EMBA 104N

MBAA 678: Managing Information Systems for Business Innovation

Spring 2016

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In-class Sessions:

Friday, January 8, 2:30-10pm
Saturday, January 9, 8:00am - 5:00pm
Friday, January 29, 2:30-10:00pm
Saturday, January 30, 8:00am - 5:00pm

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MANAGING INFORMATION SYSTEMS FOR BUSINESS INNOVATION
SPRING, 2016

Course Context

Over the past 50 years, advances in Information Technology (IT) have allowed business organizations to develop increasingly sophisticated information systems (IS) that provide comprehensive real-time information and innovations in business strategy, processes, products and services. Today, almost every business process in most industries is enabled by, and often dependent upon, contemporary information and communications technologies. IT has moved far beyond the support and automation of back office clerical activities into the foreground of being a key enabler of innovations in competitive strategy, products, services, and business processes. Such innovations have become essential for competitive success in global economy of the 21st century.

However, actual realization of the potential value of IT has been elusive for many firms. To do so, a firm must:

i) develop capabilities to identify value-adding IT-enabled innovations,
ii) design the processes, products/services to embody these potential innovations, and
iii) bring about effective adoption and use that leads to the realization of the intended business impacts.

Unfortunately, effective use of IT is fraught with risks and challenges. About two-thirds of IT implementations in business contexts fail to deliver their anticipated business benefits.

Consequently, the pervasiveness of IT within business enterprises, and their strategic and operational dependency upon IT, places a PRIMARY responsibility for managing IT-enabled business innovation with business executives, not just with IT professionals.

Course Objectives and Learning Goals

The overall objective of this course is to help you develop an informed understanding about effectively managing the identification, acquisition, deployment, adoption and use of appropriate IT resources for business innovation, resulting in the realization of business value.

Four learning goals are emphasized in the course:

i) Understanding information and communications technologies, their evolution, and the current market for IT resources and services;
ii) Understanding how managers can achieve strategic impact through digital innovation, by using IT to enable new value-enhancing strategies and business processes;
iii) Understanding how managers can use IT to redesign product and service offerings, business and organization processes, and organization and industry structures;
iv) Understanding how managers should manage their IT resources and capabilities to support and enable (ii) and (iii).

Our overall objective is that by the end of this course, you will have developed an understanding of the links between IT, strategic and process innovation, and the management interventions required to successfully achieve IT-enabled business innovation.
Assessment and Grading

Student performance in the course will be assessed as follows:
- Quality of course participation and in-class exercises 30% of course grade
- 3 executive reports 36% of course grade
- Digital Business Strategy project 34% of course grade

Grades will be assigned as follows:  A (100-95)  A-(94.99-91)  B+(90.99-87)  B (86.99-83)  
 B-(82.99-80)  C+(79.99-77)  C (76.99-74)  D (73-71)  F (<=70)

We will use a combination of reading, reflection, writing, discussion, and applied project work to achieve the above goals and objectives. The course schedule below describes the content of the course, organized into eight topics. Each topic will be allocated a half-day segment of class time. For each course segment, we will use a set of assigned readings and case studies to launch our discussions. “Older” readings and cases should not be viewed as “out-of-date” or obsolete: these are intentionally included in the course materials because they are in some sense “classics” that continue to be highly relevant to today’s business and technological contexts.

Course Policies

Assignments must be submitted on time, and should be original work. Grade penalties will be applied for late submissions.

If you wish to receive preliminary feedback on papers or projects prior to submission, please email your draft to me providing at least 48 hours to turn it around.

Participation

Preparation. You should read and think about each assigned reading and case, and come to class prepared to engage in informed discussion about their content and the questions for each case. Good class participation is that which shows in-depth (and not superficial) thinking and which contributes to the learning experience of the class as a whole. This includes asking interesting and relevant questions, sharing personal insights and experiences, offering constructive alternative points of view, and providing courteous and professional feedback to other people’s opinions.

Activities that distract other students or the instructor, disrupt the flow/quality of discussion, or in other ways reduce the effectiveness of classroom learning will be considered “negative participation.” The use of laptops or mobile phones during class is not allowed, unless you have an explicit agreement with the professor to take notes.

Presence. Students miss class for more than 2 of the 8 segments must repeat the course.

