



Strategies for Long-Term Growth

Bidding Only

Time: Thursdays, 2:20 PM – 5:35 PM

Location: Geffen 420

Instructor: Len Sherman

Email: ls2673@columbia.edu

Cell/Text: +1 (203) 984-9814

Office: Geffen 735

Hours: Thursdays, 10:00 AM – 2:00 PM
(email instructor to schedule)

TA: Andrew Chao

Email: AChao24@gsb.columbia.edu

Cell/Text: +1 303 517-3778

COURSE DESCRIPTION

Strategies for Long-Term Growth focuses on what business managers need to know to create strategies that achieve and renew competitive advantage for products and services. This capstone course will provide the insights and tools required to understand how key functions across the enterprise – product development, operations, marketing finance and customer support – should be integrally involved in developing and executing successful business strategies. The course will also showcase competitive dynamics across several industries to illustrate how to understand, anticipate and effectively respond to competitive threats.

During the semester, we will examine:

- How companies create, capture and renew competitive advantage in the marketplace
- The impact of industry structure on markets and competition
- Sources of value in product/service offerings and how they evolve over time
- The role of technology, operations and distribution in delivering value
- How to develop and sustain brand equity
- Competitive dynamics, and effective responses to preempt, deter or effectively counter competitive moves
- How to develop products and services that break away from competition
- Essential elements of successful business models – how to make money!
- Leadership requirements for sustained, profitable growth

While the course will build on a theoretical foundation, it is designed to be practical, hands-on, and

applied, giving students the opportunity to analyze, plan and execute business strategies drawing on examples from firms in a variety of industries. Students will gain a deep and practical understanding of business strategy from three mutually reinforcing approaches in the classroom:

- Interactive presentations on relevant concepts and frameworks
- Case discussions spanning numerous industries
- Guest speakers drawn from senior executive ranks of major corporations.

COURSE OBJECTIVES

The fundamental premise of this course is that firms are successful when they create, capture and renew value over time. Accordingly, the overall objective of the course is to learn how to:

1. Analyze a company's strategic options given its market and competitive position
2. Develop strategies that deliver renewable competitive advantage, and drive superior financial returns
3. Anticipate and counter competitive responses

The target audience for this course is MBA students planning a career in positions where a holistic view of business strategy is required, including:

- Consultants
- Brand, Product and Marketing Managers
- Entrepreneurs
- Corporate Strategic Planning Managers
- Business Unit General Managers
- Investment Analysts
- VC and PE Professionals

CONNECTION WITH THE CORE

This is a capstone course intended for MBA students that integrates many of the concepts covered in the core curriculum. The course focuses on strategies for new product development that create enormous value by redefining the categories in which companies compete. Case study examples include Google, Peloton, Lego, IKEA, Domino's Pizza, and Uber.. As the course title suggests, we will explore the *integrated* elements of successful strategy encompassing product development, operations, distribution and marketing.

While lectures will include a brief review of relevant business concepts, it will be assumed that students already understand the following core course knowledge:

Strategy Formulation

- All concepts covered in the core course

Marketing Strategy

- Computation of Customer Lifetime Value and Costs of Customer Acquisition
- Other concepts covered in the core course

Operations Management

- Scale economics, experience curve effects, and production cost analysis

Corporate Finance

- Cash flow NPV for valuation
- Breakeven analyses

Business Analytics

- Sensitivity analysis
- Modeling market shares, cannibalization and price elasticity effects

COURSE MATERIALS

Required books:

1. Leonard Sherman, *If You're In A Dogfight, Become A Cat: Strategies For Long-Term Growth*, Columbia University Press, 2017

Note, this book is available on Amazon for \$15-\$20 in digital or paper versions. It should also be available at the Columbia University Bookstore and in the Business library in 360 Geffen Hall.

This is a paper-free course. Other than chapters assigned from the textbook for this course, all reading materials will be posted on Canvas. All student assignments should be submitted on Canvas. Lecture notes will be available before and after class in digital format.

