

VALUE CHAIN AND BUSINESS ECOSYSTEMS MANAGEMENT

Total Course Load: 80

Course Description:

Competitive advantage, value creation, profitability pools, relative cost and relative price position, business management, value chain, supply and demand management, industry structure, firm resources and capabilities, activity systems, new venture/innovation, product design and production, business concepts and models, logistics, supply chain management, inter-firm coordination, business ecosystems structure, nodal advantage and strategies.

Objectives:

By completion of the program, students will be able to:

- Understand value creation, competitive advantage and profitability sources of a firm;
- Analyze firm-level value chains to develop competitive advantage and improve profitability;
- Practice venture/innovation value chains to develop a new product;
- Recognize global and local industry-level value chains to design competitive supply chains;
- Understand competition in a networked economy – leveraging business ecosystems; Students will build from these concepts and practice to have an integrative perspective of business development and management.

Program Content:

The course Value Chain and Business Ecosystems Management evolves from the concept of value chains, initially defined by Porter (1985) to business ecosystems, first defined by Moore, 1993 and more recently leveraged to overcome output-centric industry definitions in a networked economy. The underlying logic is to provide value chain/ecosystems management tools and to the extent possible, practice them through cases, exercises and a group project involving venture/innovation value chains in the design of a new product.

The course starts with an introduction to value creation, competitive advantage and profit pools, involving analysis of relative price and relative cost to relate the value chain and the business P&L. Then, the course unfolds in three main parts with different time dedication: the first one, firm-level value chains offers an integrative perspective of business management including its supply side (sourcing, inbound logistics, technology and production management), demand side (sales, marketing, distribution and revenue) and the value side (profit, cost and value-based management), from a strategic, planning and operations perspective. Students will develop a product design/production group project to experience the venture/innovation value chain within a firm, leveraging our FabLab and TechLab facilities.

The second part, industry-level value chains, builds on the extended enterprise concept to design differentiated supply chains (first defined by Keith Oliver, 1982). Competition is not anymore restricted to one firm but in how they interact/coordinate with anterior (suppliers) and posterior (clients) firms in their value chain, i.e. supply-chains are designed to link firm-level value chains from raw material producers to the delivery of final products to clients. Different cases and recent trends are going to be used to discuss tools and approaches to supply chain management.

Finally, the third part of the course discusses business ecosystems from its definition by Moore (1993) as a parallel to nature ecosystems evolution and dynamic characteristics, to recent strategies to build and compete with ecosystems – from competitive advantage of a firm to nodal advantage in an ecosystem (Kumar et al, 2015). Case discussion and

experiencing ecosystems among the groups in the venture/innovation value chain groups in the first part will be used to apply the concepts and ideas of business ecosystems.

Basic Bibliography

Books:

SHAPIRO, J., **Modeling the Supply Chain (Duxbury Applied)**, 2ª ed., Cengage Learning, 2006

MOORE, James F., **The Death of Competition: Leadership and Strategy in the Age of Business Ecosystems**, a ed., Harper Paperbacks, 1997

MAGRETTA, J., **Understanding Michael Porter: The Essential Guide to Competition and Strategy**, 1ª ed., Harvard Business Review Press, 2011

Articles:

DASS, M.; Kumar, P.. Bringing product and consumer ecosystem to the strategic front..

Business horizons, , v. 57 , p. 225-234 , 2014. ; Available in:

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Complementary Bibliography

Books:

CHIPCHASE, J.; STEINHARDT, S., **Hidden in Plain Sight: How to Create Extraordinary Products for Tomorrow's Customers**, a ed., HarperBusiness, 2013

PORTER, M.E, **Competitive Advantage: Creating and Sustaining Superior Performance**, a ed., The Free Press, 1998

STEAD, Jean Garner, STEAD, W. Edward, **Sustainable Strategic Management**, 2ª ed., Routledge, 2013

ADNER, Ron, **The Wide Lens: A New Strategy for Innovation**, a ed., Portfolio, 2012

PRESUTTI JR., W. D.; MAWHINNEY, J., **Understanding the Dynamics of the Value Chain**, a ed., Business Expert Press, 2013

Articles:

KUMAR, P.; KUMAR, S.; DASS, M.. From competitive advantage to nodal advantage:

ecosystem structure and the new five forces that affect prosperity.. **Business horizons**, , v.

58 , n. 4 , p. 469-481 , 2015. ; Disponível em:

<https://www.sciencedirect.com/science/article/pii/S0007681315000403?via%3Dihub>.

Access in 14 jun 2019.

HARSEN, M. T.; BIRKINSHAW, J. . The Innovation value chain. HBR Spotlight. **Harvard**

business review, , v. 85 , n. 6 , p. 121-130 , 2007. ; Disponível em:

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