

## BUSINESS AND PUBLIC POLICY SYLLABUS

**Overview:** This class provides an overview of modern business strategy in non-market (or political) settings. The focus of the class is on applying the “big results” of economic and political theory to real world business situations. Most of the instruction in the class will be through classroom discussion of case studies. Accordingly, students should read the cases deeply, and be prepared to discuss them at length.

**Logistics:** This class meets Tuesday and Thursday in 218 Baxter Hall. Office hours will be by appointment—email: *snowberg@caltech.edu* to set one up.

**Assignments and Grading:** Classroom participation and homework will be graded on a three point scale (minus, check, plus).

- The purpose of answering questions before class is to allow you to think deeply about a few aspects of the case. It is essential to really think through your answers to the questions so that you will be able to contribute to the classroom discussion. Moreover, the questions we consider in this class are incredibly complex and often ambiguous. Thus, you will rarely, if ever, get an answer “right.” However, if you have thought hard about the logic of the questions and the case more generally, you will be able to quickly incorporate your classmates’ points of view into your understanding of the case during classroom discussion. This will result in a more complete understanding of the course material.

Questions must be typed, printed out, and turned in at the end of class. I will not accept homework via email. As there will be an assignment for each class, it is not unusual for students to miss one or two assignments, and hence, I will not accept “make up” homework for any reason. Homework grading will be based on your clarity of thought and writing in answering the questions. If many of you found a single question difficult, I will often use that question as the basis for the entire grade on that assignment. On average about 20% of students will receive a minus and 20% a plus on each assignment. Students who fail to turn in an assignment will receive a minus on that assignment.

- Much of your understanding of the cases will come from discussing them in class with your peers. It is important for you to be engaged and concise in presenting your arguments for class. Most students at the beginning of class will either talk too much or too little. It is as important for students who tend to talk too much to learn to present relevant concise arguments for their points (and constrain the level of jargon and extraneous facts) as it is for students who do not generally participate much to volunteer and defend their point of view in class. Additionally, I reserve the right to call on students whenever it pleases me, especially if you come late to class or seem disengaged from the classroom discussion.

A single particularly insightful comment during class will be enough to earn you a plus for the day, although more generally pluses are earned for a sustained commitment to convincing your classmates of your point of view. If you do not participate in class, or participate in a way that is detrimental to classroom understanding you will earn a minus for that day. On average about 20% of students will receive a plus and 20% a minus in each class, however, up to 50% of the class may receive a minus on any given day.

Five-eighths of your grade will be based on classroom participation and three-eighths of your grade will be based on your written answers to the questions given to you as preparation for class. From time to time I may assign students to make presentations in order to allow them to focus on their presentation skills. These assignments will only go to students who are struggling to contribute in class, and will count towards their participation grade.

If necessary a final examination may be administered.

**Reading:** Most readings will be Harvard Business School (HBS) case studies. These are followed by two three digit numbers. Other readings are followed by their source. Readings are available on reserve at the Sherman Fairchild Library.

## SCHEDULE

**Class 1:** (1/5) Introduction and Class Overview

Reading: What is Strategy? (96608)

**Class 2:** (1/7) Health Care Reform

Reading: "More is Less" *This American Life* available at

[http://www.thisamericanlife.org/Radio\\_Episode.aspx?sched=1320](http://www.thisamericanlife.org/Radio_Episode.aspx?sched=1320)

"Someone Else's Money" available at

[http://www.thisamericanlife.org/Radio\\_Episode.aspx?sched=1321](http://www.thisamericanlife.org/Radio_Episode.aspx?sched=1321)

**Class 3:** (1/12) Industry Analysis: The Five Forces

Reading: Cola Wars Continue: Coke and Pepsi in 2006 (706-447)

"The Five Competitive Forces that Shape Strategy" *Harvard Business Review*

**Class 4:** (1/14) Industry Analysis: Continued

Reading: Apple Computer, 2006 (706-496)

**Class 5:** (1/19) Market Strategy

Reading: Airborne Express (798-070)

**Class 6:** (1/21) Dynamic Strategy

Reading: Dogfight over Europe: Ryanair (A) (700-115)

**Class 7:** (1/26) Introduction to Strategy Beyond the Market

Reading: Wal-Mart's Business Environment (706-453)

Strategies Beyond the Market (707-469)

**Class 8:** (1/28) Strategic Management of IP

Reading: Brighter Smiles for the Masses—Colgate vs. P&G (706-435)

“Strategic Management of Intellectual Property” *Sloan Management Review*

**Class 9:** (2/2) Intellectual Property: Continued

Reading: Amgen Inc’s Epogen—Commercializing the First Biotech Blockbuster Drug (706-454)

**Class 10:** (2/4) Intellectual Property: Continued

Reading: eDonkey—Deciding the Future of File Sharing (707-482)

**Class 11:** (2/9) Cancelled

Reading: None

**Class 12:** (2/10) Intellectual Property: Continued

Reading: Red Flag Software Co. (706-428)

**Class 13:** (2/16) The Rules of the Game: Introduction

Reading: Lobbying for Love? Southwest Airlines and the Wright Amendment (707-470)

Note on Lobbying (707-471)

**Class 14:** (2/18) The Rules of the Game: Continued

Reading: Goodyear and the Threat of Government Tire Grading (707-494)

“Negotiating with Regulators”, *Negotiation*

**Class 15:** (2/23) The Rules of the Game: Continued

Reading: Clear Channel Communications, Inc. (707-523)

**Class 16:** (2/25) The Rules of the Game: Continued

Reading: Free the Grapes—Direct-to-Consumer Shipping in the Wine Industry (707-472)

**Class 17:** (3/2) The Informal Rules of Business Strategy: Introduction

Reading: UBS and Climate Change Warming Up to Global Action? (707-511)

“Turning Gadflies into Allies”, *Harvard Business Review*

**Class 18:** (3/4) The Informal Rules of Business Strategy: Continued

Reading: Canyon Johnson Urban Fund (706-442)

“The Competitive Advantage of the Inner City”, *Harvard Business Review*

**Class 19:** (3/9) The Informal Rules of Business Strategy: Continued

Reading: “Mercedes and the Moose Test (A)”, *Kellogg School of Management Case Study*