

BM02MI, STRATEGY OF INNOVATION

Lecturer(s)	Helge Klapper
Course coordinator	Helge Klapper
Structure (e.g. lectures, tutorials, etc.)	Asynchronous Lectures Live Workshops and Seminars
Assessment	Individual take home assignment (55%), Team assignment (30%), Preparation and feedback (15%)
Teaching block	Block 1
EC	5
Entry requirements or required background knowledge, if applicable	N/A
Course schedule	Please visit https://courses.eur.nl

Course Overview

Whether an organization innovates determines whether it survives. It does not take a world-wide crisis for an organization to realize that the status quo will not be enough. And it is not only the multi-national corporations like Amazon that need to innovate, it is the restaurant at the corner, the local charity, and even national governments see the need for innovation. The question is not whether to innovate, but how.

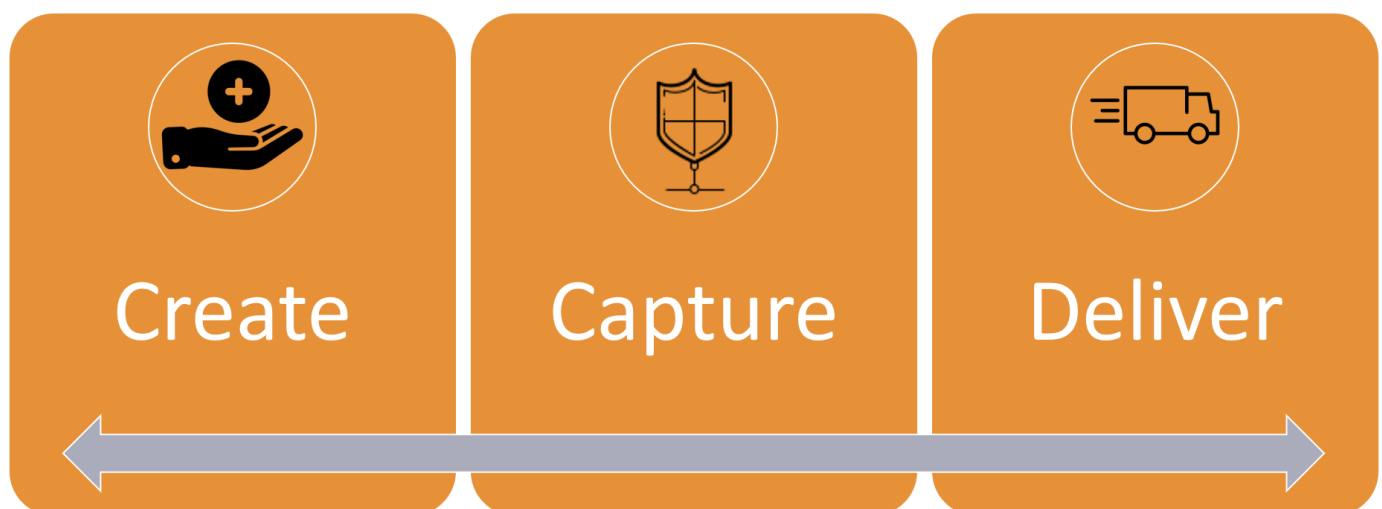
In this course you learn why organizations struggle to innovate and what to do about it. The course is organized around three broad questions such that each question will be addressed in a specific module:

1. How can organizations generate value?
2. How can organizations capture the value that they generate?
3. How can organizations and managers deliver value?

The first part starts with necessity that organizations need to **generate value** in an environment that is constantly in motion. We will study the typologies and evolution of change in the environment, and discuss tools that can help managers make sense of their environments. An important element in this module is that change in an environment does not always occur independent of the organizations, but organizations are both subjects and agents of change.

The second part will explore how organizations can **capture the value** that they created. We will discuss how organizations can use patents, complementary assets and standards in a strategic manner.

Third, we will discuss several ways how organizations can **deliver value** by executing their innovation strategy, and by building dynamic capabilities.



