
Business Strategy and the Management of Innovation

Professor: Carlos J. Serrano
Email: carlos.serrano@upf.edu

Objectives

- > Understand the nature of strategic competitiveness and develop the ability to analyze the competitive environment facing a firm, assess the attractiveness of the industry and identify potential sources of competitive advantage.
- > Recognize typical technical, organizational, and market issues that occur during the product life cycle, and be better equipped to anticipate and manage such problems.
- > Consider the actions of competitors and how that impacts the ability of a business to accomplish its strategic goals. Develop courses of actions that incorporate the actions of multiple players in the marketplace.
- > Discriminate among the types of data that general managers need to evaluate alternative scenarios. Make quantitative assessments of strategic alternatives and develop logical, coherent and persuasive analyses for a desired course of action.

Description

This course addresses what determines the competitive advantage of a firm and applies tools from microeconomics and industrial organization to business-decision making. We study this issue in an economic environment where technological innovations can transform markets and create opportunities and threats for both start-ups and established companies. Finally, we analyze the interplay between patent rights, the market for patents, and venture lending. The course will rely on the analysis of case studies.

Contents

Part 1: Industry Analysis and Competitive Advantage

- > Introduction and Industry Analysis, Porter's Five Forces Analysis
- > Innovation and Competitive Advantage

Part 2: Creating Value from Innovation: Technology and Market Dynamics

- > The Evolution of Industries and Markets
- > Technological Disruption

Part 3: Capturing Value from Innovation

- > Capturing value from Innovation
- > Media, newspapers, and the Internet.

Part 4: Patents, Market for Patents, and Venture Lending

- > Patent as signals for investors
- > Patent wars and new business models to monetize patents
- > Venture lending and the use of patents to secure debt financing

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Part 5: Frontiers of Business Economics and Strategic Management

- > Trading and Enforcing Patent Rights

Methodology

This course exploits four complementary approaches to reach the objective highlighted above: Individual class contribution, Group case presentation, Group case reports, and In-class final exam.

Individual class contribution

Active participation in the class is an essential part of the learning experience. We will be using cases as well as other readings and you must be prepared to discuss everything assigned for the particular session. The grade will be based on both the quality of student contributions and attendance.

Group case presentation

Students will participate in one case analysis presentation to the class as part of a group. You will make your group presentations with the aid of visuals, and use your business communication skills to explain and defend your conclusions. Students will be assigned specific questions to guide the preparation and reports. The goals are to analyze a real problem in further depth, based on information available in each case. Presentations should last 15 minutes and will be judged by 3 criteria:

1. Comprehension – how well did students understand the case?
2. Analysis - application of insights from the class, evidence used to support argument, novel insights and use of information provided in the case.
3. Style - clarity, slide quality, etc.

You should email me the PowerPoint presentation the day before the lecture.

Group case reports

Students will have to prepare specific reports on the business cases we will study in their assigned groups, addressing questions that will be distributed in due time for each case. The case reports are to be uploaded to Aula Global the day before the class discussing that case. The discussion questions included for the case will provide the framework within which the case is to be analyzed. In the group-case reports, the student must combine the analysis of the case with the conceptual material in the course.

In class final case exam

At the end of the trimester, there will be an in class final case exam. To prepare for the exam, I will hand in advance a case to take home and read. However, I will not provide any questions. Neither group collaboration nor the use of outside information will be allowed in preparing for the exam.

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On the date of the in-class final exam, I will give you the questions of the case and you complete the exam in class. You may use the cheat sheet with your notes, tables, and calculations during the final.

Evaluation criteria

Evaluation will be based on:

- > Class participation 35%
- > Case write-ups 15%
- > Group case report presentation 15%
- > In-class final case exam 35%

Bio of the professor

Carlos J. Serrano is an Assistant Professor of Economics and Business at the Universitat Pompeu Fabra in Barcelona and an Affiliated Professor at the Barcelona GSE, where he teaches Business economics and Business strategy and the management of innovation. Professor Serrano has been a Research Fellow at the Bank of Spain's Research Department since 2014. He has also been a Research Associate at the Research Institute for International Business at the University of Toronto since 2012. Prior to coming to Pompeu Fabra, Professor Serrano was on the faculty at the University of Toronto and a Faculty Research Fellow at the NBER in Boston. In the summer of 2012, he was a Visiting Scholar at the Stanford Institute of Economic Policy Research at Stanford University. He received his Ph.D. in Economics from the University of Minnesota in 2006. Prior to completing his doctoral studies, his career includes positions as a Research Analyst at the Federal Reserve Bank of Minneapolis and Instructor at the University of Minnesota.

Professor Serrano's research focuses on innovation and technological change, entrepreneurship, and entrepreneurial finance. His work has been published in academic journal such as The Rand Journal of Economics and the Journal of Economics and Management Strategy. Professor Serrano is currently an Editorial Advisor at the Canadian Journal of Economics.