Online polling will be used frequently to elicit student input on business issues and case recommendations. Prior to the first class, students be registered on the current version of the *Poll Everywhere* app on your tablet computer or smartphone\

.

COURSE FORMAT

Classes will meet once per week for three hours with two ten-minute breaks. While the sequence of activities may vary somewhat from week-to-week to accommodate the schedule of our guest speakers, generally the first hour of the class will be devoted to topical lectures, the second hour will entail a case discussion, and the final hour will be reserved for commentary from visiting executives.

Weekly readings will generally include topical articles and a business case.

The class is intended to be highly participatory and students are expected to come prepared to discuss their ideas and defend their positions on business case issues. Since there is often no single right answer to the decisions highlighted in the business cases, our discussion will work best if there is an active debate on options, decisions and expected outcomes. Interactive polling will be used in the classroom to take stock of your views on decision-maker options in the cases and other relevant topics.

Adequate time will be allotted for Q&A with our visiting executives, and I've alerted our guest speakers that CBS students are generally *not bashful* in asking probing questions!

During the semester, each student will be required to submit a number of short (one page) topical

assignments. Teams of 3 students will be assigned to write up and lead the discussion of two business cases during the semester. There will be an online final take-home exam to be taken at each student's convenience any time within one week following our last class.

GUEST SPEAKERS

A number of senior executives will be invited to participate in class discussions this semester. While schedules and availability may change, the roster of executive guest speakers from prior semesters provides a reasonable expectation for the breadth and stature of guest speakers.

- Chris LaSala, Managing Director, Google Publisher Platforms
- Christina Adams, Partner, McKinsey
- Devika Methrani, CMO, New York Presbyterian Hospital
- Javier Quinones, CEO Ikea, US
- Alex Kantrowitz, Founder, Big Technology; Author of ALWAYS DAY ONE: How The Tech Titans Plan To Stay On Top Forever
- Will Coleman, Founder/CEO Alto
- Catalina Breton, CEO, Nubank Columbia
- Wynne Wong, Senior Manager, Amazon Devices & Entertainment
- Josh Sapan ex-CEO, AMC Networks

COURSE GRADING

Grades for this course will be based on the following allocation:

- Short assignments: 15 percent
- Team case writeups: 35 percent
- Final exam: 40 percent
- Attendance/Participation: 10 percent

Individual assignments are designated Type B². Students are encouraged to discuss course concepts and general ideas concerning assignments, but individual submissions and class participation will be based on individual effort. Team case assignments are Type A, with full collaboration expected within groups.

Short Assignments (individual submissions)

There will be several short (<1 page) assignments associated with the case or topical readings throughout the semester, as described in the syllabus below. Your inputs will often be aggregated and incorporated in the class discussion, so *timely submission is essential*. Assignments submitted later than the due date (8 PM, the evening before class) cannot not be accepted for credit. Students who are assigned to a full case writeup on a given week are also required to submit the short assignment, as the topical questions may not relate directly to the case and in any event may be tabulated for presentation in class.

Case Writeups (2 cases per team)

Each group will be randomly assigned two cases to analyze during the semester. Case writeups should be

<10 Powerpoint slides, typically one slide per question asked on the case assignment. Each slide should contain either bullet points responding to a case question or an exhibit/spreadsheet providing quantitative analysis.

Case writeups are *generally* intended to:

- Demonstrate your understanding of the strategic context of the case
- Identify the strategic options and their expected impacts
- Recommend actions: what would you do if you were the protagonist in the case?
- Quantitatively and qualitatively substantiate your recommendation
- Identify key uncertainties and how you might mitigate them in implementing your recommended approach

While these are general learning objectives for all cases, student case submissions should address the specific questions listed for each case as noted in the syllabus and on Canvas.

Case writeups will be graded on content (75%) and effectiveness of business writing and presentation (25%). Content includes the insightfulness, quality of analysis and conclusions, support for conclusions, and the overall logic of the submission. Style includes the clarity and effectiveness of writing that would be expected in a business assessment submitted for executive review in a professionally managed enterprise.

