting, or have the potential to disrupt, or are now being disrupted themselves. A deep study of the topic will explore:

- What is the innovation? How is it disruptive?
- How does it affect value creation? Communication? Delivery? Capture?
- What is the revenue model? Who is best positioned to win? Who will lose?
- How might incumbent competitors react to avoid being disrupted?

Deliverables: A 20-25 minute multimedia presentation delivered in class, followed by 5-10 minutes of Q&A. A hard copy supporting paper (executive summary, sources, references) is also required.
Syllabus Attachment 2—Case Assignments

To Present:
1. Uber
2. BioPure
3. NYT Paywall
4. Cumberland Metal
5. Precise Software

To Write Up:
1. EndoNav
2. Kindle Fire
3. Dropbox
4. Bolster
5. ASUSTeK