USCMarshall
School of Business

MOR-467 – Strategic Innovation Management

Professor: Dr. Violina Rindova,
Captain Henry W. Simponsen Chair in Strategic Entrepreneurship

Class time: Friday 9:30-12:20; JFF 233

Office Hours: Tu and Fr 1-2:30; HOH 522

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Course Description
This course investigates how firms in different industries manage strategic innovation for competitive advantage. It includes an analysis of industry dynamics and how to craft and implement innovation strategy.

Business Week recently observed that "making innovation work is the single most important business issue of our era." In fact, innovation has always been a critical component of leadership, and the key to the survival and growth of organizations. The goal of the course is to provide you with a broad perspective on innovation and to increase your effectiveness and skills in analyzing, managing, and understanding issues related to strategic innovation. This is an advanced management course designed to develop your analytical and creative thinking in combination; and to provide you with skills to search for and develop creative strategically viable solutions.

Such solutions are integral to the management of dynamic, rapidly growing organizations, as well for organizations competing in environments where change and innovation are key drivers of competitive success. As innovation requires the creative synthesis of several functional areas, the course integrates perspectives from the psychology of creative thinking, strategic management, organizational design and management. The course is designed for the strategist and the general manager - no technical background is assumed. Although we will cover some technologies and you will have an opportunity to learn about technologies of your choice as part of the required course work, the course does not focus on either specific technologies, or on the management of technological innovation. Instead, the course provides a broad, integrated perspective on innovative thinking, innovative strategies, and innovative processes in a wide spectrum of organizations.

The goal of the course is not to prepare you for careers in innovation management but for developing creative approaches to a wide class of strategic problems. As such, the course can benefit virtually all students. The recent trend in the corporate world toward flatter, less hierarchical organizations has resulted in strategy being formulated at ever lower hierarchical levels, and innovative strategies emerging from all corners of organizations. Accordingly, even non-executives are likely to make decisions and initiate actions that have significant strategic implications. Many entry-level positions require employees' involvement in projects initiated to elicit innovative and creative ideas to improve the functioning of the organization as a whole. Similarly, functional specialists need to understand how their own areas contribute to the strategic change and innovation in their organizations and can benefit considerably from understanding the challenges of developing innovative strategic solutions. Therefore, it is increasingly important that university graduates acquire creative, analytical, communication, and action skills that enable them to contribute to the innovation and growth goals of corporations.

Learning Objectives

The objectives for this course follow from its main learning goal to strengthen your critical thinking skills based on utilizing quantitative and qualitative tools that provide the basis for proper and effective problem solving and decision making required for developing innovative business opportunities and strategically navigating the complex demands of dynamic national and global business environments. Upon successful completion of this course, you will be able to:
- Explain theories and methods for analyzing, developing and creating new market opportunities
- Use the business model canvas as a tool to create and refine new value-creation opportunities
- Map value creation differences and advantages among competing alternatives
- Use design thinking as a systematic approach for discovering and creating new market opportunities
- Devise strategies for industry creation and disruption

    o Identify and assess opportunities arising from differences in market, institutional, and cultural contexts

Required Materials

1. A course packet of articles and cases to be used in class is available from HBS Publishing (Readings and Cases are provided as two different packets to allow you to use USC library to the readings for free).
2. Alexander Osterwalder and Yves Pigneur. *Business Model Generation.* 2010. John Wiley & Sons.

Copies of lecture slides and other class information are available through your Blackboard account. Please activate your course in Blackboard with access to the course syllabus. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.

Course Assignments and Requirements

Components	Weight
1. Class Contribution	25%
2. Three Mini-Field Studies, including presentations	15%
3. Service Redesign and Presentation	25%
4. Individual Service Redesign Feedback Interviews and Reflection Memo	15%
5. Final Exam	20%

