Course Description and Objectives

This course focuses on the processes by which teams within an established company conceive, foster, launch, and manage a new business that is distinct from the parent company. Following the market development lifecycle we will examine the management of eight types of innovation: disruptive, application, product, process, experiential, marketing, business model, and structural.

The ability to simultaneously integrate (see what is similar) and differentiate (see what is different) between a company’s existing and new business is crucial to the success of any corporate entrepreneurship effort. As an advanced course emphasis will be placed on the skills needed to promote and manage corporate entrepreneurship including opportunity recognition, selling an idea, conflict management, and ambidexterity.

This module places a strong emphasis on active learning through case analyses and simulations. Preparation of case analyses will provide the foundation for class discussion and will hone each students’ ability to articulate their views in a group context and in writing.

Readings, Simulation and Text

- Selected readings and cases (IVLE Workbin, Ereserves, Handouts)
- Strategic Innovation Simulation: Back Bay Battery
- Optional Text: Corporate Entrepreneurship & Innovation by Morris, Kuratko & Covin published by Thomson

Course Assessment

The course requires effective class participation, written case analyses, class presentations, and a group project. The course will have no final written exam and your grade will be based on the following:

- Class Participation: 15%
- Case Analyses: 40% (Individual)
- Key Learning Points Presentation: 5% (Team)
- Discussion Leader/Class Presentation: 20% (Team)
- Class Project: 20% (Team)
Class Participation (15%)

This course uses learning methods that require active involvement (e.g., discussions, exercises, simulations, etc.). Thus, attendance is required for every class session. I expect you to come to class ready to discuss the assigned readings and/or case. What you get out of this course depends on what you put in. Class preparation involves not just a thorough analysis of the case. You must also develop a position on the issues raised in the case prior to each class.

Participation quality (thoughtfulness of comments/questions) is valued more than participation quantity (frequency of comments/questions).

If you are apprehensive about speaking in class please see me. I am happy to work with you to plan your participation in advance so that you can prepare your comments.

If for some reason you are not prepared fully for a particular class, please let me know before class so I do not embarrass you inadvertently. I urge you to attend all classes even if you have not adequately prepared.

Absence, lateness, and lack of preparation each have a negative impact on your class participation grade. More than two absences will reduce your class participation grade by a full letter grade for each subsequent absence.

Case Analyses (40%) (Individual)

The ability to simultaneously integrate (see what is similar) and differentiate (see what is different) between a company’s existing and new business is crucial to the success of any corporate entrepreneurship effort. To hone these skills you are expected to submit two written case analyses from among the assigned cases. Three requirements you should keep in mind as you prepare your analyses:

1. At least of the analyses must be individual work. The second can be individual or team work.
2. Each case analysis should be no longer than 800 words. Two additional pages can be used for appendices (e.g. tables, figures, etc.).
3. Use MS Word, I will not grade submissions sent as PDF files.
4. All submissions must be uploaded to IVLE prior to the class in which the case will be discussed.

See course administration section of this syllabus for writing guidelines.

Key Learning Points Presentation (5%) (Team)

Each team will be responsible for one 5-10 minute presentation identifying/reinforcing the key learning points from a prior class session. Be as creative and inventive with this presentation as you can.
**Discussion Leader/Class Presentation (20%) (Team)**

Students’ will work in teams to lead a class case discussion. Your efforts should be highly interactive and thought-provoking while providing information and insights not provided in the case and/or course reading materials. Three requirements to keep in mind:

1. This case cannot overlap with your individual case analyses.
2. A written analysis is **NOT** required.
3. A copy of your slides must be provided to me prior to the start of your presentation.

**Class Project (20%) (Team)**

You have a choice of two projects: Market Emergence Analysis or an Ambidexterity Simulation. The product for both projects is a class presentation at the end of the semester. A written report is not required. Your work will be evaluated on how well you leverage course concepts, creativity and quality of presentation.

*Option #1: Market Emergence Analysis*

Utilizing the concepts and frameworks in the course you will analyze an industry and one of its focal firms. The industry analysis should inform the class of market and technology trends that might undermine the prevailing dominant design and/or substitute a new one.

*Option #2: Ambidexterity Simulation*

Your team will simultaneously operate two distinct companies in a simulated environment. One company must execute a differentiation strategy, the other a low-cost strategy. Your presentation will focus on the challenges you experienced in attempting to execute two distinct strategies and how did or did not overcome those challenges.

More information on these projects will be provided in class.
Course Administration and Writing Guidelines

Student participation and interaction are crucial to the success of this course. The opportunity for students to gain insight into entrepreneurial issues from their fellow students is of tremendous value. This can only be accomplished if students come to class consistently and are prepared to participate with questions and observations.