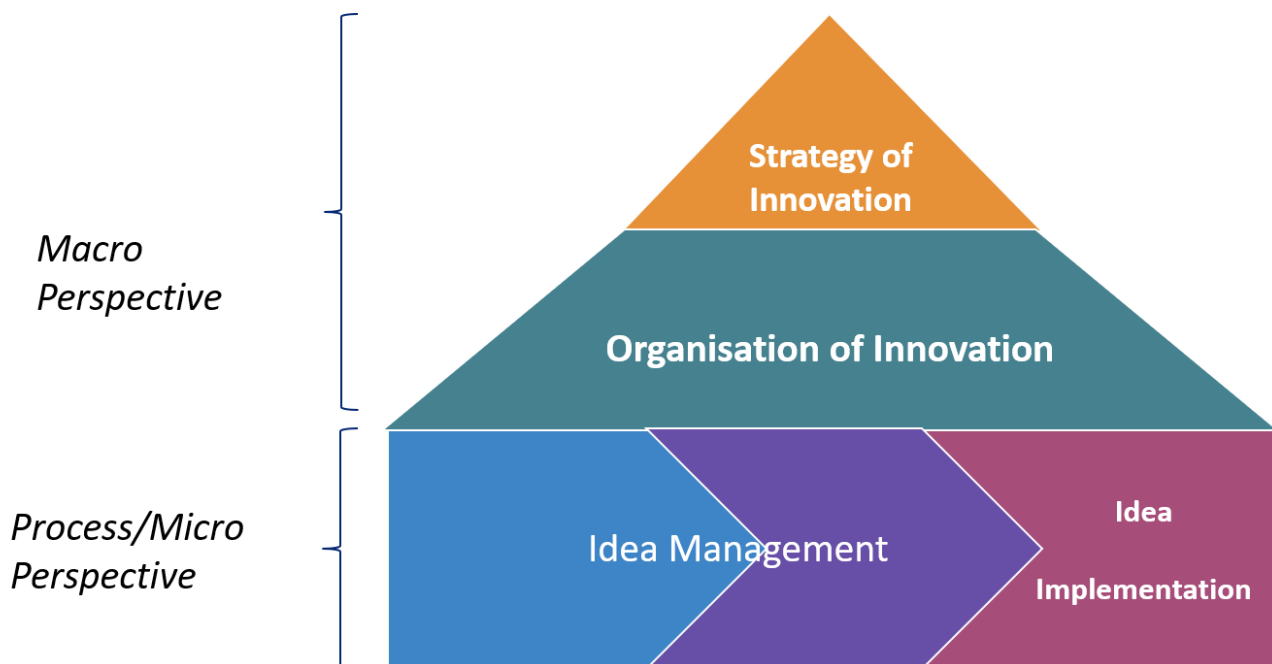
Learning Goals

At the end of this course, students will be able to:

- Analyze an organization's innovation strategy.
- Interpret the potential and implication of innovations for an organization and environment.
- Craft strategic responses to innovations.
- Develop strategies to protect intellectual property.
- Plan and prepare for future scenarios.

The place of this course in the Management of Innovation master

This course marks the beginning of your journey to become a leader of innovation. Strategy and Organization of Innovation will cover the macro perspective, i.e. the perspective of organizations (see structure of the program in the figure below). After this you will focus more on a process or individual level perspective in Idea Management and Idea Implementation.



Strategy of Innovation gives you an introduction and overview to the world of innovation. We will cover important concepts that you will revisit throughout your journey. Overall, this course will equip you with the necessary knowledge and skills that help you provide sound analysis and advice on organizations' and managers' innovation challenges at a strategic level. With such knowledge and skills you will be able to understand how to create an innovation culture and what it takes to create successful innovation process.

Course Information

Course procedure

The main learning activity takes place in the classroom as you and your classmates interact, share your insights and debate. **Depending on the rules by the government and Erasmus University, this will be face to face or online.** Independent of the format, the success of the course depends on your active participation. This way the course can be interactive, challenging, and fun. I encourage you to attend and take an active role in the classroom.

To ensure that all students can actively participate we will split the sessions into 3 sections. Please go to Canvas for the latest information whether and which sessions will be online or offline and which one you are assigned to.