Since class discussion forms such a central part of the learning process, and since we have only two weekends for this course, attendance and participation at all class sessions is expected. Students who cannot attend a class segment due to a personal or professional emergency should notify the class advisor and me by email in advance, and submit an executive report of the reading assignments. Once I am notified in advance, I will let you know what the specific assignment will be.
Executive Reports on Case Studies

Pick 3 of the class cases to write an individual in-depth analysis based on questions posted in the course site under “Assignments” for the respective session. The 1st report must be from a case in Segments 1-4, and it is due on Friday, Jan. 8 at 2:30pm. The 2nd and 3rd reports must be from a case in Segments 5-8, and they are due on Friday, Jan. 29 at 2:30pm.

Each executive report should be maximum 4 single-spaced pages long (~3 pages expected). Please submit via the course’s Sakai site (https://sakai.pepperdine.edu), under Assignments -> Executive Report 1 of 3 Submission, 2 of 3, or 3 of 3.

Please prepare for class by reading the case in detail and answering the questions posted on Sakai > Assignments for the respective segment. Prepare answers for every case even if you are not submitting an Executive Report for a particular case.

General instructions:
I will ask specific questions that you should answer for each case. Here are some general guidelines on how to answer these questions. See detailed guidelines in pgs. 7-8.

- **Write in executive format**, not in essay form. Assume that you are writing to the CEO of the company you are writing the case about, who has asked you to analyze a problem and provide a recommendation.
- Use labels and sub-labels to make it easy for the CEO to browse forward and backward.
- Use bullets or numbers to list facts, arguments, etc., and avoid them where you need to develop complex argumentation to make your case.
- Use facts from the case only to build your arguments or to back up your rationale. Avoid including facts from the case just to prove that you read it. For example, don’t start with a summary of the facts from the case.
- In most cases there is no single right answer. Rather, I will evaluate the thoughtfulness and rigor of your analysis, like the CEO of the company would.

Required copyrighted case studies will be available for a fee via Study.net (www.study.net).

The cases and deadlines to submit the Executive Reports are:

<table>
<thead>
<tr>
<th>Case</th>
<th>Deadline</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domino’s (2)</td>
<td>Friday, Jan. 8, 2:30pm</td>
<td>Pick one for 1st Executive Report</td>
</tr>
<tr>
<td>American Well</td>
<td>Friday, Jan. 8, 2:30pm</td>
<td></td>
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<tr>
<td>Ford</td>
<td>Friday, Jan. 8, 2:30pm</td>
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<tr>
<td>CVS</td>
<td>Friday, Jan. 29, 2:30pm</td>
<td>Pick two for the 2nd and 3rd Executive Reports</td>
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<tr>
<td>Procter &amp; Gamble</td>
<td>Friday, Jan. 29, 2:30pm</td>
<td></td>
</tr>
<tr>
<td>Hilton Hotels (2)</td>
<td>Friday, Jan. 29, 2:30pm</td>
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</tbody>
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Digital Business Strategy Project

You will pick one organization and propose a Digital Business Strategy, using the lessons, concepts, and frameworks covered in the course. The organization can be:

1. A business that sells digital products (for example, a firm that sells a mobile app, or a Hollywood studio).
2. A firm that sells a product that is not completely digital but has digital components (for example, the digital dashboard in a car).
3) A firm that sells non-digital products but that has important digital processes or services that affect the customer’s experience.

**What:** The proposal should be submitted to the firm’s CEO (me) and contain the following:

1) *Firm and industry description.* If it is a well-known industry, highlight what will matter for your proposal.
2) *Current state of Digital Business Strategy.* Is it non-existent? Does it exist (notice most firms will have elements of it, but often not explicit or incomplete)? Describe.
   a. Product
   b. Information
   c. Customer experience
   d. Platform (Internal and external)

**How:** Upload in Sakai under Assignments > Final Project. Also email a copy to your class advisor.

**When:** Due Date - Sunday, Feb 14th 2016, 11:55pm

Use this project as a means to demonstrate your understanding of the course concepts and lessons, and to show your ability to apply this knowledge to a particular business problem or opportunity. **It should be clearly evident how the course has informed your analysis and recommendations.** Projects that do not clearly demonstrate knowledge of the course content will not receive a grade above a “B-.”

Your report should be about 10-12 pages single-spaced, 12-point font (not courier, 1" margins all round, but if you have been inspired you may continue for up to 15 pages), and follow the APA style and/or other formatting guidelines established by your class advisor.