_All case analyses and presentation slides must be uploaded to our workbin on IVLE before the start of the class in which they are due. These documents must be in MS Word (PDF files will not be accepted). A copy of your presentation slides must be provided to me prior to the start of class._

**Assignment Format:** All major written assignments should adhere to the following guidelines:

- MS Word not PDF Format. **ASSIGNMENTS RECEIVED IN PDF FORMAT WILL NOT BE GRADED.**
- Double-spaced, 1” margins, single-sided, Times New Roman 12 font, page numbers.
- No more than 25 words should appear on a single slide in a PowerPoint presentation.
- Use correct spelling and grammar.
- Be concise – avoid passive voice and long sentences.
- Avoid run-on sentences. If a sentence crosses more than two lines of text divide it into at least two sentences. 1 point will be deducted from your grade for each sentence that spans more than two lines of text.
- Use subheadings (sections) to enhance clarity.
- Use bullet points to list evidence in support of your key points.
- Ensure that the use of course concepts is explicit and appropriate.
- Emphasize the evidence – eliminate unfounded speculation and opinion.
- Designate a chief editor to ensure continuity and a common voice for group assignments.

If you have difficulties with spelling please use a dictionary and a good word processing program to check your work. If you have difficulties with grammar please refer to _The Elements of Style_ by W. Strunk & E. B. White (NY: Macmillan) or a similar text.

**Assignment Length:** If your analysis or report exceeds the page limit the excess will not be considered when evaluating your work and assigning your grade.

**Late Submissions Will Not Be Accepted Under Any Circumstances:** If your assignment is late, it will not be graded. The workbin will close at the start of class when the assignment is due.

**Grade Verification:** Grades input into our grade book on IVLE are considered final one week after they are posted. So please be sure to verify that your grades have been entered correctly as soon as you receive them.

**Attendance:** Please let me know ahead of time in the event you have a schedule conflict or are ill. If you are absent more than two class sessions the likelihood of you successfully completing the course will be greatly diminished. Please keep me informed if there is a problem attending class.

**Academic Honesty:** Cheating, plagiarism, and/or doing work for another person which will receive academic credit are all impermissible. This includes the use of unauthorized books, notebooks, or other sources in order to secure or give help for an assignment or the presentation of unacknowledged material as if it were the student’s own work.

**Team Participation Evaluation:** You will have the opportunity to provide feedback on the relative performance of your team members at the end of the semester. If all of your teammates agree that one member was a poor performer (e.g. contributed less than the others or was disruptive in some way to the team process, etc.) I will reduce that student’s grade accordingly.
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Course Outline and Readings

Session 2—Opportunity Recognition I


Text: Chapters 1, 2, 3 (optional)

Case and Case Questions:

Bell-Western Union Patent Agreement
- How would you classify telephony from Western Union’s perspective? What are the implications of that placement?
- How else might technological change be classified?
- What are the sources of inertia at Western Union?
- Given the uncertainty during an era of ferment what could Western Union have done differently?

Session 3—Opportunity Recognition II


Text: Chapters 4 and 9 (optional)

Case and Case Questions:

Eli Lilly and Company: Innovation in Diabetes Care
- Going back in history, what mistakes did Lilly make in its product development efforts?
- Why were those mistakes made?
- As you analyze what lessons Lilly needs to have learned from its past experiences, apply those lessons to the innovation projects on Larry Ellington’s current agenda. Is he pursuing the right opportunities? What should he do to ensure the success of these efforts?
Session 4—Business Selection I: Micro


Cases and Case Questions:

(1) Stamypor
   • What type of innovation is Stamypor? How radical is it, and where is it situated in the Ansoff diagram (see case exhibit 4)?
   • Is a separate NBD unit an optimal solution for DSM (be sure to consider NBD’s interaction with corporate management)?
   • How is the commercial value of Stamypor determined?
   • What should Nieland recommend?

Session 5—Business Selection II: Macro


Text: Chapter 8 (optional)

Case and Case Questions:

Monsanto’s March into Biotechnology
   • What direction should Monsanto’s biotechnology research take? What areas of opportunity should the company emphasize?
   • How should Monsanto’s biotechnology be organized? What are the advantages and disadvantages of organizing by functions versus by markets?
   • What are the pros and cons of the alternative sources of external knowledge Monsanto is considering?: venture investing, alliances, licensing, acquisitions, and hiring scientists.
   • Why do you think Monsanto chose BST as the first product to pursue? What criteria do you think Monsanto used to make this decision?