All team members may be called on to share team findings in class, so active collaboration is expected. *Every team member* should be prepared to speak to every finding and recommendation in the case writeup. Case study submissions are due by 8 PM the evening before class.

Final Exam

There will be a final exam at the end of the semester based on the course curriculum. To provide flexibility for your end-of-term scheduling, the exam will be administered as a take-home initiative to be taken at any time within one week after the last class.

The intent of the exam is to give students an opportunity to demonstrate a broad understanding of key course concepts, rather than recalling isolated facts or formulae. Questions will be disproportionately drawn from topics reviewed during in-class lectures and discussion, placing a premium on your active engagement in the classroom learning environment. Additional details on what to expect will be provided in class at least one week prior to the exam.

Attendance and Participation/Preparedness

Attendance is required for all classes, as we will always explore concepts that go beyond assigned reading materials. If for any reason, you find you cannot attend a class, ***you should advise the TA by email/text message in advance of class.*** Students who provide prior notice of their need to miss a class are expected to view the missed lecture video *before the next class session*. Lecture videos should be posted to Canvas within 24 hours of each class. For each absence without prior notification, students will be penalized ½ grade (e.g. HP to HP-); students who miss two or more classes without prior notification may be subject to a failing grade.

Active participation in class is a major contributor to the success of this course, since we learn most

effectively through class dialogue. You are expected to read all required articles and cases before class, to thoughtfully respond to the suggested questions and to participate actively in class discussions.

Participation will involve summarizing case study situations, explaining selected analyses, applying the case issues to your personal business experience, asking insightful questions, tying frameworks together, recommending and defending a proposed solution—in other words, whatever helps the class effectively explore the drivers of successful business strategy. While each student will only be required to submit two team case writeups during the semester, the instructor will expect *all* students to be prepared to contribute to the case discussions throughout the course of the semester. Weekly preparation is essential.

My classroom is a safe and respectful learning environment. Students are encouraged to share contrarian perspectives, as learning from differing viewpoints is essential to understanding the issues and concepts covered in class. While it may be difficult to involve everyone as frequently as desired, students who proactively make frequent, insightful contributions will be recognized in the final grade assigned for the course.

In addition to in-class participation, students are *encouraged and welcome* to meet with the professor outside of class to discuss ideas, to clarify topics presented in class or to relate course topics to the students' work or career aspirations. For scheduling convenience, please email the instructor to set a mutually convenient meeting time.

COURSE SCHEDULE

The schedule for the course is outlined below. Please check Canvas weekly as assignments and schedules may change through the course of the semester and certain readings will only be available through postings on Canvas.

The reading and written assignments provide a foundation and a context for class discussion and thus are to be completed before the class for which they are scheduled.

SESSION 1: Course Introduction

Sept. 7 Business Strategy Fundamentals

Topics Course orientation and overview
The growth imperative: importance and challenges of sustained enterprise growth
Value creation and bases of competitive advantage
Why some brands stand out
If you're in a dogfight, become a cat!

Reading

1. Course syllabus
2. Sherman, Leonard, Preface and Chapter 1: "The Origins Of Modern Business Strategy Thinking", from *If You're In A Dogfight, Become A Cat! – Strategies for Long-Term Growth*, Columbia University Press, January, 2017

Activities

Prior to class, post a survey response in Canvas, which responds to the two short assignment questions:

In class, be prepared to discuss:

- Why is growth important to corporate enterprises?
- Why is *sustained* profitable growth so difficult to achieve?
- Based on Porter's "5 forces", are companies in structurally challenged industries *destined* to earn low returns?

