



**Ecole nationale des ponts et chaussées**  
**School of International Management**

TIAS / NIMBAS Business School  
Executive Master in Business Innovation  
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**Module on “Business Models”**

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**Lecturer**

Tawfik Jelassi is Dean of the School of International Management at the Ecole Nationale des Ponts et Chaussées (Paris) and Professor of e-Business & Information Technology there. Prior to that, he was Associate Professor and Co-ordinator of the Technology Management Area at INSEAD (Fontainebleau). Dr. Jelassi holds a Ph.D. from New York University (Stern School of Business) and graduate degrees from the Université de Paris-Dauphine. His research focuses on the strategic use of IT, electronic commerce and e-business. It has appeared in his five books, the latest of which is entitled: *“Strategies for e-Business: Creating Value through Electronic Commerce and Mobile Commerce”* (second edition, Financial Times / Prentice Hall, 2008). Professor Jelassi has published over eighty research articles in leading academic journals and conference proceedings, and was awarded several teaching and research excellence awards. He has taught extensively on MBA and executive programs in over a dozen countries around the world and has served as an advisor to international corporations and government organizations.

**Module Background**

Particularly in the last decade, technological progress has led to the emergence of new business models in different business sectors. New or emerging technologies (such as the wireless Internet, nanotechnologies, machine-to-machine breakthroughs, voice over IP, Web 2.0, RFID, and hydrogen fuel-cell technology) are some of the recent technological advances. Online start-ups or bricks-and-mortar incumbents have been leveraging these new technological capabilities in order to create value for the market place or to transform their business model. Actual examples of such companies in different industries and countries are analyzed along with some related concepts and frameworks.

## **Module Objectives**

The central objectives of this module are as follows:

- To appreciate the complex character of emerging technologies as involving technical, organizational, financial and cultural aspects;
- To explore how companies or entrepreneurs leverage emerging technologies for value creation and/or business transformation;
- To assess critically some of the existing business models for emerging technologies in the context of varying industries and sectors, different countries and organizational set-ups;
- To analyze the evolution of 'traditional' business models as a response to emerging technologies and disruptive innovations; and
- To understand how new business models impact the sustainability of the value created (along a product, service and/or process dimension), how they change internal management and organizational requirements, and more generally how they influence the industry environment.

## **Module Content**

Topics to be discussed in this course include the following:

1. Business Models: Some fundamental issues
2. Technological advances, globalization and deregulation as the basis for the emergence of new business models
3. Leveraging new and emerging technologies for value creation and business competitiveness
4. New business models – a systematic overview
5. Impact of new business models on industry structure and organizational behavior
6. Management of new business models – requirements for organizational design and management systems.

## **Textbook:**

The required textbook for the course is Dr. Jelassi's book: '*Strategies for e-business: Creating value through electronic and mobile commerce*' (second edition, Financial Times/Prentice Hall, July 2008).

## **Module Conduct**

The module provides the analytic and conceptual foundations for understanding the impact of new business models, using a combination of lectures, discussions, case studies, and videotaped executive testimonies. Thus, for the class to work well, all participants are expected to arrive in class having read the assigned case studies and readings, and to be prepared to offer and defend their analysis and recommendations.

A typical class session will consist of two parts. First, the Professor will make a presentation on the topic of that session. Then after a short break, the designated students' team (or teams) will present to the class their answers to the case study questions (in a maximum of 5 minutes per question), and (2) submit to the Professor at the start of the class an electronic and paper copy of the group's PowerPoint presentation slides. At the end of the presentation, the designated "challengers' team(s)" will challenge the presenters by asking questions and/or making some additional comments related to the group's analysis. Obviously, for the presenters and challengers to play effectively their role, each MBI participant is expected to have read in advance the case study assigned to the class session and have thought of the answers to the case study questions.

## **Module Outline**

Pre-Reading – please glance at Chapter 14 of the textbook to understand the use of case studies for providing richness in context and business setting.

### **Friday 24<sup>th</sup> September (9:00-12:15)**

Themes: - Introduction to the course

- Dimensions of business innovation

Prepare case: - From A(pples) to Z(oom lenses): Extending the boundaries of multichannel retailing at Tesco.com (UK) – case study # 1 in the textbook –

Read:

. Chapters 1, 2 and 3 of the textbook

. Mohanbir Sawhney, Robert C. Wolcott, and Inigo Arroniz, "The twelve different ways for companies to innovate", *MIT Sloan Management Review*, Spring 2006, Vol. 47, No. 3, pages 75-81.

Questions for the case study:

1. In what ways does Tesco.com expect to benefit from its online initiative?
2. How could Tesco leverage the data it gets from its loyalty "Clubcard" program?
3. Which strategic decisions did Tesco make and how did these decisions contribute to the success of Tesco's multi-channel retailing business? How about the business model they used for their multi-channel retailing?
4. What recommendations would you make to Tesco.com management in order to sustain the company's competitive advantage?

### **Friday 24<sup>th</sup> September (13:00-18:15)**

Themes: From e-Commerce to e-Business

Managing Value Networks and Outsourcing

Prepare case: Ducati (Italy) vs. Harley-Davidson (USA) – case study # 4 in the textbook –

Read:

. Chapters 4, 5 and 6 of the textbook

. Mark W. Johnson, Clayton Christensen, and Henning Kagermann, "Reinventing your business model", *Harvard Business Review*, December 2008, pages 51-59.

Questions for the case study:

1. How would you compare the e-business/e-commerce strategy of Ducati and of Harley-Davidson? How would you explain the differences between these strategies among two leading motorcycle manufacturers?
2. What are the advantages and drawbacks (including those that are business model related) for Ducati to outsource some activities of its value chain?
3. Do you think that Ducati's decision to diversify its products with the exclusive online sale of new motorcycle models could be the starting point of a new strategy? More generally, what future actions would you recommend to the Ducati management in order to sustain their lead in e-business and e-commerce?
4. What lessons would you draw from the Ducati vs. Harley-Davidson case study? How applicable are these lessons to other manufacturing companies?

