

## NEW VENTURE DEVELOPMENT AND INDUSTRY ANALYSIS

BERGER ENTREPRENEURSHIP PROGRAM

### Competitive Analysis

ECONOMICS/MANAGEMENT 534, FALL 2002

Tuesday 3:30 – 4:45pm McClelland XXX

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### Course Description:

The objective of this course is to equip Berger Entrepreneurship Program students with the conceptual and analytical tools necessary for developing a strong sustainable competitive advantage for your proposed new venture.

Without identification and understanding of the industry, the company's niche, its key competitors, likely customer relationships, supplier power, switching costs, the role of technological change and government regulation; the proposed business will not be successful. Any new entry, product, or service will attract a competitive response from existing firms; stimulate new competitors, suppliers, and customers.

Developing A Sustainable Competitive advantage (SCA) is critical to any successful entrepreneurial venture.

Students will complete the *Competitive and Industry Analysis* section of their business plan incorporating strategies addressed in the classroom, assigned readings and research. Students will also orally present and defend the competitive strategy for their business in the classroom.

### Required Material:

Text: New Venture Creation, Entrepreneurship for the 21<sup>st</sup> Century, 5<sup>th</sup> Edition: Jeffrey A. Timmons  
New Business Mentor: An Entrepreneur's Interactive Business Planning Advisor (CD) Included with the Timmons text.

Text: Strategic Management: Garth Saloner, Andrea Sheppard, and Joel Podolney  
(Copies on reserve in the University Library)

Assigned Berger Program Business Plans are available on line or in the Berger library located in Rm 202. Please note that the Business Plans are proprietary and cannot be copied or removed from the library.

Articles: Available for purchase at Arizona Print Copy  
Ethical Dimensions of Competitive Analysis, HBR, reprint  
Pankaj Gemawat: Sustainable Advantage, HBR, reprint  
Michael E. Porter: How Competitive Forces Shape Strategy, HBR, reprint  
Michael E. Porter: What is Strategy? HBR, reprint

Case Studies: Available for purchase at Arizona Print Copy  
Eller Media: Graduate School of Business, Stanford University  
Howard Schultz and Starbucks Coffee Company, Nancy R. Koehn, HBS  
Atom Films, Tazq Pirmoham, HBS  
NextStage Entertainment, Christopher S. Flanagan, Graduate School of Business, Stanford University  
Discovering New Value in Intellectual Property, Kevin Ruvette, David Kline, HBS

### Written Assignments:

The following written assignments are due during the course of this semester.

- Written evaluation of the competitive advantage of Moma La Camera's Competitive Advantage, September 9<sup>th</sup>.
- Written evaluation of the competitive advantage of Eller Media case, September 17<sup>th</sup>.
- Written evaluation of the competitive advantage of the Starbucks' case, October 8<sup>th</sup>.
- Written evaluation of the competitive advantage of the Atom Films' case, October 15<sup>th</sup>.

- Written evaluation of the competitive advantage of the Enspire Learning case, October 22<sup>nd</sup>.
- Written evaluation of the competitive advantage of the Nextstage Entertainment case, November 5<sup>th</sup>.
- The 1<sup>st</sup> draft of your competitive advantage is due October 29<sup>th</sup>.
- The 2<sup>nd</sup> draft of your competitive advantage is due December 3<sup>rd</sup>.
- Final exam.

Late assignments will not be accepted!

Assignments must be prepared on a computer with correct grammar and spelling (use spelling tools!) and double-spaced.

Your competitive advantage should address the following:

- What is unique about your product or service?
- Why or how is this uniqueness sustainable?
- What competitive strategy (ies) are you using? Why?
- Who are your key competitors? Describe their strengths and weaknesses.
- Consider the overall competitive environment facing your company including
- Impact of legal, regulatory environment
- Ease of entry, Substitution Potential, Buyer Power, and Supplier Power

**Sustainable Competitive Advantage Section of Your Draft Business Plan:**

The Competitive Advantage section of your business plan is due December 4, 2002. Your SCA should address the topics outlined above in sufficient detail to convince the reader of your venture's viability, of your venture. The Sustainable Competitive Advantage section of your business plan must be written in business narrative form with careful attention to syntax and grammar.

**Class Attendance:**

Class Attendance is mandatory. More than three absences in a semester can result in an automatic "administrative drop" from the course with a failing grade.

**Class Schedule:**

Class 1: 8/27

Organization & Introduction. Review of Syllabus

Discussion: "Entrepreneurship and the American Economy."