SESSION 2: Competitive Dynamics

Sept. 14 Google Case

Topics: Strategy Diagnostics
Competitive Dynamics
Google Case

Reading: 1. Len Sherman, "How Google's 'One Trick Pony' Grew To Become A Dominant Global Enterprise," CaseWorks Case #210417, March 21, 2021

Activities: **Prior to class** all students should answer the short assignment questions on the Google

case

In class, all students should be prepared to discuss your answers to the following questions regarding the Google case:

1. What initial innovations enabled Google's early and sustained success?
2. Identify at least four emerging market and competitive threats that confronted Google over the ensuing two decades and how the company responded. What are the generalizable implications for the requirements to achieve long-term profitable growth?
3. What are Google's major business model strengths? Be specific.
4. Absent regulatory intervention, do the characteristics of Google's marketplace tend to favor winner-take-all (or most) outcomes? Explain your answer based on your response to question #3
5. If you were considering entering the lucrative search market as a challenger to Google, what vulnerabilities of Google would you seek to exploit and what would be your key differentiators? (Provide examples from your own use experience with Google if possible)
6. What are the barriers facing would-be competitors to Google's ad-based search engine business, such as Neeva or DuckDuckGo? Can they succeed?
7. Will rapid advances in AI (e.g. ChatGPT) pose an opportunity or threat to Google in the years ahead?

SESSION 3: Strategic Clarity & Alignment

Sept. 21

Lego Turnaround Case

Topics

Assessing market and competitive conditions
Strategy diagnostics
Identifying root causes of declining performance
Turnaround strategy
Organizational alignment to implement successful strategy

Reading

1. LEGO *Harvard Business School Case 9-613-004*, July, 2012
2. Read [Product Complexity: Less Can Be More](#), by Len Sherman
3. J. Collis and Michael G. Rukstad, "Can You Say What Your Strategy Is?," *Harvard Business Review*, April 2008
4. (Optional, but insightful): [Podcast interview](#) with Lego CEO Jørgen Knudstorp

Activities:

Prior to class, choose a company that you believe has a clearly defined strategy and post to Canvas your articulation of the company's strategy in 35 words or less, per the Collis and Rukstad article. This could be the company you identified as your favorite brand for our first class, or another company with which you are familiar. Note that you may not know the company's

specific financial targets (i.e., strategy objective as defined in the Collis & Rukstad article). Therefore, craft your statement of the chosen company's strategy in terms of the two *other* critical elements of an effective strategy as described in the article: scope and competitive advantage.

Prior to class, teams assigned to write up the Lego case should answer all questions below in a <10 page Powerpoint document.

In class, all students should be prepared to discuss their answers to the following questions regarding the Lego case:

1. What led the LEGO Group to the edge of bankruptcy by 2004? Focus on the management moves during two distinct periods: 1) "the growth period that wasn't" (1993-98); and 2) "the fix that wasn't" (1999-2004). Be sure to identify both external and internal factors that contributed to declining business performance.
2. What problem was Ploughman trying to solve? Why *didn't* his turnaround strategy work?
3. Why *did* Knudstorp's turnaround strategy work? Be specific in identifying which actions were the most and least effective.
4. Should LEGO have launched a new line of board games? Why or why not?
5. What is the most critical lesson learned from the Lego turnaround story of relevance to companies and brands seeking to sustain profitable growth?
6. In 2017, [Lego suffered](#) its first decline in sales and profits in a decade, replacing its CEO twice within the year. Was this a temporary setback or a sign of significant challenges in Lego's market and competitive environment? Are emerging technologies (AR, VR, 3D video, gaming) a threat or opportunity for Lego? Lego's financial performance [improved markedly](#) in 1H 2021. Was this a temporary pandemic boost, or signs of a more sustainable turnaround (again!).

SESSION 4: Responding to Market Shifts **Sept. 28 Mountain Man Beer Case**

Topics: Brand equity
Product positioning
Breakeven & NPV Analysis

Reading: 1. Sherman, Leonard, "Chapter 7: Creating Strong Brands", from *If You're In A Dogfight, Become A Cat! – Strategies for Long-Term Growth*, Columbia University Press, January, 2017

2. Mountain Man Beer Company: Bringing the Brand to Light, Harvard Business School Case, May 28, 2007
3. Mountain Man Beer Financials -- 5% cannibalization scenario
4. Mountain Man Beer Financials – 20% cannibalization scenario

Activities: *Prior to class*, using facts from the case, the accompanying pro forma financials provided on Canvas and your own business judgment post your answers to the Short Assignment questions on Canvas.

