

Parsons The New School for Design

School of Design Strategies - BBA Program in Design & Management

Course Title and Number

PSDS 3106: Business Models and Planning

Time and Location: 63 Fifth Ave. Room 411
Spring 2014

Instructor Information

Instructor: Craig Bromberg

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Short Catalogue Course Description

A comparative study of business models and planning, this course provides students with an understanding of the basic components of all business models and the ability to ask the questions and conduct the research that will enable them to understand how any business is constructed. Topics include internal components (mission and objectives; organizational facilitators and leadership; financial structure, etc.) and external components (external environment and competitive positioning; pricing mechanisms; cultural and geographic landscape, etc.).

Learning Outcomes

By the end of the semester, students should have:

1. An understanding of the components of business models and the ability to differentiate among types of businesses and business models;
2. The ability to compare and analyze business models, including the relative competitive positioning of businesses;
3. The ability to create and appraise understand customer value and the relationship of value and market size to appraising opportunity;
4. Develop a business model to assess competitive opportunities, capitalize on firm resources and activities, product design, pricing, marketing, risk management, and performance
5. Develop a strong theoretical and practical framework for understanding business models, their linkages, and their importance in new economies;
6. A familiarity with the new strategic space and possible points of insertion for those who wish to engage in new or existing ventures.

Readings and assignments

Business Models and Planning online will require your participation through regular weekly submissions of written work that will be research and case-based. Since BMP is a large topic, you will be required to research online outside of your immediate course material and present those contributions. You will be assessed for these activities on a continuous basis through periodic examinations, papers, quizzes, and projects.

Recommended (only) Texts:

- 1) Afuah, A., Business Models: A Strategic Management Approach, McGraw-Hill, 2004, ISBN-13 9780072883640 (out of print; a custom version is available at <http://www.MHHE.com> under Create ISBN-13: 9781121118058; Create ISBN-10: 1121118054 Project Name: Allan Afuah Business Models; Net Selling Price: USD \$52.96)
- 2) <http://www.businessmodelgeneration.com/book> (part of the book is available as a 72-page preview pdf but you should buy it)
- 3) Komisar, Randy, The Monk & The Riddle, The Art of Creating a Life While Making A Living, <http://www.amazon.com/Monk-Riddle-Creating-Making-Living-ebook/dp/B003XMX4KA/>
- 4) Johnson, Steven Berlin, Where Good Ideas Come From, <http://www.amazon.com/Where-Good-Ideas-Come-Innovation-ebook/dp/B003ZK58TA/>
- 5) Maurya, Ash, Running Lean, <http://www.amazon.com/Running-Lean-Iterate-Works-OReilly-ebook/dp/B006UKFFE0/>
- 6) Martin, Roger, The Design of Business, <http://www.amazon.com/Design-Business-Thinking-Competitive-Advantage-ebook/dp/B004OC07J4>
- 7) Blank, Steve, The Startup Owners Manual, <http://www.amazon.com/Startup-Owners-Manual-Step---Step-ebook/dp/B009UMTMKS>

Vital Resources:

- 1) <http://www.businessmodelgeneration.com/>
- 2) <http://www.google.com/search?q=business+model+frameworks&hl=en&client=safari&rls=en&prmd=imvns&tbo=isch&tbo=u&sOURCE=univ&sa=X&ei=OqghT8PRE6Lf0QHQy8XJCA&ved=0CDIQsAQ&biw=1485&bih=842>
- 3) <http://internetbusinessmodels.org/>
- 4) Altimeter Group whitepapers: www.altimetergroup.com
- 5) <http://hackfwd.com/kthxbai>
- 6) Tom Eisenman handout

Technical Instructions for Written Assignment Submissions

- Deadlines for written assignments are always Sundays at 11:59 p.m.
- Submit the assignments through the “Assignment” tab on Canvas
- **Follow this file naming convention for your submissions:**
LastnameFirstnameAssignmentName, e.g.
BrombergCraigCaseStudy1.doc;
- Submit files saved in Rich Text Format (“.rtf”) or Portable Document Format (“.pdf”) under the “Save As” so you don’t port viruses
- Don’t use any special characters when naming your files;
- Don’t submit written work through “Send Mail” course function under the “Communications” menu; use that only for otherwise course-relevant, privileged communication;
- Don’t submit homework files outside of the Canvas course through email or such unless you clear it first.

Instructions for Written Assignments

There are two types of assignments:

- 1) Weekly papers on particular business model examples (see weekly schedule below). These are quick and dirty two-pagers for you to see if you are “getting” the basic concepts.
- 2) An individual and a group project:

Individual Critical Summary due last week of class: Pick any of the resources from the <http://internetbusinessmodels.org/> and present with case study examples.

Group Project due last week of class: TBD

(Tentative) Course Schedule

Topics will be considered in the following order, with assigned case problems, and due dates for research assignments and written assignments. Please note assignments are tentative and may be changed at the instructor's whims.

