Kevin Williams teaches strategic marketing and entrepreneurship courses in the McCombs School of Business at The University of Texas at Austin, where he has won numerous 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 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:**
Packet: Cases and Supplemental Readings. Supplied by the program.

**Course Description and Objectives:**
This course builds on prior courses and further develops the students’ ability to understand critical strategic marketing issues.

The primary objective of this course is to help you develop skills and gain experience in analyzing a business situation and then formulate, implement, and monitor marketing strategy in a competitive environment. The course will focus specifically on issues such as the selecting segments in which to compete, developing meaningful points of differentiation and positioning statements, allocating resources, designing products, setting and managing prices, developing and managing distribution strategies, and developing and managing promotion strategies.

**Learning Methods:**
The course uses case quizzes and discussions complemented with lectures and integration of readings. The primary deliverable for the course will be case papers, participation and a comprehensive marketing plan. There will be no exams.

The classroom environment will be interactive, so prepare to get involved. Students come from a variety of backgrounds with a large and diverse knowledge base. Therefore, your contribution to the learning of the other students in the class is very important.
Assignments and Grading:
The overall course grade is based on the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>Weighting</th>
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<tbody>
<tr>
<td>Case quizzes</td>
<td>10%</td>
</tr>
<tr>
<td>Case papers</td>
<td>30%</td>
</tr>
<tr>
<td>Final Marketing Plan and Presentation</td>
<td>30%</td>
</tr>
<tr>
<td>Class Participation</td>
<td>30%</td>
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Case quizzes will usually start the class and will consist of a few questions about case facts to help start the discussion to follow.

Each team is assigned two cases (see Attachment 2). Case assignments are due (in hardcopy) at the beginning of the class for which they are assigned. The paper should be written from the viewpoint of the protagonist in the case, or a team of consultants advising the company. It should be 4-6 pages long (including exhibits), 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
- Implementation
- Risks, contingencies and alternatives considered

The case papers will be graded on four components, evenly weighted:

1. Critical issues (did you get the right ones).
2. Credible recommendations.
3. Quantitative analysis/support.
4. Qualitative analysis/support.

The final Future of Marketing presentation will be graded on the basis of the written plan (40%) and the presentation (60%). In addition, half of the presentation grade will be based on input from the other students in your class.

The comprehensive marketing plan will be due on March 17. See Attachment 1 for more detail.

Class participation will have three grading components:

1. Quality and quantity of participation in classroom discussions.
2. Peer feedback from teammates.
3. Attendance: This is a compressed course in which participation in the class discussions is critical. You MUST attend EVERY session. An absence will drop your grade in the course by one whole letter. Let me know ASAP if there are emergency issues.

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
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.**

**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 and 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?

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, etc.
   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 Contribution

As managers, a major element of your success in business will depend on your ability to communicate relevant ideas in a clear, concise, and persuasive manner. It is absolutely critical that you be able to follow a discussion, synthesize and evaluate 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 given a high priority in this course.

Each of you has valuable work and study experience, and that experience will provide essential alternate points of view on the concepts discussed. Therefore, as you will see, both in your teams and in class, a sizeable portion of your learning will be dependent upon listening to, interacting with, and debating with your peers. Moreover, graduate level study expects that you move beyond simple memorization and understanding of concepts. Graduate programs demand analysis, synthesis and evaluation of those concepts for a variety of situations and applications. To this end, active discussion is required in order to permit the exploration of ideas. Therefore, as a member of this class, it is part of your responsibility to participate and contribute to the learning of your peers.

Some of the things that have an impact on effective class participation and contribution are the following:

1. Is the participant a good listener? That is, do the participant’s comments reflect an understanding of what previous participants have said?

2. Are the points that are made relevant to the discussion? Do they link to others comments?

3. Do the comments add to our understanding of the situation?

4. Do the comments show evidence of analysis of the case or article?

5. Does the participant distinguish among different kinds of data (e.g., facts vs. opinions.)?

6. Is there a willingness to test new ideas, or are all comments “safe”? (For example, repetition of case facts without analysis and conclusions or a comment already made by a colleague.)

