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| COURSE GUIDE—FALL 2021Business Models for Digital Platforms ***DSO 556 -- Omar El Sawy – THURSDAY AFTERNOON Section*** |
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| **Class Day and Time**  This class will be entirely online. Online class sessions will be held ***Thursdays* from 3:30 to 6:20 pm** Pacific Time via Zoom. The Zoom link is posted with your Blackboard course pages. |

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| **Course Instructor/Sherpa: Omar A. El Sawy**  *Kenneth King Stonier Chair in Business Administration & Professor of Information Systems*  *Department of Data Sciences & Operations, Marshall School of Business*  <https://www.marshall.usc.edu/personnel/omar-el-sawy>   1. *e-mail:*[elsawy@marshall.usc.edu](mailto:elsawy@marshall.usc.edu) (easiest) *Mobile phone:*310-991-6627 or 310-991-omar 2. *Office Hours:*By appointment/Zoom, by phone**,** or after class.   **Co-Instructor/Online Community Manager: Inge Lindholm**  *Adjunct Professor*, *Dept. of Data Sciences & Operations, Marshall School of Business, 2021/2022.*  *e-mail:*[ilindhol@usc.edu](mailto:ilindhol@usc.edu)  **Teaching Assistant/Grader: Tba** |

**Course Description & Objectives:**

This course focuses on identifying, designing, and assessing innovative business models for digital platforms. It also focuses on understanding the dynamics of digital platform ecosystems. Increasingly all industries are becoming “flipped” with the digital platform becoming the foreground whereas as the physical activities are becoming the background. Digital platform leadership is becoming increasingly vital for strategic advantage.

This course is meant to give MBA and MS participants a competitive advantage in terms of career preparation for full participation in aspects of business development and business model innovation in any industry where products and services are offered through digital platforms. Digital platform ecosystems are triggering new value chains, new business models & entirely new sets of partnering relationships. Senior executives – especially those in the digital entertainment marketspace --- have indicated a great need for MBAs and MS graduates who can contribute to new business development initiatives around digital platforms and who understand digital business models. Beyond that, the Internet of Things is extending new digital business models to the emerging connected car industry, healthcare and wellness, and smart energy, and more.

As companies launch many new initiatives and services that are delivered through digital platforms, there is a need for business professionals who understand the new business models evolving in the industry – and who understand the many cross-functional elements that have to be in place for business development to prosper. These are not just for entrepreneurial ventures, but most frequently larger established companies that are innovating with new initiatives and services. The Covid-19 pandemic has greatly accelerated digital transformation and the use of digital business models. And we are entering a new digital normal.

The course takes a strategy approach to understanding dynamics, business models, & digital platform ecosystems. It has a general management multi-disciplinary orientation. It also adopts an ecosystem perspective of business strategy that is suitable for emerging digital platform ecosystems. It delves into emerging technologies as needed.

This course uses lectures, case studies, articles, industry reports, and features industry guest speakers who provide current practice insights. We are aiming for a rich interactive and collaborative learning experience in this online offering.

History: The course’s historic roots come from USC Marshall’s Institute for Communications Technology Management (CTM) [www.marshall.usc.edu/ctm](http://www.marshall.usc.edu/ctm) where the course professor used to be Director of Research from 2001-2007. It was initially offered in its first incarnation in 2007 by Omar El Sawy & Francis Pereira with input from CTM’s Industry Board of Directors who were senior executives in the digital industries.

**Upon Successful Completion of this course, Participants will be able to:**

1. Understand the critical properties of digital platform ecosystems
2. Identify, design, and assess innovative digital business models
3. Use digital business model design frameworks
4. Understand different types of digital business models (open innovation, user-generated content, Internet of things, sharing economy models, social commerce…)
5. Explain the dynamics of disruptive business models
6. Articulate the hows of positioning and managing an enterprise in a digital platform ecosystem
7. Scope and assess digital business ecosystem niches
8. Leverage partner capabilities in digital business ecosystems through governance and APIs
9. Describe the methods and strategic moves through which a company can establish digital platform leadership
10. Contrast the characteristics of platform business models in the US and China

**This course would benefit those pursuing careers in these AREAS:**

Business Development --- New Product Development --- Entrepreneurship --- Management Consulting --- Marketing -- Digital Innovation --- Information Systems --- General Management – Strategy.