Readings:

New Venture Creation, Chapters 1-3, 6, 7, 9: The Entrepreneurial Revolution, The Entrepreneurial Process, The Opportunity, The Entrepreneurial Mind, The Entrepreneurial Manager, Ethics.

Ethical Dimensions of Competitive Analysis, HBR, reprint

Class 2: 9/3

Competitive Advantage Defined. Introduction to Porter's Five Forces Model of Industry. Be prepared to discuss issues related to the Sustainable Competitive Advantage of your plan.

Readings:

New Venture Creation: Chapter 4: Screening Venture Opportunities.

Ghemawat: Sustainable Advantage. HBS reprint

Michael E. Porter: How Competitive Forces Shape Strategy, HBR reprint

Case Study: Kevin Ruvette, David Kline: Discovering New Value in Intellectual Property

Class 3: 9/10

Competitive Advantage Defined.

Class critique of the competitive advantage of **Mama LaCamera's Food Products, Inc.** (Located online or in the Berger library). Written evaluation of competitive advantage to be turned in at start of class time.

Readings:

Strategic Management: Chapters 1-3: Strategic Management, Business Strategy, Competitive Advantage

Mama LaCamera's Food Products, Inc, Business Plan, Competitive Advantage Section (on-line)

Class 4: 9/17

Competitive Advantage Defined.

Readings:

Strategic Management: Chapters 1-3 continued.

Pankaj Gemawat: Sustainable Advantage, HBR reprint

Eller Media and relate to the Porter "Five Forces Model." Written evaluation due at start of class time.

Class 5: 9/24

Competitive Advantage Defined.

Readings:

Strategic Management: Chapters 1-3, continued; Chapters 5 & 6: Organization and Competitive Advantage, Industry Analysis.

Class 6: 10/4 (FRIDAY, McCLELLAND 125, 10-12AM)

Market Research: Lecture and assignment by Professor Jennifer Escalas.

Class 7: 10/8

Further Competitive Advantage Topics.

Readings:

Strategic Management: Chapter 7: The Spectrum of Competition and Niche Markets.

Case Study: Howard Schultz and Starbucks Coffee Company. Written evaluation of competitive advantage due at class time.

Class 8: 10/15

Further Competitive Advantage Topics.

Readings:

Strategic Management: Chapters 8&9, Competition in Concentrated Markets and Entry and the Advantage of Incumbency.

Case Study: Atom Films. Written evaluation of case competitive advantage due at start of class.

Class 9: 10/22

Further Competitive Advantage Topics.

Readings:

Strategic Management: Chapter 10, The Value Chain.

Case Study: Enspire Learning. Written evaluation of the competitive advantage due at class time.

**Note: The 1<sup>st</sup> draft of your competitive advantage section is due next week 10/29.**

Class 10: 10/29

Further Competitive Advantage Topics.

Readings:

Strategic Management Chapter 11: Strategic Management in a Changing Environment

**1<sup>st</sup> Draft of Sustainable Competitive Advantage due. Email to Blackboard by 12:00 noon.**

Class 11: 11/5

Case Study: Nextstage Entertainment. Written evaluation of competitive advantage due at class time.

Point-counter point. Competitive Advantage portion of plans to be presented and critiqued.

Class 12: 11/15 (FRIDAY, McCLELLAND 125, 10-12AM)

Lecture by Professor Jennifer Escalas, Marketing Research.

Class 13: 11/19

Lecture by Professor David Adelman, Intellectual Property as a Competitive Advantage

Class 14: 11/26

Point-counter point. Competitive Advantage portion of plans to be presented and critiqued.

Class 16, 12/3

Point-counter point. Competitive Advantage portion of plans to be presented and critiqued.

Overview of Spring Semester business plans course and preliminary planning for intercollegiate Business Plans Competitions held at various Universities/Colleges in the USA. Class Evaluation.

**Final Competitive Advantage Paper Due electronically no later than 12:00 noon.**

**Grading Policy:**

Grades for Econ/MAP 534 will be a combination of the *Competitive Advantage* and *Venture Development Modules*. The total possible for this course is 100 points; and will count 33.33% of your final grade. 66.66% of your grade will come from the *Venture Development Module*.

Grading for the *Competitive Advantage Module* alone is as follows:

Written case evaluations	40
Midterm	10
1 <sup>st</sup> Competitive Advantage draft	20
2 <sup>nd</sup> Competitive Advantage draft	20
Final Exam:	10
TOTAL:	100 Points