

**BA in Management Program**  
**Fall 2022**  
**MGMT413 – Strategic Innovation**

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**Web:** SUCourse  
**Office Hours:** Every Friday 10:00-13:00 (please e-mail to confirm appointment)

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Type	Time	Days	Classroom
In-class	09:40 - 11:30	Tuesday	Sabancı Business School L018
In-class	09:40 - 10:30	Thursday	Sabancı Business School L018

**Course Objective:**

This course aims to help students develop an understanding of the dynamics of innovation and focus on successful strategies to manage the challenges posed by these dynamics. We will review the unique characteristics of industries characterized by frequent innovation and explore how these industries' strategies are (or are not) different from other contexts. We will also focus on the process of managing innovation, both internally and externally. This course is suited for students aspiring to become entrepreneurs, general managers or consultants to general managers who are faced with situations in which innovation in new products, services and technologies is important.

**Learning Outcomes:**

Upon successful completion of this course, the student should be able to:

1. Distinguish between different types of innovations
2. Describe the typical temporal Dynamics of innovation-based industries
3. Understand the implications of digitization for firm strategy
4. Explain the difference between value creation and value capture in innovation
5. Describe typical sources of innovation
6. Generate a balanced innovation portfolio
7. Classify product attributes for innovative products and services
8. Understand the role of social network for innovation

## Grading:

### A. Individual Effort (50% + 5%)

1. **Attendance (5%):** The instructor will measure attendance using online tools, and the attendance score constitutes %5 of your overall grade. You are not counted as present if you join the session 10 minutes late or leave early.
2. **Participation (15%):** Participation refers to actual contribution to the learning in the session. Inputs to discussions, asking smart questions, comments, and responses to questions by the instructor and reactions to your classmates' arguments are examples of participation. Reading the required material for the week and thinking on the topic before coming to class is essential for high-quality participation. Sitting silent all term long will lead to zero points on your participation grade, even if you attend all classes.
3. **Final exam (30%):** The final exam will cover all term's content. The lecture slides are considered part of the course content, including the content in the slides that may be coming from resources other than your required readings. There will be both multiple choice and essay type questions in the exams, some of which will evaluate your critical thinking on the topics as well as your capability to apply them on real cases. A make-up for the final exam will only be possible if you have a valid health report.
4. **Bonus (5%):** The bonus assignment is a voluntary individual assignment and will add up to 10% on top of your overall grade. This assignment involves is a three page paper in which you will have a chance to individually synthesize the ideas you have learned throughout the course. You can draw on your interviews or on other materials. A few (of many possible) suggested topics:
  - You may reflect on one or two specific and personal experiences with innovation and entrepreneurship during which you and the team either used or failed to use some of the processes, structures, incentives etc. outlined in the class. Be specific, explain the situation, explain what you did and how it was similar or different to what we have learned in class.
  - You may reflect on the tensions in some of the elements of the system - be specific with different elements and please give examples as and when you can. For example, the tension between integrating start-up businesses within the parent company and the requirements for autonomy and freedom. Alternatively, consider the tension between wanting to involve a large number of diverse external innovators and needing to have IP protection in order to exploit your innovation - how can this be solved?
  - You may reflect on how organizational choices for innovation - including how you explore and how you execute vary along the technology S-curve, giving examples and being as specific as possible.

### B. Group Effort (50%)

Groups will be chosen randomly by the professor and will not be subject to any changes.

5. **Group Project (40%):** This assignment is for student teams to apply course concepts to an actual innovation, gaining research experience and deep knowledge on the subject in the meantime. Their brief is to pick an actual innovation from the list below and answer four questions based on their innovation of choice. Assignment questions will be posted on SUCourse and will cover that given week's concept. Students are expected to use course concepts correctly and supplement it with external research when needed. This is an opportunity to examine how managing innovation works "in practice".

General Instructions:

- A. Please pick one of the innovations below. Once a group chooses the innovation subject, they cannot change it:
  - 1. Electric vehicles
  - 2. Metaverse
  - 3. mRNA vaccines
  - 4. Robotic surgery
  - 5. Foldable phones
  - 6. Plant-based meat
  - 7. Cryptocurrency and NFTs
  - 8. Artificial Intelligence
  - 9. Smart homes
  - 10. Space tourism
- B. Write down four 1-pagers, answering questions posted on SUCourse each week.
- C. The project will be finalized with an in-class presentation of your findings.