In general, the procedure for each module will be as follows:

- Before each live session, you will find all information, links to reading and preparation material on Canvas. You can find all current information on the Canvas course page.
- For each module there will be about 4-5 pre-recorded videos by me introducing the important concepts for the session. Think of this part as the lecture part of the course.
- The live session itself will about 90 minutes long and will mostly consists of discussions, group work, and other interactive activities.
- After each live session, you will find review tasks on Canvas and ask questions or start discussion in the Discussion Forums

Office hours and contact information

I will be available throughout the whole time of the course. You can send me an email or at the end of each session there will be an option to ask questions. If possible, I will arrange offline meetings with as many of you as possible.

Course Materials

You are required to do all the readings in advance and to contribute to class discussion. The readings are required to follow and understand course discussion and are crucial in completing the assignments. I will provide links to the readings on Canvas.

Some of the readings include academic articles, which may appear nasty in terms of complexity. Therefore, you should skip technical parts (methods, formulas, models, etc.) and focus only on the introduction, theory, and discussion sections of those papers. In short, you should ask yourself why the reading list includes the article you have just scanned/read, and what the article's main take away are.

I am strong believer of co-creation and joint learning.

Assessments

Your final grade will be a combination of active session preparation (15%), team assignment (30%), and individual assignment (55%).

Active session preparation

As part of your active preparation for each live session, you will be asked to answer surveys before and propose one exam question after each live session, worth **15% of the overall grade**.

For each module I ask you to watch 4-5 short videos I pre-recorded, prepare 1 case studies, and read 1-2 professional or academic articles.

The evening before each live session (always 8 pm), you will answer 3-5 questions about the material. The questions are open-ended to elicit your understanding but also your opinion of the introduced topics. Importantly, there are no correct or wrong answers. Answering the questions will help you be prepared for each live session and it will help me be to get a better feeling for your level of understanding and your opinions. I will use your answers to guide the discussions in the live sessions. I will also ask after most sessions to reflect and answer some questions or describe what you have learned.

In both cases, you will receive points for completing the assignment, which means there are no wrong answers, as long as you put effort into it (e.g. answering a question with 'Yes' is not sufficient). Your grade will be based on the percentage of answered surveys and prepared questions.

At the start of the course, you will also introduce yourself to your peers by uploading a video to Canvas. Check out the Canvas Assignment.

Team Assignment – Innovation Spotlight

The team assignment is designed to help you apply some of the concepts that we develop in the course about a real case situation and will also serve as a preparation for the final individual assignment. You will be assigned to teams of 4-5 members. This assignment will constitute **30% of the overall grade**.

Your task:

Select an organization and criticize and advance its innovation strategy and to facilitate innovations. Pick an organization that you would like to interact with and where you likely get a response if you contact them.

You will analyze a part of the innovation strategy of that organization and develop a scenario for them. Finally, contact that organization and give advice (based on your analysis), document the process, and integrate their feedback to your report. This is to get you out of your comfort zone, see how much our course applies to real world settings, and experience how this knowledge can help organizations improve their innovation strategy.

You present your analysis in form of a short video that you will record. The video should be less than 12 minutes. The video should discuss the following parts:

- (a) Describe and evaluate the innovation strategy of your selected organization (in terms of value creation and capture)
- (b) Develop a scenario analysis for the organization (containing a clear explanation of the selected trends, descriptions of the scenarios, and a roadmap)
- (c) Give strategic advice based on your analysis to the organization and document that process, i.e. explain how it went (whether they agree with your assessment and how will they integrate it).

The deadline to upload the video is under **Schedule on Canvas**.

Grading for each part will be based on the following criteria:

- Presenting the information in an appealing and clear format and style,
- demonstrating a clear understanding of the industry/organization/phenomenon/problem,
- using concepts and theories discussed in the course,
- reaching out to and integrating feedback from the relevant parties,
- and innovativeness.

Individual assignment (24h) – Final Innovation Report

The final individual assignment challenges you to apply your knowledge of your course to a specific organization and evaluate the innovation performance of that organization. This assignment will constitute *55% of the overall grade*.