**This course would benefit those pursuing careers in these INDUSTRIES:**

Any industry that delivers services and value through digital platforms – really ANY industry! -- healthcare, consumer retail, entertainment, real estate automotive, or smart energy.

**USC as Digital Nexus**

Even in this distance-socializing digital-first world, USC sits in a very special “digital cool” place at the heart of “Silicon Beach” and “Digital Hollywood” with the vibe of the creativity and entertainment industries. Southern California is a major center of commerce, content, and communication in the digital space. It is the gateway that connects us to Asia and the Pacific Rim. As this new world transforms to global digital at an exponential rate, we sit at the roots of its crossroads with the opportunity to watch, participate, and help rethink developments as these new business models trigger a new and evolving digital business ecosystem. USC is a world leader in things digital – and it is an exciting spot to be at.

**Guest Speakers**

We will have guest speakers from industry throughout the semester. They will be announced in the preparation sheets for each session. These are opportunities to gain unique insights from seasoned professionals, so do take advantage of those interactions during class!

**HELICOPTER VIEW of DSO 556 COURSE**

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| Session # | Date | | Topic | Cases & book chapters listed below. Others to-be-posted readings are in weekly Prep sheets. | | |
| Part 1 |  | **Setting the Stage: Digital Platform Ecosystems & Digital Business Models** | | | |  |
| 1 | Thurs Aug 26 | | Course Orientation & Introduction to Platform Business Models | | *Ch. 1 Platform Revolution Book* | |
| 2 | Thurs Sep 2 | | Ecological Approaches to Strategy & Digital Business Ecosystems | | *Ch. 2 & 4 Platform Revolution Book* | |
| Part 2 |  | **Probing Business Models for Digital Platforms & New Forms of Value** | | | |  |
| 3 | Thurs Sep 9 | | Social and Professional Networking Business Models | | Case #1 LinkedIn  *Ch. 6 & 7 Platform Revolution Book* | |
| 4 | Thurs Sep 16 | | From Product to Platform Business Models | | Case#2 Intuit  *Ch. 3 & 8 Platform Revolution Book* | |
| 5 | Thurs Sep 23 | | User-Generated Content Business Models | | Case #3 Twitch  *Ch.5 Platform Revolution Book* | |
| 6 | Thurs Sep 30 | | Scaling up Digital Commerce in a Platform World: Competing with Giants in Covid World | | ***Report #1: Critical Digital Platform Ecosystem Properties Assignment Due***  SCALEFAST *and AirFire* | |
| 7 | Thurs Oct 7 | | E-Commerce Platforms in China: Same or Different? | | Case #4 Pinduoduo  *Ch. 9 in Platform Revolution Book* | |
|  |  | | Mid-Semester Break | |  | |
| Part 3 |  | **Digital Platform Ecosystems &**  **Strategic Moves** | | | |  |
| 8 | Thurs Oct 21 | | The Internet of Things (IoT): Implications of Smart Connected Products | | Case #5: GE Digital and the Industrial IoT | |
| 9 | Thurs Oct 28 | | Real-Time Management Platforms Contexts & Artificial Intelligence | | Case #6: Byte Dance/Lemonade | |
| 10 | Thurs Nov 4 | | Report #2 Storytelling | | ***Report #2: Digital Platform Business Model Innovation Assignment Due*** | |
| 11 | Thurs Nov 11 | | Red Queen Competition & Orchestration in Platform Worlds | | Case #7 Niantic & Pokemon Go  *Ch. 10 Platform Revolution Book* | |
| 12 | Thurs Nov 18 | | APIs as the Glue of Digital Platform Ecosystems | | Case #8 Stripe (USC Case)  *Ch. 11 Platform Revolution Book* | |
| Part 4 |  | **Visioning the Future** | | | |  |
| 13 | Thurs Dec 2 | | Course Wrap-Up & Report #3 Storytelling | | ***Report #3: Digital Platform Ecosystem Strategic Moves Assignment Due*** | |

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| **C COURSE MATERIALS & READINGS** |