Class Contribution
In-class discussions are at the core of the learning in this course. The discussions will cover the readings and cases listed in the schedule of classes below, as well as some additional conceptual material that I will present in class. This course makes extensive use of the case method. For this course to work as intended, it is critical that you come to class prepared to discuss the readings and the cases assigned. To help you prepare for class discussion of the readings and cases, I have provided you with preparation questions in the schedule of classes below. In general, you will be expected to demonstrate 1) detailed knowledge of the content of the readings and cases assigned for each class; and 2) independent analysis using the tools provided in the readings. Given the importance of class contribution, I have outlined below what constitutes high-quality class contribution. Since you cannot participate in class discussions if you miss all or part of a class, your grade will be negatively affected by absences and tardiness. You will be allowed one absence during the semester (you do not need to provide a reason), after which absences for whatever reason will affect your grade for class participation. The template used for grading

class contribution is: absence = 0; missing part of a session or attending without participating = 1 or 2 depending on extent of absence/contribution; attending whole session plus some contribution = 3; attending whole session plus substantive contribution = 4; attending whole session plus important contribution = 5. Also, disruptive actions such as comments that distract or disrupt the class rather than contribute to the conversation, or web surfing or e-mailing during class, take away from the class discussion and may result in a penalty in the form of negative points.

Class contribution will be graded for each class session. Missing a third of the classes or more will result in a failing grade for the class. At the very start of each case discussion, I may call on two students, randomly, to take 1-2 minutes to answer a particular question about the case or give their view of the major issues involved. Similarly, at the end of each case discussion, I may call on two students, again randomly, to summarize the key take-away lessons to be learned from it. Class participation may also include unannounced in-class quizzes on the material assigned for the class sessions.

Many people are intimidated by the "obligation" of speaking up in class. Don't be. Your anxiety will be reduced only through practice. Here's the secret to cutting your stress level: BE PREPARED. If you have read the case and the readings carefully and have prepared notes with your analysis of the preparation questions provided, you will succeed if you speak up. Please keep in mind that the only measurable output of your preparation is your class discussion –but airtime is a scarce resource, so please use it wisely. Comments based solely on a "gut reaction" that do not show use of the readings to develop your analytical skills do not add much value and will be treated the same as not participating. Frequent non-quality contributions are not rewarded and in some cases may be penalized. Students who find it difficult to speak in class should schedule to meet with me early in the semester during my office hours.

Here are the criteria for making high-quality, important contributions to the learning process:
   (1) Are comments relevant to the discussion?
   (2) Do comments reveal solid grasp of the facts of the case and their implications?
   (3) Do comments reveal use of appropriate tools (from the readings) to analyze the facts of the case?
   (4) Do comments add to the knowledge in the class, i.e. to they move the discussion forward or do they repeat what has been said?
   (5) Do comments show that you have listened to the discussion and that you are able to build on the comments of others?
   (6) Are you prepared to answer when called on in class? (Let me know before class if some emergency has prevented you from adequately preparing.

Assignments

As we will discuss in the class, creativity and innovation are essentially collective activities. To develop skills for creative collaboration, you will complete two different collaborative assignments. You also need to organize yourselves into groups of 5-6 to complete those. Please email me with the names of group members–one e-mail per group. I reserve the right to add a member to your group if needed. At the end of the course, you will be asked to assess the contributions of each team member to the work you have completed together. Based on your feedback, individual grades for these components of your course grade may be adjusted by an amount determined by the instructor, in order to ensure equity. During your work on the assignment, if you feel that one or more of your team's members is/are not contributing sufficiently to the team's work, please provide this feedback to the team member(s), along with the changes that you would like to see. Learning to work with others is essential to managerial work and an essential component of the learning in this class.

Mini-Field Projects
Given the course goals to help you develop your practical skills to search for and develop creative solutions to strategic problems, you will be required to conduct some "field studies" – small-scale projects that require you to gather and synthesize information through observation, interviews, and independent research. The observations and analysis from each assignment should be presented in class using brief 7-10 minute presentations. I will grade your work based on how effectively you gathered and used the field data to address the assigned questions. No papers are required for these assignments but you must hand in a paper copy of your presentation -- one slide per page, one cover page with the names and pictures of all team members at the start of class. All team members must present.

Final Service Redesign Project
Given that one of goals of the course is develop your practical skills in innovating in a wider range of industries, this assignment requires you to select a service that you consider important, like or dislike. The service context is necessary for you to conduct "field work" and gather and synthesize information through observations, interviews, and independent research. To do so, you need to apply the following processes of the design thinking method that we will be learning and practicing in class:

> 1) Visit its site and observe customers and other stakeholders to gain customer insights;
> 2) Brainstorm to frame the problem and your solution for reinventing the service;
> 3) Develop prototypes;
> 4) Obtain feedback from both customers and organizational employees and leaders on your alternative solution; **each team member is required to conduct two feedback interviews: one with a customer and one with an employee or a manager of the company and prepare a reflection memo with recommendations for the service redesign and business model to complete Assignment #4 in the Course Requirements.**

5) Incorporate the feedback in a redesign of the service offering and the business model for the re-designed service.