Your task:

At the start of the assignment (see **Schedule in Canvas**) you will receive information about an organization. Your task is to write a report in which you will do a full innovation strategy analysis. This requires the application of your knowledge and understanding of all modules of the course. You will have a day (24 hours) to gather information about the organization (you will be given a basic dossier), analyze the various aspects of the organization, and based on that analysis give an assessment of the innovation performance. The report you will write has to be concise (see word limit below) so make sure that you focus on core insights.

The specific questions you need to answer will be given at the start of the assignment.

The assignment should not contain more than 3,000 words. Include a cover sheet with your name and student ID. To allow for blind grading, please do not list your names anywhere else.

The start of the assignment and the deadline to upload the document can be found under **Schedule on Canvas**.

Grading will be based on the following criteria:

- Having an appealing and clear format and style,
- demonstrating a clear understanding of the industry/organization/phenomenon/problem,
- using concepts and theories discussed in the course and clearly referencing them, and
- innovative and unique solutions

To pass the assignment (and the course), you need to score at least a 5.5 grade. If you fail the assignment, you have an improvement option and can resubmit your assignment. However, the maximum grade you can achieve in this case is a 7.0.

Schedule

Preliminary dates below: Always check <https://courses.eur.nl> for current dates.

Session	Date	Topic
1	30.8. 2021	What is an innovation strategy?
2	1.9. 2021	Innovation strategy in an ever-changing world
3	3.9. 2021	Disruptive innovations
4	6.9. 2021	Scenario planning
Mid-course	7.9.2021	Short review of course to this point
5	8.9. 2021	Managing intellectual property strategically (Workshop)
6	10.9. 2021	Value capture in ecosystems, platforms, and multi-sided markets
7	13.9.2021	Execution of innovation strategy
8	15.9.2021	Dynamic Capabilities and WRAP UP.
Deadlines	16.9.2021	at 23:59, submit the Team Assignment
Final Assignment	Exam period	24h period to complete assignment

Module 1

Topic	What is an innovation strategy?
Guiding questions	How can organizations create and capture value? What is a good innovation strategy?
Topics	<ul style="list-style-type: none">• Why firms need to innovate• Ways to describe an innovation strategy• Evaluation of an innovation strategy
Case	Chocolonely
	<ul style="list-style-type: none">• Leleux, B. and van der Kaaij, J., 2018. Tony's Chocolonely: The Pursuit of Growth with Purpose (IMD-7-1982)
Readings	<ul style="list-style-type: none">• Pisano, G. P. 2015. You need an innovation strategy. <i>Harvard Business Review</i>, 93(6), 44-54.
Optional background readings	<ul style="list-style-type: none">• Hambrick and Frederickson, 2001. Are you sure you have a strategy? <i>The Academy of Management Executive</i>, Vol 19 (4), 51-62.• Henderson, R.M. and Clark, K.B., 1990. Architectural innovation: The reconfiguration of existing product technologies and the failure of established firms. <i>Administrative science quarterly</i>, pp.9-30.

Module 2

Topic	Innovation strategy in an ever-changing world.
Guiding question	How can we use the knowledge about how technologies and industries to our advantage (and create value)?
Topics	<ul style="list-style-type: none">• Evolution of technologies and industry life cycle• Emergence of dominant designs and timing of entry
Case	IBM
	<ul style="list-style-type: none">• Cortada, J.W., 2018. Change and continuity at IBM: Key themes in histories of IBM. <i>Business History Review</i>, 92(1), pp.117-148
Readings	<ul style="list-style-type: none">• Fosfuri, A., Lanzolla, G. and Suarez, F.F., 2013. Entry-timing strategies: The road ahead. <i>Long Range Planning</i>, 46(4-5), pp.300-311.• Schilling, M. 2017. What's your best innovation bet? <i>Harvard Business Review</i> (July-August).
Optional background readings	<ul style="list-style-type: none">• Christensen, C.M., 1992. Exploring the limits of the technology S-curve. Part I: component technologies. <i>Production and operations management</i>, 1(4), pp.334-357.• Suarez, F.F., Grodal, S. and Gotsopoulos, A., 2015. Perfect timing? Dominant category, dominant design, and the window of opportunity for firm entry. <i>Strategic Management Journal</i>, 36(3), pp.437-448.