<u>Week</u>		
1	January 28	Introductions. Why are we here?
	Read:	http://en.wikipedia.org/wiki/Business_model
	Start asap	Komisar to page 150; Johnson to page 64
		http://www.jumpassociates.com/needfinding-the-why-and-how-of-uncovering-peoples-needs.html
2	February 4	Business Model and the Designer
	Read:	http://en.wikipedia.org/wiki/Business_model_design
		Martin, Ch. 1-3
	Write:	What is a designer's role in designing a business model? (2 pages, double-spaced, font 12)
3	February 11	Business Model Components 1
	Read:	http://en.wikipedia.org/wiki/Business_reference_model
		http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture_The_Process_of_Process_Management.pdf
		Osterwalder
	Write:	What are the dozen (or so) essential components of a business model (from your readings so far)?
4	February 18	Business Model Components 2
	Read:	http://blogs.hbr.org/2010/01/is-your-business-model-a-myste-1/
		Osterwalder, pp1-44
	Write:	Using (TBDCo) as an example, write the canvas script of the "right side" of the model
5	February 25	Running Lean
	Read:	Maurya, Part 1
		Osterwalder, 44-119

	Write:	Using (TBDCo) as an example, write the canvas script of the “left side” of the model
6	March 4	Social business
	Read:	Altimeter: http://www.slideshare.net/slideshow/view/3729149?login=jeremiah_owyang&title=social-strategy-gettingcompanyreadyapr14final
	Write:	Case Study 1: Google. Articulate the Google business model using related reading as your guide. Support (and reference, cite, and document) your research with additional research on Google.
7	March 11	Business plans v Business models in depth
	Write:	Case Study 1: Amazon. Articulate the Google business model using related reading as your guide. Support (and reference, cite, and document) your research with additional research on Google
8	March 18	Business model performance
		Maurya
		Everpix article and data set: http://www.theverge.com/2013/11/5/5039216/everpix-life-and-death-inside-the-worlds-best-photo-startup https://github.com/everpix/Everpix-Intelligence?utm_content=bufferc8424 http://lem.cnrs.fr/Portals/2/actus/DP_200909.pdf
	Write:	Case Study 1: AOL. Articulate the Google business model using related reading as your guide. Support (and reference, cite, and document) your research with additional research on Google.
		SPRING BREAK
9	April 1	Making it Real
	Read:	Steve Blank
		http://upandrunning.bplans.com/2011/02/28/business-model-vs-business-plan-vs-business-planning/
		http://www.entrepreneurship.org/resource-center/business-planning-building-an-effective-business-model.aspx

	Write & do:	Group Business Model Prep
10	April 8	Profitability and Competitive Advantage in a Business Model
	Read:	Blank and Maurya, Part 2
		Prepare first week's canvas
11	April 14	Innovation, Sustainability, and Change
	Read:	Paul Hawken, Natural Capitalism, Part 1
	Write:	Sustainability and Stakeholder Engagement: (2 pages, double-spaced, font 12)
12	April 22	Financing & Valuing Business Models
13	April 29	Group Business Model Competition
	Read	TBD
14	May 6	Group Business Model Competition
		TBD
15	May 13	Conclusions

Assessable Tasks

As you can see from the outline above, this course involves a lot of reading and writing. You will be responsible for writing and submitting a series of weekly papers on the reading assignments. Please consult the writing and other assignment guidelines in the “resources” section of the course on Canvas.

Evaluation and Grading

Class participation (discussions) 30%

Homework assignments 30% (15% for weekly Study Questions, and 15% for Company Case study analysis of its business components, their dynamic linkages, and/or the business system)

Individual Project 20%

Group Project 20%

Workload

On average, you should calculate 6 hours of reading time and preparation for each class session (University policy), which amounts to a total of 9 hours including your online presence that equates to class presence of on-site courses. Again, this is the expectation of the University for you to spend your time on the course. I remind you that you are deemed a full-time student.

Resources

We have compiled an extensive repertoire of resources in the “Resources” section of the course; please be sure to consult it regularly for updates.

Also:

- Fogelman Library, 65 Fifth Avenue
- Bobst Library, 70 Washington Square South
- Science, Industry, and Business Library, 188 Madison Avenue at 34th Street
- University Writing Center, 70 Fifth Avenue
- Tutoring through the Office of Academic Advising, 2 West 13th Street

Free tutoring is available through the office of Academic Advising. Time spent with a tutor is time well spent as it allows you to work on specific issues in your writing, which may not be addressed in class. The office of Academic Advising is located on the 5th floor in the 2 West 13th Street building.

Additional help with writing can be found at the Writing Center, which is located on the ground floor of 70 Fifth Ave. For more information or to make an appointment, visit <http://www.newschool.edu/admin/writingcenter/parsonscntr.html>.

Feel free to see me and/or contact me via e-mail if you need to discuss assignments, grades, or other course-related issues.

General Policies & School Policies:

• RESPONSIBILITY

Students are responsible for all assignments, even if they are absent from class. Late papers, failure to complete the readings assigned for class discussion, and lack of preparedness for in-class discussions and presentations will jeopardize your successful completion of this course.

• PARTICIPATION

Class participation is an essential part of class and includes: keeping up with reading, coming to class regularly and on time, contributing meaningfully to class discussions, and active participation in group work.