You should prepare a 15-minute presentation describing the synthesis of your observations about the currently available service, each of the steps in your application of the design thinking processes, and the new business model you have developed. A hard copy of the presentation slides is due at the start of class on the day of the presentations. No late submissions will be accepted. All team members are expected to present.

You also need to write the paper as a consultants' report to a specific person in the organization – the CEO or the person in charge of the innovation you are analyzing. You may use fictitious names, but you must clearly specify a particular role whose occupant would read your report. Assume your reader, like most real managers, has other pressing concerns and a general lack of enthusiasm for your ideas. Convince your reader that your analysis can add value to the organization and that it is crucial to do something. Be as concrete as possible in what you want the organization to do, and why.

Each project report should have a one-page executive summary where your key observations, suggestions and themes are succinctly discussed. Projects should be no longer than 10 pages of text (double-spaced, 12 pt. font, 1" margins all around), plus no more than 5 pages for exhibits, one exhibit per page. Exhibits that are not explained in the text will not be read. Each team member's feedback interviews and reflection memos should be attached to the final report and clearly identified with each member's name. The individual interviews and memos should be individual work. They can be shared with team members to inform the final design and report, but should not be modified based on team feedback and comments. The final reports are due on the day of the presentation.

Individual Final Exam
In-class closed-book final exam will require analysis of a business model and its redesign to address the potential market opportunity. The case and specific questions will be provided on the day of the officially scheduled final exam for the course.

Instructional Method

In order to capture the pragmatic, action-oriented, and complex nature of managing strategic innovation, this course is taught through the case method. This method has been found to be particularly useful for developing professional skills in the art of diagnosing complex unstructured problems. Therefore, this is not a lecture course and there will be very few lectures during the semester. Most of the learning in the course is learning-by-doing –through the analyses of the cases we will discuss in class, and the independent research projects. The readings should provide you with tools you need to analyze the cases. To conduct effective analysis of the cases,

you would need to read and apply the assigned readings before class, to attend class and participate in the class discussion, and to contribute to the discussion your inferences from your independent analysis of the case. Consequently, we will not, as a rule, spend classroom time reviewing the readings; I will assume that you have done the readings and you have applied them to perform your own analysis of the cases. If you have questions about specific concepts or applications of the readings, please raise them in class. Relevant conceptual questions will count toward your class contribution grade. Conceptual questions can be raised either at the beginning of class, or during the case discussions.

Academic Integrity and Conduct

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own (plagiarism). Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. All students are expected to understand and abide by the principles discussed in the *SCampus*, the Student Guidebook (www.usc.edu/scampus or http://scampus.usc.edu). A discussion of plagiarism appears in the University Student Conduct Code (section 11.00 and Appendix A).

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: http://www.usc.edu/student-affairs/SJACS/ . Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* http://equity.usc.edu/ or to the *Department of Public Safety* http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us. This is important for the safety of the whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report or can initiate the report on behalf of another person. *The Center for Women and Men http://engemannshc.usc.edu/cwm/* provides 24/7 confidential support, and the sexual assault resource center webpage https://sarc.usc.edu/reporting-options/ describes reporting options and other resources.

Support Systems
Students whose primary language is not English should check with the *American Language Institute* http://dornsife.usc.edu/ali, which sponsors courses and workshops specifically for international graduate students. *The Office of Disability Services and Programs*

(www.usc.edu/disability) provides certification for students with disabilities and helps arrange the relevant accommodations. If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* (http://emergency.usc.edu/) will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

The Office of Disability Services and Programs (www.usc.edu/disability) provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

Emergency Preparedness/Course Continuity

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (*http://emergency.usc.edu/*) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of Blackboard, teleconferencing, and other technologies.

Please make sure you can access this course in Blackboard and retrieve the course syllabus and other course materials electronically. You should check Blackboard regularly for announcements and new materials. In the event of an emergency, the ability to access Blackboard will be crucial. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.

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Class Schedule (available to registered participants on Blackboard