## **6. Group Project Presentation (10%)**

### **Peer Evaluation in Group Project**

For both the weekly assignments and the group project, you will be graded first at the group level, then at the individual level. In other words, every member of the team will receive a base point, which will then be adjusted based on the Peer Evaluations. The assessment of your efforts by your teammates is important and it might create sizable differences between scores within teams. Any updates or additional guidelines on the team project will be uploaded to SUCourse.

Students will be asked to provide an evaluation of the members of their team for their team project. Each student will divide 100 points between the members of her team, including herself. This division should reflect that person's judgment of the contribution of the members of her team. The scores should not be merely functions of time spent by each member, but they should be measures of the "contribution;" their relative contribution to the idea generation, research, analysis, writing, oral presentation, report writing, etc. If the team was highly functional and each member did what they committed themselves to, the student can assign the same mark to each team member. If, on the other hand, some team members did not fulfill their commitments and did not contribute as much as the others, then those members might receive lower grades.

The instructor will aggregate the points submitted by all members of the team. Every student will be given his/her aggregate peer evaluation, without disclosing the individual peer evaluations to the students. In case there is no consensus among the team, for example, if three students divide the marks evenly and the fourth one divides them unevenly, the instructor will use his/her judgment to assign peer evaluation marks--possibly after meeting with the members of the team. In cases where there are conflicting marks, it is most likely that the instructor will meet with the team members and provide a mark based on an interview. For example, in a group of four, if Students A and B believe they did most of the work, and Students C and D believe otherwise, the team may be called in for an interview in order to be fair to everyone. The peer evaluation will have a direct impact on your team project grade. To give a simple example, if the group mark is 25 out of 30, and if your peer evaluation indicates that your contribution was less than what was expected, then your team project mark will be less than 25 out of 30.

### **Academic Honesty:**

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, you should only represent your work as yours as a matter of personal integrity. Any work submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. The student must properly cite

everything they borrow from books, articles, or web sites (including those in the syllabus). Although you are encouraged to discuss your ideas with others (including your friends in the class), you mustn't share your writing (slides, MS Excel files, reports, etc.) with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is *plagiarism*. Copying from others or providing answers or information, written or oral, to others is *cheating*. Unauthorized help from another person or having someone else write one's paper or assignment is *collusion*. Cheating, plagiarism and collusion are serious offenses that can result in an F grade and disciplinary action.

### **Classroom policies and conduct**

Sabancı BA in Management Program values participatory learning. Establishing the necessary social order for a participatory learning environment requires that we all:

- Come prepared to make helpful comments and ask questions that facilitate your own understanding and your classmates.
- Listen to the person who has the floor.
- Join the session on time.

### **Course Material:**

You may use [this link](#) to download the case study package for this course.

*If there is a case assigned for the session, you are expected to fully read the case before the session, so that you can join the discussion. You can prepare for the case discussion as a group. I can use contents and examples from other sources in the course slides as well, which also count as course material.*

### **Recommended Reading:**

Strategic Management of Technological Innovation, Schilling, Melissa, McGraw-Hill Education

## List of Cases and Exercises

Please carefully go over the list of classroom materials below. *Every student must to read the cases in full to prepare for the debate in class.*

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### Week 2                      Where does Innovation Come From? Internal Sources and Creativity

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Case: **IDEO**

- Study Questions:
1. How would you characterize IDEO's process, organization, culture, and management?
  2. Should IDEO accept the Visor project? Should they try to persuade Handspring's management to give the project more time? Or should they simply decline the project?

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### Week 3                      Where does Innovation Come From? External Sources

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Case: **Threadless**

- Study Questions:
1. What are the similarities and differences between a community-driven product development process and a traditional product development process within a firm?
  2. What are the barriers to entry for this kind of business?
  3. What should be Threadless' response to the offer from Large Retailer?

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### Week 4                      Technological Evolution

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Case: **E-Ink**

- Study Questions:
1. What did E-Ink do right, what did they do wrong?
  2. If you were an investor, would you invest in E-Ink?

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### Week 5                      Why do winners become losers and vice versa?

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Case: -

Study Questions:

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### Week 6                      Competitive Implications of Technology Dynamics

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Case: **Kodak and the Digital Revolution**

- Study Questions:
1. Evaluate Kodak's strategy in the traditional photography. Why has the company been successful throughout the history of the industry?
  2. Evaluate Kodak's response to Sony's introduction of the Mavica in 1981. Was it appropriate?
  3. What is Kodak's position in digital imaging at the end of the case?