1. **Harvard Business School Cases (Course Pack)**: The case course pack (7 cases + an industry note) can be purchased online directly and downloaded in electronic form from Harvard Business Press -- as per the instructions provided in the BlackBoard class folder under the Syllabus tab.
2. **Course Reference Text:** “*Platform Revolution: How Networked Markets Are Transforming the Economy--And How to Make Them Work*,” by Parker, Van Allstyne, and Choudary, 2016. It is trade book rather than a textbook and you can purchase from Amazon in both hard copy and Kindle edition and audio…
3. **USC Marshall Cases and Other Readings:** USC Marshall cases,articles from professional journals, trade press, and industry reports (made available on-line through Blackboard class folder).
4. **Blackboard Course Folder:** ***There will be a session preparation guide with case questions posted for every session on Blackboard*.** It is expected that course participants will have completed all required readings, activities and assignments *before* attending their class session each week**.**

Other than the course pack that needs to be purchased (see Item 1 above), other readings will be posted on Blackboard course folder – as will session PowerPoints, assignment instructions, administrative information, guest speaker bios etc... Please check it frequently! The sections that are populated typically are *Syllabus*, *Assignments*, and *Content*. The *Syllabus* section contains course guides and information on materials. The *Assignments* section has information on mid-term and final projects. The *Content* section is the one that changes weekly and has the session preparation guides and posted readings.

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| **COURSE DIGITAL PLATFORMS AND MEDIA** |

**Blackboard:** Repository of all materials for the class.

**Zoom:** Delivery platform for online class sessions. All Zoom sessions will be recorded and posted in the Blackboard Course pages.

**Slack:** Communication, interaction, and networking channel for the class. To be explained.

**Google Drive:** Used for Breakout Rooms & Submission of case assignment and reports. To be explained.

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| **CLASSROOM POLICIES** |

1. **ATTEND!** Class attendance and active participation is critical for developing a mastery of the materials covered in the course – as well as contributing to the class.
2. **ENGAGE!** Please keep your **camera/video on** during Zoom the class sessions. Preferably use headsets or earphones to ensure the best audio quality. *Please advise me if you have circumstances under which you will not be able to meet these expectations or have time zone issues.*
3. **PRACTICE PROFESSIONAL ONLINE ETIQUETTE!**

* Please Log into class early or promptly
* Please arrange to attend class where there is a reliable internet connection and without distractions.
* Please dress respectfully and professionally as you would with business colleagues.
* If you use a virtual background, please keep it respectfully professional.
* Please display your name during Zoom sessions.
* Respectfully minimize distractions by muting when you are not talking. Same if video distraction.
* Please do not engage in a simultaneous activity not related to the class such as interacting with persons who are not part of the class, or having others in view of camera

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| **COURSE EFFORT & GRADING INFORMATION** |

Each individual's effort and grade will be based on the following 5 components. Please note that extraordinary effort in any of those components will be recognized beyond the math. Conversely, plagiarism in written assignments will be dealt with very severely as per USC rules.

1. Class contribution and online discussion related to readings 16 %
2. 2 case write-ups (individual) 18 %
3. Report#1 (1-Person Report) 20 %
4. Report #2 (2-3 Person Team Report) 23 %
5. Report #3 (4 Person Team Report) 23 %

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Grading Standards (out of 100)

92.5 ~100 (Excellent on all counts)

87.5~92.5 (Excellent on most counts)

80~87.5 (Very good, but not excellent)

70~80 (Professionally done)

60~70 (Marginal)

50~60 (Needs work)

Below 50 (Varying degrees of inadequacy)

**[1] CLASS CONTRIBUTION**

Your contribution and online discussion grade is based on quality and a sincere effort to provoke, learn and understand, rather than quantity. The more you engage with the class with passion, intellectual curiosity, and interest, the higher will be your participation grade, and the more successful and exciting our learning experience will be. We are all here to learn and share our understanding.

**Attendance:** You are expected to attend all sessions. If you cannot attend for a specific reason *then please inform the professor through e-mail that you are unable to attend*, or your absence will affect your participation grade. Treat it like a professional meeting at work: if you cannot attend, you are expected to inform the person running the meeting as a professional courtesy. You are also expected to make up for your absence by some extra effort.