Module 3

Topic	Disruptive Innovations
Guiding question	Which innovations (by competitors) are the most dangerous for your organization?
Topics	<ul style="list-style-type: none">• Disruptive innovations• Strategic responses to disruptive innovations
Case	Encyclopædia Britannica vs. Encarta
	<ul style="list-style-type: none">• Greenstein, S., 2017. The reference wars: Encyclopædia Britannica's decline and Encarta's emergence. Strategic Management Journal
Readings	<ul style="list-style-type: none">• Bower JL, Christensen CM. 1995. Disruptive technologies: catching the wave. Harvard Business Review.• Charitou, C. D., & Markides, C. C. (2003). Responses to disruptive strategic innovation. MIT Sloan Management Review, 44(2), 55-63,63A.
Optional background readings	<ul style="list-style-type: none">• Sood, A. & Tellis, G.J. 2011. Demystifying Disruption: A New Model for Understanding and Predicting Disruptive Technologies. Marketing Science, 30(2): 339-354• Markides, C. and Charitou, C.D., 2004. Competing with dual business models: A contingency approach. The Academy of Management Executive, 18(3)• Markides C. 2006. Disruptive innovation: In need of better theory. Journal of Product and Innovation Management. 23: 19-25.

Module 4

Topic	Scenario planning
Guiding question	How can we develop scenarios that can help organizations be better prepared for the future?
Topics	<ul style="list-style-type: none">• Identifying the trends• Scenario planning• Road mapping
Case	Fintech and Banking
	<ul style="list-style-type: none">• Klein, F., Bansal, M. and Wohlers, J., 2017. Beyond the noise: The megatrends of tomorrow's world. Deloitte: Center of the long view.• Jongbloed, R., Berghuijs, M., van Wylick, A. 2020. A decade of Dutch fintech. https://www.compact.nl/articles/a-decade-of-dutch-fintech/
Readings	<ul style="list-style-type: none">• Ramirez, R. et al. 2017. Using Scenario Planning to Reshape Strategy. <i>MIT Sloan Management Review</i>
Optional background readings	<ul style="list-style-type: none">• Phaal, R., Farrukh, C.J. and Probert, D.R., 2004. Technology roadmapping—A planning framework for evolution and revolution. <i>Technological forecasting and social change</i>, 71(1-2), pp.5-26.

Module 5

Topic	Managing intellectual property strategically
Guiding question	How can organizations capture value?
Topics	<ul style="list-style-type: none"> • Intellectual property rights • Patenting strategies • How to search patents and file a patent
Case	Intellectual property workshop with members from the Dutch patent office (RVO) (with Dr. Peter van Dongen)
Readings	<ul style="list-style-type: none"> • Somaya, D., 2012. Patent strategy and management: An integrative review and research agenda. <i>Journal of Management</i>, 38(4), pp.1084-1114. • James, S.D., Leiblein, M.J. and Lu, S., 2013. How firms capture value from their innovations. <i>Journal of Management</i>, 39(5), pp.1123-1155.
Optional background readings	<ul style="list-style-type: none"> • Teece, D. J. 1986. Profiting from technological innovation: Implications for integration, collaboration, licensing and public policy. <i>Research Policy</i>, 15(6) 285–305. • Ars Technica: Theranos: How a broken patent system sustained its decade-long deception https://arstechnica.com/tech-policy/2019/03/theranos-how-a-broken-patent-system-sustained-its-decade-long-deception/ • Anand B. & Galetovic A. 2004. How market smarts can protect property rights. <i>Harvard Business Review</i>

Notes:

- We will only have one session instead of three parallel ones.