### **Friday 24<sup>th</sup> September (18:30-20:00)**

Group work on your own venture

### **Saturday 25<sup>th</sup> September (9:00-12:15)**

Themes: Mass-Customization through the Internet  
Internet-based Social Networks

Prepare case: - Spreadshirt.com – case study # 14 in the textbook –

Read:

- . Chapters 7, 8, 9 and 10 of the textbook
- . Henry W. Chesbrough, "Why companies should have open business models", *MIT Sloan Management Review*, Winter 2007, pages 22-28.

Questions for the case study:

1. How would you compare the product portfolio and business model of Spreadshirt.com to those of a 'traditional' merchandising company?
2. How unique and sustainable are the value proposition and business model of Spreadshirt.com? Could they be easily copied by existing competitors or new entrants?
3. Would you consider Spreadshirt.com as an Internet-based social network? Defend your arguments.
4. What actions would you recommend to the management of Spreadshirt.com in order to maintain the company's first-mover's advantage in Germany and further grow its business internationally?

### **Saturday 25<sup>th</sup> September (13:00-16:30)**

Themes: Business Transformation through IT  
Course wrap-up

Prepare case: - Otis Elevator (USA) – case study # 5 in the textbook –

Read:

- . Chapters 11, 12 and 13 of the textbook
- . Clayton Christensen, Mark Johnson and Darrell Rigby, "Foundations for growth: How to identify and build disruptive new businesses", *MIT Sloan Management Review*, Spring 2002.

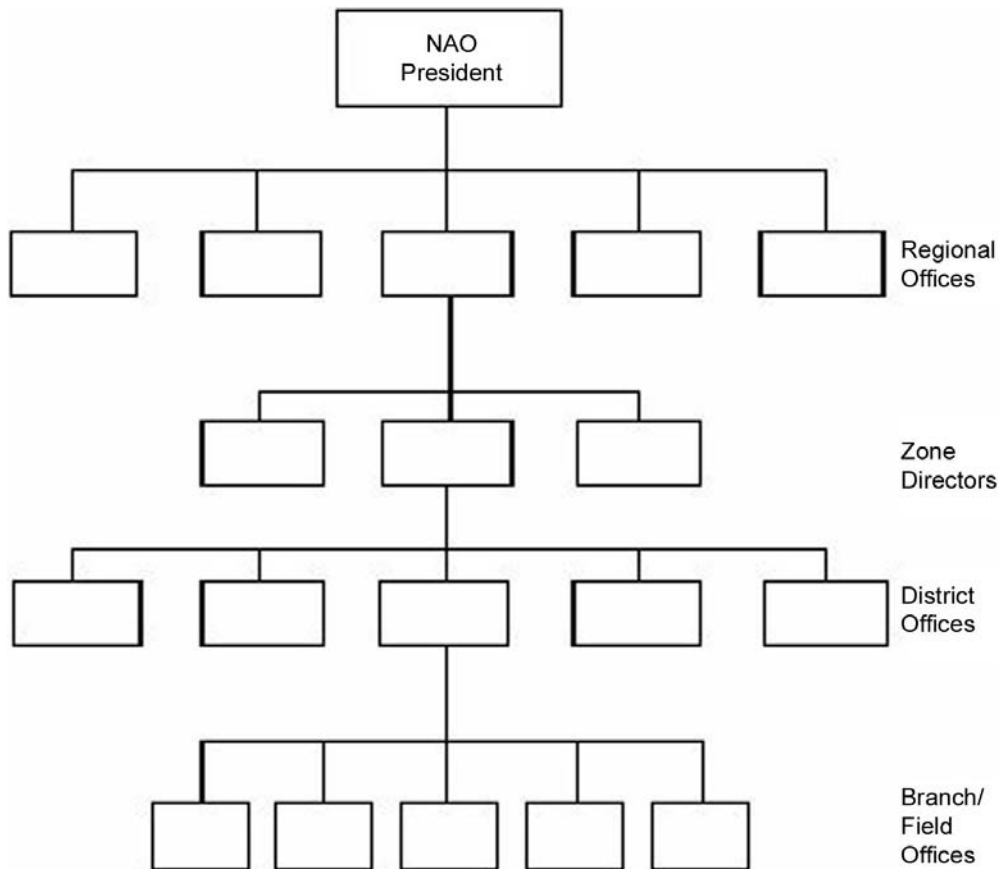
Questions for the case study:

1. How hard do you think installing Otisline was? (Be sure to look at the organizational chart included in the last page of the course syllabus).
2. The IT tools being used by Otis in 2004 are simply e-mail, databases, workflow software, Intranets and Extranets but the benefits appear to be extraordinary. How can this be?

3. An Otis manager states in the case study that: “To achieve continuous transformation, the e\*Logistics programme makes sure the business process change sticks. At first, business executives saw process improvements from SIP, but after even just a few employees left, benefits fell off and became inconsistent. With the e\*Logistics program, best practices from SIP are baked into the organization and institutionalized to achieve that continuous transformation.” How are the systems that comprise the e\*Logistics program baked in an institutionalised practice?
4. What lessons (including those that are business model related) would you draw from the Otis Elevator case study? How relevant are these lessons for other manufacturing or service companies?

*Otis Elevator case study*

Organization Chart for Otis North America region



Regional offices are geographically dispersed throughout North America.  
Zone directors have three to five district managers reporting to them.  
District managers have two to six branch/field offices reporting to them.