Prior to class, teams assigned to write up the Mountain Man case should also answer all questions below in a <10 page Powerpoint document.

Note that there are two spreadsheets posted to Canvas reflecting two key assumptions used to evaluate Mountain Man's strategic options: 1) Light beer launched with 5% cannibalization; 2) Light beer launched with 20% cannibalization

In class, all students should be prepared to discuss answers to the following questions:

1. What has made MMBC successful in the past? What distinguishes the brand from competitors in terms of product, customers, distribution, marketing approach and cachet?
2. What has caused the decline in MMBC's operating results in spite of its strong brand? Based on case facts, develop a simple "do-nothing" pro forma (2005-2010), which projects Revenue, Contribution Profit, Fixed Expenses and Operating Profit. *Be sure to clarify the key assumptions underlying your pro forma.*
3. What are the pros and cons of introducing a Mountain Man light beer?
4. The case suggests that in order to get approval to launch a Light Beer, MMBC would have to break even within 2 years by more than covering the costs associated with launch advertising, incremental SG&A and lost MMB sales due to cannibalization. Based strictly on the pro formas shown in the accompanying spreadsheets, should MMBC launch a light beer product?
5. Are MMBC's stated criteria for their "go/no-go" decision appropriate? If not, what would be more appropriate criteria and why?
6. Which factors are most important in determining 5 year NPV's for a light beer launch? Which factors can/should MMBC try to change to improve NPV? Substantiate your answer to this question by *analytically demonstrating* which factors are most important.
7. How might Mountain Man mitigate some of the risks of launching a light beer?
8. Are there other strategic options for growth that Chris should evaluate?
9. Based on your consideration of all the questions above, should MMBC introduce a light beer?

SESSION 5: Product Positioning

Oct. 5 **Clean Edge Razor: Splitting Hairs in Product Positioning**

Topics Product positioning
New product launches and cannibalization effects
Clean Edge Razor Case

- Reading**
1. Sherman, Leonard, “Chapter 9: What Makes Products Meaningfully Different?,” from *If You’re In A Dogfight, Become A Cat! – Strategies for Long-Term Growth*, Columbia University Press, January, 2017
 2. Clean Edge Razor: Splitting Hairs in Product Positioning, Harvard Business School Case, January, 2011
 3. Clean Edge pro forma financials, posted to Canvas

Activities ***Prior to class***, review the pro forma forecasts of Paramount’s financial performance over the first two years of the Clean Edge launch either as a mainstream or niche product shown on tab TN B. All data used in the pro forma are in Exhibits shown on other tabs of the spreadsheet (which also display all case Exhibits) or from the case text. Post answers to questions #5 and #6 below on the link as indicated in Canvas.

Prior to class, teams assigned to the Clean Edge case writeup should also answer all the questions below in a <10 page Powerpoint document.

In class, all students should be prepared to discuss answers to the following questions regarding the Clean Edge case:

1. Use data from the case to compare the strategic position of competitors in this space in terms of recent growth and market share positions of their individual products. The Growth/Share matrix framework discussed earlier this semester would be helpful
2. What are the implications of this assessment on Paramount’s current competitive position and priorities for future product development and positioning in the marketplace?
3. The case is surprisingly silent on what the authors *mean* by a “Niche” or “Mainstream” launch strategy. Clarify your assumptions on how these two approaches would differ with respect to:
 - Total advertising and promotion budget
 - Types of customers targeted
 - Advertising and promotion channels used
 - Retail channels sold through
 - Any other distinguishing characteristics
4. What are the salient behavioral differences between key segments in the nondisposable razor market? Which segment(s) are most likely targets for Clean Edge in either niche, mainstream or both types of launches
5. What are the arguments for launching Clean Edge as a Niche product or a Mainstream brand?
6. Why is Al Rosenberg so opposed to a mainstream market launch for Clean Edge? Is he being rational, obstinate or both? If you were Paramount’s CEO, how would you constructively seek to shift his position?
7. Are the pro forma analyses as specified appropriate to guide Paramount’s decision-

making process? If not, identify three specific modifications to make the analysis more appropriate to recommend the proper positioning for Clean Edge?