7. Is the participant willing to interact with other class members?

8. Do comments clarify and highlight the important aspects of earlier comments and lead to a clearer statement of the concepts being covered?

Core Values

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

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

I hope that you share these values.
Course Schedule and Assignments:

➢ Session 1: January 8-Overview, Frameworks, Opportunity Analysis
  o Readings:
    ▪ Strategy: A Primer HBS 5214BC
    ▪ Finding and Evaluating the Opportunity: Is It Real and Large Enough? HBR 5276BC
    ▪ Creating a Marketing Plan: An Overview HBR 2564BC
  o Cases:
    ▪ Polyphonic HMI HBS 9-506-009
  o Lecture:
    ▪ Overview/Frameworks
    ▪ Presentations 101 (asynchronous)

➢ Session 2: January 20-21, Value Creation
  o Readings:
    ▪ Strategic Intent HBR R0507N
    ▪ Going to Market HBS 9-599-078
    ▪ Developing New Products and Services: The Marketer’s Role HBS 2599BC
  o Cases:
    ▪ BioPure HBS 9-598-150
    ▪ DuPont Kevlar HBS 9-698-079
  o Lecture:
    ▪ Start up Risk/Rewards

➢ Session 3: February 3-4: Communicating and Delivering Value
  o Readings:
    ▪ Integrated Marketing Communication HBS 9-599-087
    ▪ Customer Value Propositions in Business Markets HBR R0603F
  o Cases:
    ▪ Mountain Man Brewing Company HBS 2069
    ▪ HEB Own Brands HBS 9-502053
  o Lecture:
    ▪ Distribution Channels
    ▪ Market Based Assets/Branding (asynchronous)

➢ Session 4: February 18: Value Capture
  o Readings:
    ▪ Pricing It Right: Strategies, Applications and Pitfall HBS 2629BC
    ▪ Strategies to Fight Low-Cost Rivals HBR 1684
  o Cases:
    ▪ Virgin Mobile USA HBS 9-504-028
    ▪ Atlantic Computer HBS 2078
  o Lecture:
    ▪ Pricing and Positioning
Session 5: March 4: Innovation
  o Readings:
    ▪ Darwin and the Demon HBR R0407F
    ▪ Meeting the Challenge of Disruptive Change HBR R00202
  o Cases:
    ▪ ASUSTeK EeePC HBS 9-609-011
    ▪ Cialis HBS 9-505-038
  o Lecture:
    ▪ Marketing Innovation
    ▪ 3 Rules, 3 Questions

Session 6: March 17-18: The Future of Marketing
  o Readings:
    ▪ How Will You Measure Your Life HBR R1007B
  o Final Presentations from all teams
Topics in Strategic Marketing  
Syllabus Attachment 1—The Future of Marketing 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:

The Future of...

A. Retail-Beacons/Qcodes/Scanners  
B. Money-Mobile payments/transaction processing/blockchain  
C. Advertising-Mobile/Digital  
D. Dynamic pricing  
E. Book or music publishing  
F. Entertainment-Movies/Television  
G. Internet of things  
H. Higher Education

Each of these projects involves innovations that are disrupting (or have the potential to disrupt) existing markets. A deep study of the topic will explore:

- What is the innovation? How is it disruptive (if it is)?  
- 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 minute multimedia presentation delivered in class, followed by 5 minutes of Q&A. A hard copy supporting paper is also required.
Syllabus Attachment 2-Case Assignments

Due dates are per the syllabus.

A. BioPure and HEB Own Brands  
B. DuPont and Virgin Mobile USA  
C. Mountain Man Brewing and Atlantic Computer  
D. HEB Own Brands and ASUSTeK  
E. Virgin Mobile USA and BioPure  
F. Atlantic Computer and DuPont  
G. ASUSTeK and DuPont  
H. Cialis and Mountain Man Brewing