**Course Materials**

We will draw from articles drawn from leading business and management practitioner-oriented journals written by the topic experts at leading international business schools, and a set of Harvard Business School case studies. A detailed list of these readings and case studies by class session is provided below. Online access to the case studies will be provided via [www.study.net](http://www.study.net), and access to the articles will be provided via Sakai > Resources and Sakai > Assignments.

**About the Instructor**

Dr. Nelson Granados is the Julian Virtue Professor of Information Systems and the Rothschild Applied Research Fellow at the Graziadio School of Business and Management, Pepperdine University. He brings into the course his award winning research on the economic impact of digital technologies, and in particular the impact of the Internet on competitive dynamics, market transparency, demand, and prices. His research has been featured in premier business media outlets such as the NY Times, Wall Street Journal, Bloomberg Business Week, and Financial Times. He is a frequent contributor to Forbes on digital innovation in the Media & Entertainment sector. Prior to joining academia, he managed airline pricing and revenue management in Japan, U.S., and Europe, and he was a product manager for enterprise systems at IBM. He consults on online pricing and distribution strategies in the travel and entertainment sectors, and he serves in the Board of Advisors of several start-ups in the technology sector.
Course Schedule

Assigned readings (not cases) are all available in the course site under “Resources”

JANUARY 8

Segment 1 (Friday afternoon): Business Strategy and IT
How can firms leverage IT for competitive advantage?

Assigned Readings:


Segment 2 (Friday evening): External Digital Platforms
Cloud computing and digital IT infrastructures

Assigned Readings:

2. Also see Domino’s Pizza content in Digital Ecosystems links above.

JANUARY 9

Segment 3 (Sat. morning): IT-enabled Product and Service Innovation
WHAT is the right IT-enabled product/service innovation?

Assigned Readings:

Case Study: American Well: The DTC Decision. HBS Case 9-515-032.

Segment 4 (Sat. evening): IT and Supply Chain Innovation
How does IT impact the make or buy decision? What are the implications for supply chains?

Assigned Readings:

Case Study: Ford Motor Company: Supply Chain Strategy. HBS Case 9-699-198
JANUARY 29

**Segment 5 (Friday afternoon): IT-enabled Process Innovation**
What is the role of IT in process innovation? HOW can firms innovate successfully?

**Assigned Readings:**

**Case Study:** Pharmacy Service Improvement at CVS (A), HBS Case 9-606-015.

**Segment 6 (Friday evening): Internal Digital Platforms**
How does IT contribute to a firm’s operational efficiency and to effective decision making?

**Assigned Readings:**

**Case Study:** Managing with Analytics at Procter & Gamble, HBS Case 9-613-045

JANUARY 30

**Segment 7 (Sat. Morning): IT and the Customer Experience**
How does IT enable a customer-centric organization?

**Assigned Reading:**

**Case Study:** Hilton Hotels: Brand Differentiation through CRM, HBS Case 9-809-029.

**Segment 8 (Sat. Afternoon): Justifying and Implementing IT**
Guidelines to successfully implement IT projects.

**Assigned Reading:**

**Case Study:** Hilton Hotels: Brand Differentiation through CRM, HBS Case 9-809-029.
EXECUTIVE REPORT GUIDELINES

Here are the content guidelines and 4 C’s of executive writing style, which I would like you to consider as you write your Executive Reports.

1) Content: "REPORT"
The content should NOT be an executive summary as you would write in an intro to a full-fledged project document, with just bullets and highlights of what is in the document. It's a complete report answering 3-4 questions that the CEO of the firm in the case would ask. How would you respond to them? They need to be compelling responses, of course! It's the CEO right? Therefore, depending on the complexity of the question and the depth of the answer, bullets with shorts phrases may or may not suffice.

2) Writing style: "EXECUTIVE"

a. Use the three C’s of executive writing style: Clear, Concise, and Complete
Please be comprehensive, concise (to the point), and make it easy-to-read. Don't go around the bush, and don't write long-winded paragraphs like you would do in a typical "essay form”. Long paragraphs are hard to read, and they are hard to go back to and navigate if necessary. On the other hand, a short list of bullets is concise, but if it's not self-explanatory and well argumented/substantiated where necessary, then that's the sign you need to add some content beyond bullets.

b. Citations: Make it Credible
In the process of crafting a compelling response, it is critical to cite sources to add credibility, wherever relevant. This of course would be even more applicable if you were doing research outside the facts presented in the case. You DO NOT need to go outside the case and do extra research. If you want to that's ok, and if so, then any information that you are bringing from outside sources must be correctly cited. For graphs and figures, there should always be a Note explaining what the graph/figure is (unless the Title makes it crystal clear), and a source.