8. Would you recommend launching Clean Edge as a Niche or Mainstream product? Substantiate your recommendation using data and assumptions from the case.

SESSION 6: Positioning Products and Services

Oct. 12 IKEA

Topics: Weaknesses with conventional product positioning paradigms
Distinctive positioning strategies
Cannibalization fears
IKEA Case

Reading: 1. Sherman, Leonard, "[IKEA in the US: From Big to Bigger](#)," *Columbia CaseWorks*, 2016
2. Youngme Moon, "Break Free From The Product Life Cycle," Harvard Business School, 2005

Activities: *Prior to class*, post your answers to the Short Assignment questions on Canvas.

Prior to class, teams assigned to the IKEA case writeup should also answer all the questions below in a <10 page Powerpoint document.

In class, all students should be prepared to discuss answers to the following questions regarding the IKEA case:

1. How would you characterize IKEA's value proposition? Describe their strategy in terms of Youngme Moon's characterization of "Reverse Positioning." What elements of their furniture offering were Eliminated, Reduced, Raised and Created? Summarize your answers in a four-quadrant chart
2. What accounts for the historical success of IKEA? Express in terms of how key elements of IKEA's strategy individually and collectively support their value proposition, as discussed in previous case studies?
3. What are the downsides of shopping at IKEA? How does IKEA's appeal vary by customer segment?
4. The case identifies 7 strategic options intended to improve IKEA's US profits and growth. Which three of these options do you think appears to have the most potential in effectively addressing key shortcomings in IKEA's current value proposition without compromising the brand's core values (feel free to suggest a strategic option not included on this list)? Explain your reasoning.
5. Which of these options would you likely NOT recommend and why?

6. What do you see as the major operational, marketing and management challenges in creating a world-class eCommerce capability for IKEA?

SESSION 7: Blue and Red Ocean Businesses

Oct. 26 Yellow Tail Case

Topics: Blue Ocean strategy concepts
Yellow Tail wine case

Reading:

1. [Kim, W. Chan and Renee Maubornge, “Blue Ocean Strategy,” Harvard Business Review](#), October 2004
2. [Yellow Tail Wines Breakaway Product Positioning](#), Columbia CaseWorks, 2013
3. [Yellow Tail’s Blue Ocean Has Turned Red!](#)

Activities: *Prior to class*, submit your answers on Canvas regarding how Yellow Tail might find its next Blue Ocean

Prior to class, teams assigned to the Yellow Tail case writeup should also answer all the questions below in a <10 page Powerpoint document.

1. What characteristics of the US wine industry historically rendered it a “red ocean”?
2. In what ways did Casella/W.J. Deutsch exploit “blue ocean” strategic opportunities in launching its Yellow Tail wines (what are the defining characteristics of a Blue Ocean strategy)?
3. What factors did Yellow Tail Eliminate, Reduce, Raise and Create in positioning Yellow Tail wine? What did its strategy canvas look like relative to competitors?
4. What were the enabling elements of Yellow Tail’s strategy, which contributed to its remarkable success? Why didn’t other “critter brands” initially achieve equal success?
5. In the last few years, a number of adverse factors have turned Yellow Tail’s blue ocean to red. Combining your team’s individual submissions in the short assignment, and applying the principles of Blue Ocean Strategy, how might Casella Wines/W.J. Deutsch best respond in capturing their next “blue ocean” market opportunity? Which of the product options shown in the attachment are most likely to succeed and why?
6. Are there other innovations W.J. Deutsch or Casella should consider?
7. Can “lightning strike twice” for either of these partners?

