

Syllabus

Business Model Innovation (1 year)
(3 ECTS)

Authors:

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1. Course Description

The course is delivered to master students of The National Research University Higher School of Economics in one module. The course length is 114 academic hours of which 34 hours are classroom hours for lectures and seminars and 80 hours are devoted to self-study.

a. Pre-requisites

Basics of business management

b. Abstract

Business Model Innovation is a topic rarely taught at universities. Companies are often confronted with the challenge to adjust their business model to changing environments but lack a profound understanding what they should change and to which extend. The course thus provides insights to students how companies can change their business model, identify opportunities for business model innovation and how such innovation and changes should be implemented in the organization. The course is designed for master students and represents an upper level course. It discusses business model innovation as one of the most important forms of innovation and stresses the need for organizations to adjust to changing environments and to adapt their business models. The course length is 114 academic hours in total of which 32 hours are class room hours and 82 are devoted to self study.

2. Learning Objectives

After the course student will know:

- main features of business innovation models;
- key factors for successfully designing and implementing business model innovation
- the management of different local business models under the umbrella of multinational companies.

3. Learning Outcomes

After the course student will be able to:

- classify change resulting from business model innovation;
- describe or evaluate risk inherent in business model implementing change.

4. Course Plan

<i>Topics</i>	<i>Total hours</i>	<i>In-room classes</i>		<i>Self-study</i>
		Including		
		Lecture	Seminars	
The meaning of business model innovation	26	4	2	20
Main areas of change in business model innovation	26	4	2	20
The implementation challenges of BMI in large corporations: The role of culture for innovation	30	6	4	20
Business models for markets – multinationals with diverging local business models	32	6	4	22
TOTAL:	114	20	12	82

Topic 1. The Meaning of Business Model Innovation

Business models and Business model innovation (BMI) are relatively new notions for economists and management practitioners and they are still hotly debated. Nevertheless, the significance of BMI in modern corporate strategy and competition is broadly accepted. Putting BMI in the adequate conceptual context, understanding key factors driving its growing importance in the current business environment becomes very timely task from both theoretical and practical perspectives.

Topic 2. Main areas of change in business model innovation

There could be a huge number of changes in the course of BMI process but it would be important to define the key directions of these changes that have already proved to be a success in the global and national context. Another significant issue relates to the scale of these changes and their potential influence on the specific industry structure and market organization. One of the key recent trends covers disruptive business model innovation leading to major industry transformations and establishment of new standard industry business modules.

Topic 3. BMI in corporate context: Culture and design

BMI poses challenges for established companies, once they are dealing with changing market conditions, qualitatively changing the environment for the companies. This unpacks changes in routines, behavioral patterns and most importantly corporate culture. Organizationally, integration and/or coexistence are most widely deployed strategies. BMI in new venture creation has a different angle of seeding the right culture from the onset of the company. The balance between growing a substantially rigid structure and keeping flexibility is a tricky one. BMI goes beyond the purely commercial focus, as the concept is suitable for social business and non-for-profit as well, including very loose networks.

Topic 4. Business models for markets – dealing with divergence

Market conditions differ horizontally between the national markets and/or segments, as well as vertically between the value chain segments and partners. Balancing between centralized and custom policies and guidance is a dynamic process, much dependent on industry and market specifics but as well processes layout and communication culture. The concept of corporation is a model as well and needs to be evaluated within the framework of BMI.

5. Reading List

a. Required

Afuah A. Business Model Innovation: Concepts, Analysis, and Cases. Routledge, N.Y., 2014;

Osterwalder A. The Business Model Ontology: A Proposition in the Design Science Approach. University of Lausanne, 2004;

Osterwalder A., Pigneur Y. Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers. Wiley, N.Y., 2010;

Kaplan S. The Business Model Innovation Factory: How to Stay Relevant When the World Is Changing. Wiley, N.Y., 2012;

Muelhausen J. Business Models for Dummies. Wiley, Hoboken (NJ), 2013;

Teece David J. Business Models, Business Strategy and Innovation // Long Range Planning. 2010, vol. 43, Issue 2, pp. 172-194;

Magretta J. Why business models matter. Harvard Business Review. May 2002, pp. 86-92;

Johnson M., Christensen C., Kagerman H. Reinventing Your Business Model // Harvard Business Review. December 2008;

Shafer Scott M., Smith H. Jeff, Linder Jane C. The Power of Business Models// Business Horizons. 2005, Vol. 48, Issue 1, pp. 199-207;

Amit R., Zott C. Creating Value Through Business Model Innovation// MIT Sloan Management Review. 2012, vol.53, No 3, pp. 41-49;

BCG. Business Model Innovation: When the Game Gets Tough, Change the Game. N.Y., 2009.

Bereznoy A. Shaping Competitive Landscape Through Business Model Innovation: The New Imperative for Corporate Market Strategy. Journal of the Knowledge Economy. (published online 2015 URL: <http://link.springer.com/article/10.1007/s13132-015-0324-x>)

b. Optional

Announced in the lecture / seminar

6. Grading System

Final control (F): written exam

Seminar (S): home assignment based on team work (case study)

The overall course grade (10-point scale) is calculated as a sum of

$$G = 0,2 F + 0,8 S$$

The overall course grade G (10-point scale) includes results achieved by students in their exam F, seminar (S); it is rounded up to an integer number of points.

Your grade will be based on home assignments based on team work (case studies (80%)) and a written final exam (20%). You should work together in teams on your cases, and should hand in a joint solution with all of your names on it. There are 4 in-class case studies.

Ten-point scale [10]
1 – unsatisfactory
2 – very bad

3 – bad
4 – satisfactory
5 – quite satisfactory
6 – good
7 – very good
8 – nearly excellent
9 – excellent
10 – brilliant

7. Course Assignments

Home assignment based on team work (case study)

8. Examination Type

Written exam

9. Methods of Instruction

Lecture and seminar

10. HSE Library E-resources

Emerald Emerging Markets Case Studies.

URL: https://www.emeraldinsight.com/topic/cs_all?sortBy=Ppub

11. Software Support, including Open-Source Database Software

- Microsoft Windows 7 Professional RUS: internal university network (agreement)
- Microsoft Windows 10: internal university network (agreement)
- Microsoft Windows 8.1 Professional RUS: internal university network (agreement)
- Microsoft Office Professional Plus 2010: internal university network (agreement)

12. Special Equipment

Classrooms for lectures provide proper use and presentations of particular topics, specifically:

- PC with internet access and office software or laptop
- multimedia projector
- screen
- flipchart