• ATTENDANCE

Regular, on-time class attendance is required. Students with repeated absences and/or lateness for any reason risk a substantial negative impact to their grade, including failure. Excessive or repeated instances of lateness may be counted as absences. **Students who have three or more absences risk failing the course.**

For on-line classes: a student who is absent, i.e. shows no activity, no contact with the instructor and/or course for two weeks should be reported to the department and the divisional academic affairs for follow-up. Such an absence may be ground for dropping the student from the course and/or failure.

• DELAYS

In rare instances, the instructor may be delayed arriving to class. If s/he has not arrived by the time class is scheduled to start, you must wait a minimum of thirty minutes before leaving. In the event that the instructor will miss class entirely, a sign will be posted on the classroom door.

• PLAGIARISM

Plagiarism or cheating of any kind in the course of academic work will not be tolerated. Academic honesty includes accurate use of quotations, as well as appropriate and explicit citation of sources in instances of paraphrasing and describing ideas, or of reporting on research findings or any aspect of the work of others—including that of instructors and other students. These standards of academic honesty and citation of sources apply to all forms of academic work: examinations, essays, theses, computer work, art and design work, oral presentations, and other projects.

It is the responsibility of students to learn the procedures specific to their discipline for correctly and appropriately differentiating their own work from that of others. Compromising your academic integrity may lead to serious consequences, including (but not limited to) one or more of the following: failure of the assignment, failure of the course, academic warning, disciplinary probation, suspension from the university, or dismissal from the university.

Every student at Parsons signs an Academic Integrity Statement as a part of the registration process. With this signature, you certify that you are familiar with and understand, and will adhere to and uphold, the spirit and standards of academic integrity as set forth in the Parsons Student Handbook.

• **STUDENT DISABILITY SERVICES**

Any student who needs special academic accommodations because of a disability should meet with Jason Luchs in the office of Student Disability Services. Mr. Luchs will conduct an intake interview, and if appropriate, provide an academic accommodation notification letter for the student to bring to his/her professors. Professors will review the letter with the student and discuss these accommodations in relation to their specific courses. Mr. Luchs' office is located at 79 Fifth Ave, 5th Floor. The office number is 212-229-5626. You may also find more information at: <http://www.newschool.edu/studentservices/disability/>.

School and Department Grading Guidelines for written work

- F <60%

Inadequate work; does not adhere to the minimum standards set forth for a passing grade (D).

- D 61-66%

The paper adheres to all of the general guidelines of formatting, page-length, and the minimum terms of the assignment. Written work receiving a "D" grade may be a simple restatement of fact or commonly-held opinion. These kinds of papers also will tend to put forward obviously contradictory or conflicting points of view. "D" papers may also have serious organizational and grammatical errors in evidence, which may or may not impede the reader's ability to understand the author's point.

- C/C+ 67-75%

These are average papers. They will demonstrate some success in engaging with the assigned readings or material. The paper will show that the student can identify and work with key terms and passages in a text and apply them to ideas and examples found in other texts, or other outside material. Additionally, the paper will demonstrate effort in the areas of analysis and critical thinking by posing an interesting problem or question. Typical of a "C/C+" paper, however, is that the original problem or question, once asked, does not move the paper forward. Often, there is no real solution given, or there is a variety of possible solutions put forward without a clear sense of where the author's commitment lies. "C/C+" papers may also have significant organizational, grammatical and/or editorial errors in evidence. These errors may periodically impede the reader's ability to understand the author's point, or may lead to a paper that seems repetitive or circular.

- B/B+ 77-87%

These are very good papers. The “B/B+” paper does everything a “C/C+” paper does, but offers a sustained and meaningful structure to a critical endeavor that is more complex than a paper at the “C/C+” level. What also distinguishes a “B/B+” paper is the author’s ability to offer a unique insight, to ask questions of primary or secondary source material, and/or to set up a debate between texts or points of view. The author’s point of view is clear and an argument is sustained fairly consistently throughout the paper. “B/B+” papers are logically organized, and also respond to the assignment in thoughtful and distinctive ways. Although minor grammatical and editorial errors may be present, they are under control and do not impede meaning or clarity in the paper.

- A <88%

These are exceptionally good papers that go above and beyond the expectations and requirements set forth in the assignment. They demonstrate substantial effort and achievement in the areas of critical thinking and scholarship. They also demonstrate considerable interpretive connections between concrete ideas or textual moments, a high level of analysis, and flexibility of argument. The argument or point of view that is offered is consistent throughout the paper, and governs the use and interpretation of all examples, and primary and/or secondary source material. “A” papers are very well organized, and are free of grammatical and editorial errors.

Given these criteria, the majority of papers in a class can be expected to fall in the “C” to “B+” range. Although minus grades are not included here, they are generally used in those cases where a student has fallen just short of achieving all the elements characterizing a paper in a particular grade range.

Note: For additional criteria and rubrics-based expectations with respect to your written and oral expression see the guidelines document in the Resources section.

All grades are at the discretion of the instructor.