SESSION 8: Jobs to be Done

Nov. 2 Peloton (B): How Peloton Built the Foundation for Enduring Success

Topics: Jobs-to-be-done driven product differentiation and positioning
Design thinking
Peloton (B) case

- Reading:**
1. [Clayton M. Christensen, Taddy Hall, Karen Dillon and David S. Duncan, “Know Your Customers’ Jobs to Be Done,” *Harvard Business Review*, September 2016](#)
 2. Peloton (B), How Peloton Built the Foundation for Enduring Success, Columbia CaseWorks
 3. Donald R. Lehman, “What’s A Customer Worth,” Columbia Business School CaseWorks ID 070505, Spring 2008

Activites: *Prior to class* post to Canvas a brief description (<1 page) of a product or service from your experience that succeeded in the marketplace by identifying and fulfilling a “job consumers wanted to get done” better than competitive alternatives:

- What is the product?
- What job was it designed to perform?
- How/why did it succeed relative to competition?

This should not be one of the examples given in the “Marketing Malpractice” article assigned for this week

Prior to class, teams assigned to the Peloton (B) case writeup should also answer all the questions below in a <10 page Powerpoint document.

In class, all students should be prepared to discuss your answers to the following questions regarding the Peloton (A) case:

1. Why was Wall Street initially skeptical of Peloton’s business potential, as signaled by its disappointing early stock price performance? With the benefit of hindsight, what do you think investors missed in judging Peloton’s business potential and why?
2. Despite six consecutive years of 100%+ annual revenue growth, why did Peloton fail to achieve full-year profitability through FY2020. Under what conditions is it strategically sound for a company to deliberately trade off profitability for long-term growth? Did Peloton meet these conditions?
3. What evidence demonstrates that Peloton captured the value of its compelling consumer value proposition in the company’s financial and operating performance? Make the case by comparing Peloton’s Customer Lifetime Value and Customer Acquisition Costs, based on FY 2020 data
4. More generally, what are the key elements of Peloton’s business model that individually and collectively drive its business performance? Show some examples of how each factor or combination of factors contribute to Peloton’s current and/or expected long-term operating and financial performance. What evidence substantiates how well Peloton is performing for each of your examples?
5. How does Peloton compare to Uber on business model characteristics? Neither of these companies has created shareholder value as a public company relative to their last private equity valuation. Why?

6. What “moats” did Peloton build to help withstand competitive threats to its leadership position in the coming years? How easy will it be for competitors to replicate/threaten Peloton’s position in the market for connected fitness products? Who might pose the greatest threat?
7. In retrospect, what mistakes did Peloton make that caused the company to lose over 90% of its market value since its peak valuation in late 2020?

SESSION 9: Characteristics of Superior Business Models

Nov. 9

Uber Case

Topics: Leadership traits for driving continuous growth
Corporate entrepreneurship
Uber case

Reading: 1. Changing ‘The Way The World Moves,’ *Harvard Business School Case*, November 1, 2015
2. Len Sherman, [Can Uber Ever Be Profitable?](#), *Forbes*, June, 2019

Activities:

Prior to class, click here to submit your answers to the short assignment on the Uber case to Canvas

Prior to class, teams assigned to the Uber case writeup should also answer all the questions below in a <10 page Powerpoint presentation.

In class, all students should be prepared to discuss answers to the following questions regarding the Uber case:

1. Uber became enormously popular with consumers worldwide in a very short period of time. What were the key elements of Uber’s launch strategy that enabled the company to scale so rapidly?
2. Is the shared-ride market ultimately a winner-take-all business? Why or why not?
3. Uber has to satisfy three sets of stakeholders: customers, drivers and shareholders. How would you assess their progress to date in serving each of these constituencies?
4. Uber has been one of the fastest growing, highest valued startups in history. At the same time, they have lost more money faster than any other new venture. Why hasn’t Uber been able to make money?
 - What are the key assumptions underlying Uber’s business model? What would have to be true for Uber to be solidly profitable as it enters its tenth year in business?
 - Uber’s CEO claims he wants Uber to become the Amazon of transportation. Is this comparable appropriate? In what ways is this comparison valid or invalid?
5. Uber has historically been extremely aggressive in its business tactics, frequently launching into

new markets without getting regulatory approvals or wooing political leaders. As a consequence, the company has become a lightning rod for criticism. Was Uber reckless or cunning? ^[11]_[SEP]Are there downsides long-term?

