

## **Technology, Venture and Strategy -1221-8001-01**

**Course Development:**

Raz Heiferman & Yesha Sivan (2013Q3 Version)

**Course Time:** Tuesday 16:15 -19:45

**Classroom:** 253

**Instructor:**

Prof. Yesha Y. Sivan

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**Course Name:**

Technology, Venture and Strategy

Moodle code: TVS

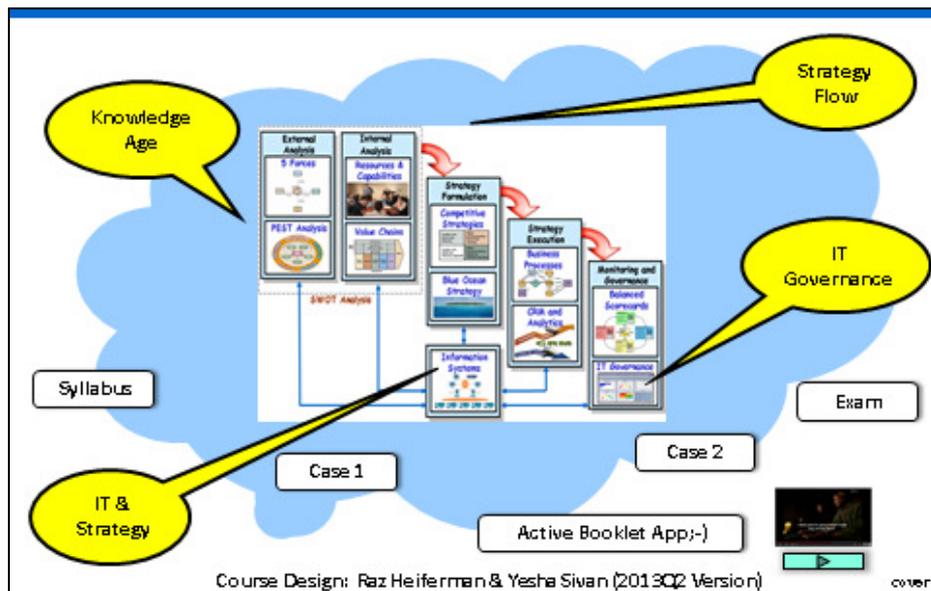
**COURSE BACKGROUND:**

The power of Information **Technology** (IT) has grown tremendously in the last 50 or so years. IT has evolved from just a support function to a major part of the modern organization. More and more executives and decision makers have incorporated IT into the organization's overall strategy. Managers must understand how to leverage IT as an enabling technology that might shape the forces in the industry and the competitive advantages of their organization.

This is especially true when it comes to new **ventures** (new products, new service, innovation both within the firm, and external to the firm). Threats and opportunities augmented by IT change the pace in which industries develop.

The course will discuss the link between the business and **strategy** of the firm and IT. This link has become more and more evident and many firms have learned to leverage IT to improve their competitive position, to reengineer their business processes, to manage long and lasting customer relationships, improve customer loyalty and decrease churn, to develop new and innovative services that bring value to their customers, to improve their decision making processes and establish a collaborative work place for their knowledge workers.

The course takes a practical view on the relationship among IT, Venture, and Strategy and uses a large body of case studies to demonstrate and illustrate that relationship.



**Technology, Venture and Strategy Course Visual View**

**COURSE OBJECTIVES:**

The students will:

1. Know the basic terms of IT and IT's links to venture and strategy.
2. Be able to analyze IT projects for pros and cons.
3. Be able to reflect on the role of IT within business strategies.
4. Be able to learn about new IT trends and innovations and consider their value for specific business processes.

**COURSE CONTENT AND SCOPE:**

The course will NOT cover basic IT or computer terms (e.g., BIT, IP, DNS, etc.) - such terms are assumed as given - nor will it deal with specific technologies (e.g., how does SAP works).