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### Week 7                      Portfolio Development

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Case: -

Study Questions:

**Week 8 Commercializing Innovations**

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Case:  
Study Questions:

**Week 9 Innovation Strategy I**

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Case: **EMI and the CT Scanner (A)**  
Study Questions: 1. What predictions can you make about industry and competitive developments as of 1972?  
2. Should EMI enter this business? Why, why not?  
3. How would you implement your recommendation?

**Week 10 Simulation**

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Case: **Strategic Innovation Simulation: Back Bay Battery**  
Study Questions: This is a computer based simulation. You will be required to run a company called "Back Bay Battery". Please read the provided note, complete the assignment before class, and be prepared to work in teams (to be decided in class).

**Week 11 Innovation Strategy II: Value Innovation**

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Case: **The Marvel Way: Restoring a Blue Ocean**  
Study Questions:

**Week 12 Platforms**

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Case: **Microsoft's Search**  
Study Questions: 1. How has Microsoft responded to competitive threats and opportunities in the past? What patterns do you see?  
2. How considerable was Microsoft's competitive disadvantage in Internet search and search-related advertising in 2008? If the industry remains on its current trajectory, how will Microsoft's weakness evolve over time?  
3. Why is Microsoft pursuing the market for search and search-related advertising?  
4. What integrated strategic option should Microsoft's executives pursue?

**Week 13 Protecting Innovation**

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Case: -  
Study Questions:

**Course Web:**

Lecture slides will be uploaded to SUCourse after each class.

Detailed information on your assignments will also be announced on SUCourse. The students should upload their homework using SUCourse as word files or ppt files depending on the content.

Sabancı University uses a powerful web-based tool called Turnitin. Turnitin is the worldwide standard in online plagiarism prevention. It allows instructors to compare student papers against a database composed of millions of articles. *Every paper you submit will be scanned by Turnitin, and results will be reflected in your grades.*

**Instructional Design:**

The course will be taught online with an interactive and experiential approach using a variety of tools and methods. We will have:

- Guest speakers
- Case discussions
- Hands-on team project
- Group presentations

See the content for each session in the course schedule below.

**Course Schedule:**

<b>Week 1</b>	<b>Course Introduction</b>
<b>Content</b>	

**Module 1: Exploring Innovations**

<b>Week 2</b>	<b>Where does Innovation Come From? Internal Sources and Creativity</b>
<b>Content</b>	<b>Case:</b> IDEO Product Design

<b>Week 3</b>	<b>Where does Innovation Come From? External Sources</b>
<b>Content</b>	<b>Case:</b> Threadless – Multimedia Case

<b>Week 4</b>	<b>Dynamics of Technological Innovation</b>
<b>Content</b>	<b>Case:</b> E-Ink

**Deadline: First deliverable of group project. Write down a one-pager.**

<b>Week 5</b>	<b>Industrial Implications of Technology Dynamics</b>
<b>Content</b>	

<b>Week 6</b>	<b>Competitive Implications of Technology Dynamics</b>
<b>Content</b>	<b>Case:</b> Kodak and the Digital Revolution

**Deadline: Second deliverable of group project. Write down a one-pager.**

**Module 2: Executing Innovations**

<b>Week 7</b>	<b>Leveraging Portfolio Development</b>
<b>Content</b>	

<b>Week 8</b>	<b>Commercializing Innovations</b>
<b>Content</b>	



**Deadline: Third deliverable of group project. Write down a one-pager.**

**Weeks 9-10**

**Innovation Strategy 1**

**Content** **Reading:** Technology Strategy  
**Case:** EMI and the CT Scanner (A)  
**Simulation:** Strategic Innovation Simulation: Back Bay Battery.

**Week 11**

**Innovation Strategy II: Value Innovation**

**Content** **Case:** The Marvel Way: Restoring a Blue Ocean

**Deadline: Last deliverable of group project. Write down a one-pager.**

### **Module 3: Exploiting Innovations**

**Week 12**

**Platforms and Network Effects**

**Content** **Case:** Microsoft's Search

**Week 13**

**Protecting Innovation**

**Content** **Case:** The LEGO Group: Publish or Protect?

**Week 14**

**Group Project Presentations**

**Content**