6. In a recent earnings report, CEO Dara Khosrowshahi responded to critics (like myself) of Uber's operating model, by saying:

"I think that there's a meme around, which is can Uber ever be profitable. I've certainly heard that meme along with others. And I'll tell you, we have a business ... that has the potential and if we execute to be a spectacular business long term."

If you were advising the CEO on how or whether to rethink Uber's strategy going forward, what would you suggest (be specific as possible)? What do you think has inhibited the company from pursuing your recommendations to date?

SESSION 10: Developing New Products and Services

Nov. 16 Domino's Pizza Case

Topics: Product market strategies
Segmentation
Technology-driven transformation
Domino's case

Reading:

1. Sherman, Leonard, "Chapter 8: Brand Builders and Killers," from *If You're In A Dogfight, Become A Cat! – Strategies for Long-Term Growth*, Columbia University Press, January 2017
3. Boris Groyberg et al, "Tech with a Side of Pizza: How Domino's Rose to the Top," *Harvard Business School Case 9-421-057*, February 1, 2021

Activities:

Prior to class, based on the Domino's case, all students should answer the short assignment questions posted on Canvas

Prior to class, teams assigned to the Domino's case writeup should also answer all the questions below in a <10 page Powerpoint presentation.

In class, all students should be prepared to discuss your answers to the following questions regarding the Domino's case:

1. What were the internal and external challenges Domino's faced at the beginning of the case (2008)
2. What are the market and competitive characteristics of the QSR industry? Express in terms of a Porter's 5-factors assessment
3. What did Domino's do to turn around its performance? Describe the significance of each key strategy initiative
4. What was the logic behind the *sequence* with which Domino's executed their turnaround strategy?
5. Amazon has always prioritized (been obsessed with) serving customers. Which stakeholder(s)

did Domino's prioritize in implementing its turnaround strategy? Give examples to support your answer.

6. Domino's has chosen not to partner with third-party delivery services like DoorDash or Uber Eats? Is this an appropriate choice? Why? Be sure to think through Domino's competitive advantages and how third party distribution would affect Domino's and its competitors.
7. What are the key takeaways that other organizations can learn from Domino's turnaround?

SESSION 11: Disruptive Technologies and Reprise of Business Models

Nov. 30 Nubank Case

Topics: Disruptive Technologies
Predicting the next great disruptive technology
Big Bang Disruption

Reading: 1. Watch the disruptive technology lecture video and answer the questions after modules 6 and 7
2. Nubank: Democratizing Financial Services, Harvard Business School Case 9-321-068

Activities: ***Prior to class,*** watch the lecture video and case, and answer online questions regarding content

Prior to class, teams assigned to the Nubank case writeup should also answer all questions below in a <10 page Powerpoint presentation.

In class, all students should be prepared to discuss your answers to the following questions regarding the Nubank case:

1. How would you describe Nubank's consumer value proposition, corporate mission, and clearly defined target market that convinced its founders of untapped growth potential?
2. In what ways did Nubank's business/revenue models and strategic priorities directly support the company's mission, while distinguishing it from incumbent competition?
3. Unlike other ventures covered this semester who (unsuccessfully) raced to achieve global domination, in what ways did Nubank pursue disciplined growth on multiple dimensions –customer acquisition, credit limits, additional lines of business, and geographies?
4. What core capabilities did Nubank develop over time that were critical to its profitable growth?
5. What other factors has Nubank strived to maintain as it scaled its business – Customer centricity? Corporate culture? Other?

6. What are some examples of other companies that you're familiar with that reflect best and worst cases of keeping/losing a superior customer experience and/or supportive corporate culture?

SESSION 12: Connecting the Dots

Dec. 7 Review of Key Course Concepts

Topics: Strategic imperatives for long-term growth
 North Star corporate missions
 Corporate entrepreneurship
 Leadership imperatives for long-term growth

Reading: 1. Sherman, Leonard, "Chapter 12: Hitting the Bullseye," excerpted from *If You're In A Dogfight, Become A Cat! – Strategies for Long-Term Growth*, Columbia University Press, January, 2017

Activities: ***In class,*** be prepared to ask any questions you've been meaning to ask, but haven't!