Also, the course is NOT about strategy. While some models will be presented – they will only be used to highlight the role of IT for the firm. The course will cover:

1. **Knowledge Age and IT components** – We will discuss main characteristics of the Information vis-à-vis the Industrial Era. IT has changed the business and social environment we live and work in, and transformed the way companies do business and compete. We will use Nicholas Carr's "IT Doesn't Matter" article as a platform for that discussion and ask if IT has really become a commodity, as he claims. Before diving into the linkage between IT and Business Strategy, we will cover and define the major **IT Components** – what are the major components of IT and what are the different categories of information systems (e.g. TPS, DSS, KM, ERP, CRM. OA etc.).
2. **External Analysis** – we will use Porter's 5 forces and look at the way IT might change some or all of the forces in a given industry, and use the RBV (Resource Based View) model as a framework to analyze IT as an internal capability and resource.
3. **Internal Analysis** – we will use Porter's Value Chain model to discuss how IT supports almost every value creating activity in the firm and has become the cornerstone of the firm's business processes.
4. **Competitive Strategy** – we will use Porter's Generic Strategies model (broad / focused and cost leadership / differentiation) and discuss how IT can be used to support those strategies. We will also look how IT has become an enabler for implementing Blue Ocean strategies.
5. **Business Processes & Innovation** – we will use Hammer's Operational Innovation concept presented in his "Deep Change" article to show how IT can be used as a major platform to innovate new business models and processes.
6. **Customer Relationship Management and Business Analysis** – we will look at one common application CRM as a case study to the relations between strategy and IT. Further, we will delve into BI – the key point where IT and Business meet.
7. **New Trends in IT** – The enterprise IT is changing. Mega trends like outsourcing, SAAS, SOA, no-software and web 2.0 are changing the face of IT. We will review these trends and their potential impact on IT and the Business. We will give a special attention to Google-ware as a sample of cloud computing.
8. **Execution & Monitoring** – We will delve into KPIs (Key Performance Indicators) and how they connect IT and Business. Then, we will use Weill and Ross article "Six Questions You Should NOT Ask Your IT People" to emphasize the importance of IT

Governance as a major tool of making sure that IT strategy is fully aligned with the business strategy, and to explain how demand management techniques will ensure that alignment.

9. **Summary and Conclusion** – how to choose between what is unique and strategic and what is common and commodity? What should board members (above management) worry about? How to deal with the “fear” of new technology and what is the evolving role of technology in business strategy.

### **TEACHING METHODS:**

The course is designed to work in three levels:

- (a) Low technical levels of terms and systems.
- (b) Mid IT and Business processes.
- (c) High level IT enabled innovation.

We will use a mix of theoretical models, global cases, and Israeli gossip to make the point. Classes will be based on lectures and some class discussion.

All class members should use the Moodle System for the learning; this includes valid email address that you can and do read regularly, face picture in Moodle, and ability to upload and download files.

### **TEACHING MATERIALS:**

- Course booklet.
- Students are expected to bring the booklet to every lesson and take notes in it in class.

### **READINGS (Compulsory):**

- Course booklet.

### **STUDENT ASSESSMENT:**

Course Assignments / Exercises / Exams / Project:

Part (1): Attendance at 80% of the class sessions (allowing 1 miss only) is compulsory.

Part (2): Individual Performance – the test.

Part (3): Team Work – teaching cases.

Case #1: 20%

Case #2: 20%

Test: 60%

[There may be some options for extra credit tasks, details will be given in class]

The test is a multiple-choice test (“American test”). Open materials including internet (no communication with people such as emails, chat, etc., is allowed). No phones or computers. It is similar to GMAT or GRE. It is adaptive in the sense that questions are designed to reflect deep know-how of the field. Questions that are too hard or too easy may not be counted. The test is planned to be conducted on a computer. More details on the test will be given in class.

Note: minor details may change as the class progresses – notices will be posted in the Moodle site.