Session 6—Managing Corporate Entrepreneurship: Strategic Innovation

COMPLETE SIMULATION PRE-WORK PRIOR TO CLASS
**Session 7—Managing Corporate Entrepreneurship: Ambidexterity**


Text: Chapter 8 (optional)

**Case and Case Questions:**

**Greeley Hard Copy, Portable Scanner Initiative (A) & (B)**
- Why it is so challenging to manage Lobo and Zorro simultaneously?
- At the end of this portion of the case, several possible options of how Faraci might choose to handle Zorro are presented. What are the pros and cons of each?
- Read the Greeley Hard Copy (B) case. What are specific organizational arrangements and features that promote “ambidexterity” and why?
- If you were Faraci, what recommendation would you make to Stedman? Justify your position.

**Session 8—Managing Corporate Entrepreneurship: Innovative Systems**


Background Material: Innovation at 3M

Text: Chapters 10-14 (optional)

**Cases and Case Questions:**

**3M Optical Systems**
- As Andy Wong, how would you handle the authorization for expenditure for the relaunch of the privacy screen? As Paul Guehler, would you approve the authorization for expenditure?
- How effective has Wong been as a front-line manager? How effective has Guehler been as a division president.
- In reconsidering the various cases discussed in this course, what accounts for 3M’s seeming success as an entrepreneurial company?

**Procter & Gamble**
- The P & G case raises a series of questions about its CNV (Strategic New Ventures) unit (see p. 14). How would you answer these questions?

**Session 9—Function and Organization of Corporate Incubators**


Case and Case Questions:

Lucent Technologies New Ventures Group (also read the Future of Lucent New Technologies group)

• With regard to Lucent’s NVG enterprises and their founders, what are the specific benefits as well as problems or tensions associated with them? Have these ventures encountered the typical challenges of “new economy” versus “old economy” endeavors? If not, what has changed in comparison to the previous wave of Strategic venturing?
• What can (should) Socolof do to enhance the advantages and to reduce the difficulties or tensions to ensure a speedier and more effective development of new ventures within Lucent?
• What should Socolof recommend to Lucent’s upper management for the next phase of initiatives by the New Ventures Group? Should NVG continue in its present form, change the approach, or disband?

Session 10—Corporate Venture Capital

Roberts and Barley, “How Venture Capitalists Evaluate Potential Venture Opportunities, Harvard Business School, December 2004 (Workbin on IVLE)


Background Material: Intel Capital, 2005

Case and Case Questions:

Intel Capital: The Berkeley Networks Investment

• Why did Intel decide to invest in Berkeley Networks? Why did Berkeley Networks invite Intel to invest?
• How does Intel’s investment process differ from a good private venture capitalist?
• What are Intel and Berkeley Networks learning from each other?
• If you were an entrepreneur would you want Intel to invest in your start up?
• What should Keith Larson do?
Session 11—Acquisitions as Corporate Entrepreneurship


The Path to a Spin-off—Nortel Networks to Net Active

Case and Case Questions:

Cisco

- What is your assessment of acquisitions as an entrepreneurial strategy? What advice would you give Cisco Systems in this regard?

Session 12—Class Project Presentations

Have a great summer!
Case Method, Analysis, and Grading

This class is designed to provide you with the means to build your entrepreneurial management skills while simultaneously building your analytical “toolkit”. The toolkit includes the specific theories, concepts and techniques we will discuss over the course of the semester.

The case method is an effective way to simulate the types of decision you will face as managers in the ‘real world’. Your management skills are enhanced by putting you in the manager’s place as described in each case. You will learn the most when you take a position on the decision(s) highlighted in each case. Like the manager that actually had to make the decision(s) presented in each case you will have to make recommendations without all the data you would want. My role is that of discussion leader/facilitator, not a lecturer. Remember there are no correct or incorrect answers but there are strong and weak case analyses.

Strong case analyses will draw on the toolkit we have built in class up to the date of the case. The best case analyses will indicate which models/frameworks are being used and why. Strong case analyses will also:

- Answer the questions asked
- Identify key assumptions
- Include a brief discussion of alternatives you are not recommending and your reasoning for not choosing those alternatives
- Assure that quantitative analyses are readily understandable (usually in an exhibit). The reader should be able to replicate your work easily.
- Propose solutions that are specific and practical Appropriately use tables and appendices. Tables should be used sparingly to highlight/summarize the key points in your analysis. Tables in and of themselves are not analyses.

Strong case analyses will not:

- Focus too heavily on minor (but interesting) issues
- Rehash case data. I have read the case, therefore case data should not be presented unless it supports a specific line of reasoning.
- Include run-on sentences. These are sentences that span more than two lines of text.

What I look for when grading a case analysis:

1. Is the analysis logically consistent and structured so that it effectively sells its recommendations?
2. Does the analysis incorporate the relevant tools from our toolkit?
3. Are the major issues identified? Are any assumptions upon which the analysis relies made explicit?
4. Are the criteria for selecting a recommendation stated? Are they appropriate and linked to the analysis? Is the recommendation specific and practical?
5. Do the exhibits (if any) support your argument? Are analyses in the exhibits done correctly?