Module 6

Topic	Value capture in ecosystems, platforms and multi-sided markets
Guiding question	How to enter and contribute to an ecosystem while still capturing your share?
Topics	<ul style="list-style-type: none">• Ecosystems and complementarities• Visualizing ecosystems• Competing and innovating in ecosystems
Case	Better Place
	<ul style="list-style-type: none">• Johnson, M.W. and Suskewicz, J., 2009. How to Jump-Start the Clean-Tech Economy. <i>Harvard Business Review</i>, p.52.• Agassi, S. 2009. A new ecosystem for electric cars https://www.ted.com/talks/shai_agassi_a_new_ecosystem_for_electric_cars
Readings	<ul style="list-style-type: none">• Adner, R., 2006. Match your innovation strategy to your innovation ecosystem. <i>Harvard Business Review</i>, 84(4), p.98.• Jacobides, M.G., Cennamo, C. and Gawer, A., 2018. Towards a theory of ecosystems. <i>Strategic Management Journal</i>, 39(8), pp.2255-2276.
Optional background readings	<ul style="list-style-type: none">• Jacobides, M.G., 2019. In the ecosystem economy, what's your strategy?. <i>Harvard Business Review</i>, 97(5), pp.128-137.

Session 7

Topic	Execution of the innovation strategy
Guiding question	How can organizations effectively implement their strategy? How much can and how much should you plan?
Topics	<ul style="list-style-type: none"> • Making and executing an innovation strategy. • Barriers and traps to a successful innovation strategy.
Case	Yahoo!
	<ul style="list-style-type: none"> • Sellers, P., 2012. Marissa Mayer: Ready to Rumble at Yahoo. FORTUNE, 166(7), pp.118. • Helft, M., 2015. The Last Days of Marissa Mayer? FORBES, 196(8), pp.116. • Podcast about Mariss Mayer (HBR Ideacast) https://hbr.org/podcast/2015/02/marissa-mayers-yahoo
Readings	<ul style="list-style-type: none"> • Sull D. Turconi S., Sull C., & Yoder, J. 2017. Turning Strategy into Results. MIT Sloan Management Review.
Optional background readings	<ul style="list-style-type: none"> • Kanter, R.M., 2006. Innovation: the classic traps. Harvard business review, 84(11), pp.72-83.

Session 8

Topic	Dynamic capabilities.
Guiding question	How can we make sure that the next innovation strategy and the one after that will be successful?
Topics	<ul style="list-style-type: none">• Innovation is not about finding the next big thing. It is about creating the strategy and processes for innovations.• Dynamic capabilities• Wrap up and exam preparation
Case	Marvel (Cinematic Universe)
	<ul style="list-style-type: none">• Harrison, S., Carlsen, A. and Skerlavaj, M., 2019. MARVEL'S BLOCKBUSTER MACHINE How the studio balances continuity and renewal. <i>Harvard Business Review</i>, 97(4), pp.136
Readings	<ul style="list-style-type: none">• Teece D. 2007. Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. <i>Strategic Management Journal</i>, 28(13): 1319-1350
Optional background readings	<ul style="list-style-type: none">•

SDGs

Which of the [UN Sustainable Development Goals](#) does the course reflect upon?

- [8: Decent Work and Economic Growth](#)
- [9: Industry, Innovation and Infrastructure](#)
- [10: Reduced Inequality](#)
- [12: Responsible Consumption and Production](#)
- [17: Partnerships to achieve the goals](#)

Short description of the way/ the course elements in which these SDGs are represented:

In addition to focusing on innovation as a force for positive change (SDG 9) but also the danger that innovation can be used for any purpose, we discuss a case study in which a firm educates and supports local cocoa farmers in Africa as part of their business model (SDG 8 and 10). We also highlight how innovation often requires the collaboration of firms, NGOs, and governments (SDG 17).

Course Assessment Plan

Educational goals per course (After following this course, the student is able to:)	Assessment formats			
	Preparation	Group Assignment	Individual Assignment	
Analyze an organization's innovation strategy.	x		x	
Interpret the potential and implication of innovations for an organization and environment.		x	x	
Craft strategic responses to innovations.		x	x	
Develop strategies to protect intellectual property.	x		x	
Plan and prepare for future scenarios.			x	
				Total
Weighting	15%	30%	55%	100 %
Minimum grade required	N/A	N/A	5.5	5.5
Opportunity to resit or an improvement option within the academic year	No	No	Yes (improvement option, capped at 7.0)	
Form of examination (e.g. MC, Open ended questions, open-book, etc.)				
Group / Individual	Individual	Group	Individual	