You may want to cite the case if there is a fact that's not salient, such as figures or numbers in an appendix in the case. But think of it this way. If the CEO is expected to know it, then don't cite it, that is overkill. For example, the Domino’s Pizza case talks at length about Domino’s transparency strategy. So if you refer to it there's no need to cite the case. But if you create a graph from a table in the case’s appendix to make your point, then footnoting the graph with the source will add credibility.

So in this particular assignment, you may not end up with many citations. But that should not take away from the level of depth necessary to make your report clear, concise, complete, and credible.

3) Example. Here’s an example that may help further explain the above on writing style and content:

Sample question: "What are the benefits of the IT project as stated in the case?" Don't limit your answer to benefits explicitly mentioned in the case, use your own assessment of the facts and business intuition to derive benefits of the project.

Let's say you came up with 6 benefits so it makes sense for you to use bullets or numbered items. Let's say you write the following bullet:
• Increase productivity by 20%.

Ok did you convince the CEO? Does he/she have a sense that you did enough to answer the questions by putting considerable effort to bring the best of your ability? CLEARLY not,... you need to provide some rationale for your claim, for example:

• Increase Productivity by 20%. Currently there are 100 telemarketers making on average 30 phone calls a day. The IT vendor provided evidence of some current clients that increased productivity by 40% on average. Assuming the vendor is not including some of the low-outcome projects, let's cut that in half, to 20%. That would be 6 additional calls a day for each tele-marketer. It does make sense that automation of some of the steps in the tele-marketing process could reasonably lead a telemarketer to make 6 more daily calls.

Better answer right? Now notice that this is now a paragraph of 3 sentences. In this case, bullets lose their mojo, perhaps a short paragraph format with labels would work best here:

Increase Productivity by 20%. Currently there are 100 telemarketers making on average 30 phone calls a day. The IT vendor provided evidence of some current clients … … ….

3) Length

The hard MAX is 4 pages (~3 expected). Please stick to the MAX of 4 pages for three reasons. First, if you go over the limit, your response can be seen as long-winded. Second, I want you to play with the trade-off between CONCISE and COMPLETE. These are competing objectives, and it's about seeking the right balance. Third, this max length I think is commensurate with the workload for the course.
University and School Policies

This course will require electronic submission of your Executive Reports through Turnitin http://www.turnitin.com. Turnitin is an online originality verification service that conducts textual similarity reviews of submitted papers. When papers are submitted to Turnitin, the service will retain a copy of the submitted work in the Turnitin database for the sole purpose of verifying the originality of future submitted works. Students retain copyright on their original course work. The use of Turnitin is subject to the Terms of Use agreement posted on the www.turnitin.com website. You may request, in writing, to not have your papers submitted through Turnitin. If you choose to opt-out of the Turnitin submission process, you will need to provide additional research documentation and attach additional materials to help the instructor verify the originality of your work.

Please remember that failing to provide full acknowledgement and citations for the words, ideas, images of another is plagiarism, and contravenes University and School policies. Citations must be provided for direct quotes and paraphrasing.

The University expects from all of its students and employees the highest standard of moral and ethical behavior in harmony with our value-centered philosophy and purposes. Students are expected to respect order, morality, personal honor, and the rights and property of others at all times. Improper conduct for which students will be subject to discipline includes dishonesty in any form, plagiarism, and behavior that is disruptive of the classroom environment. Full details on the University policies on conduct can be found in the “Conduct” section of the Graziadio School academic catalog at http://bschool.pepperdine.edu/programs/catalog/.

Assistance for Students with Disabilities

The Disability Services Office (DSO) offers a variety of services and accommodations to students with disabilities based on appropriate documentation, nature of disability, and academic need. In order to initiate services, students should meet with the Director of the DSO at the beginning of the semester to discuss reasonable accommodation. If a student does not request accommodation or provide documentation, the faculty member is under no obligation to provide accommodations. You may contact the Director of Disability Services at (310) 506-6500. For further information, visit the DSO Web site at: http://www.pepperdine.edu/disabilityservices/.