**Engagement and Online Contributions on Slack:** You are expected to attend and prepare for each class and to actively engage in the discussion of readings and cases. *If you don't keep up with the reading, you will not enjoy the* class. Thus it is very important that you be prepared for each class – even if you are not doing the case write-up. You are expected to actively discuss both readings and cases and add to the learning of the class. If you see an article that is pertinent to the class – let us all know. You are also expected to raise questions that provoke the thinking of others. You may be randomly called upon in class to comment and answer questions, so please be prepared.

You are expected to contribute and engage with the online Slack discussion and make relevant posts to advance the learning of the class. There is a dedicated channel on the Slack platform for semester contributions.

You are also welcome to volunteer to act as a “deep diver” for a session, and informally give us more details on a topic or context they may have special expertise in. You are also very welcome and encouraged to spot and identify disruptive “game changers” to the digital business ecosystem and share with the class.

**Academic Accommodations for Disability:** If you have any disability that requires special academic accommodations, please let us know ASAP. 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 instructor as early in the term as possible. DSP is located in STU 301 and is open 8:30 a.m. – 5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776.

**[2] WRITTEN CASE WRITE-UPS**

Written analysis is required for **2** of these 8 cases ***(one from each set)*** as follows:

Write-up #1 (Individual) Case 1, 2, 3, or 4

Write-up #2 (Individual) Case 5, 6, 7, or 8

Rather than a lottery, there will be a sign-up sheet on Google Drive (provided by Inge) for each of the 2 sets of cases on Google Drive to both allow you to write-up the case that you have a passion for, while also balancing the number of write-ups for each case by having a reasonable upper limit of signups for each case. Please note that ***all cases*** must be read prior to each class session and prepared for discussion.

Written analyses are due *at the beginning of the session in which the case will be discussed.* Case questions will be provided for each case to guide your write-up. The case write-ups should preferably be the equivalent of about 2-3 single-spaced pages (and any appendices attached). You will still need to prepare the case for discussion, even if you are not writing up.

The written analysis is an individual assignment. However, group discussion before write-up is good as long as write-up occurs separately and individually. If you would like detailed feedback on a specific aspect of your write-up, please feel free to include "feedback requests" in the body of your write-up.

These are not “standard” case analyses. *Just answer the questions.* There is no need for a lengthy introduction in your write-up but rather please directly address the key issues suggested by the case questions. Try to avoid lengthy repetition of case facts (you can reference page numbers, exhibits, tables) -- but by all means justify your logic through case specifics. Please be careful to distinguish between case facts and stereotyped sweeping generalizations. Recommendations should be substantiated by clear logic and case specifics. Diagrams and schematics are very helpful in both sharpening your thinking and your exposition. Incorporation of learning from assigned readings and class material into analysis is a definite plus and is expected.

**[3] REPORT #1: (1 Person Project) Critical Properties of Digital Platform Ecosystems Assignment**

This is an individual written assignment that identifies and selects critical properties of digital platform ecosystems that make a difference for strategic advantage, and then applies it to a platform business model. More details will be provided.

**[4] REPORT #2 (2-3 Person Team Project) Business Model Innovation Proposal for a Company or Non-Profit**

Students will work in teams of 2 or 3 to develop a business model proposal for a selected new service through digital platforms. Business models for new products and services in the digital business ecosystem often make their way to reality through a variety of paths. The process is triggered variously: a new value proposition for a targeted customer segment through a service innovation, a new interface for content access through new media or a new device, a different service delivery platform, a different way of organizing channels, or a new revenue sharing or different pricing arrangement. More specific guidelines will be provided.

**[5] REPORT #3 (4 Person Team Project) Strategic Moves Assessment for Digital Platform Ecosystem Niche**

Each team of 4 people will tackle a focused niche of a digital platform ecosystem and both describe/assess the strategic moves that various players have taken, and which ones the team recommends that the players take going forward. We will divide each team into 2 sub-groups – one sub-group will address the strategic moves that the large platform owner can make, while the second group will address the strategic moves of the smaller players. And then the team will integrate its findings. More details and guidelines will be provided later in the semester.

**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](http://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://dps.usc.edu/contact/report/>.  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.  *Relationship and Sexual Violence Prevention and Services* (RSVP)<https://engemannshc.usc.edu/rsvp/> 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](http://www.usc.edu/disability)) provides certification for students with disabilities and helps arrange the relevant accommodations.