

VICTORIA UNIVERSITY OF WELLINGTON
Te Whare Wānanga o te Ūpoko o te Ika a Māui



Victoria Management School

MMBA 574
THE INFORMATION ECONOMY

Trimester 2 - 2005

COURSE OUTLINE

Course Coordinator

Bronwyn Howell

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Class Times and Room Numbers

9am-4.30pm - July 23 and July 24; September 3 and 4; September 24 and 25.

RHLT3

Course Objectives

The broad aim of the course is to provide participants with an understanding of the economic and strategic principles underpinning the development of the Information Economy and Electronic Commerce, and to provide the participants with the opportunity to develop skills in critical analysis of the ways in which firms and governments are participating in the developing information economy.

Course Content

This elective is suitable for both full time and part time students. It is proposed that the course will comprise three distinct sections. The theory component will explore the theory relating to the economics of information and its relationship to commercial activities. Next, the course will examine the evolution of the Information Economy, and the implications of this on the strategic options facing firms and organisations, in relation to both external positioning and the internal allocation of resources in order to develop and exploit information assets. This section will utilise case studies to explore how firms and organisations have approached these challenges. Finally, the course will ‘scan the future’ and examine the ways in which policy development, both national and international, may affect the development of firms producing and trading ‘information goods’, the development of electronic commerce and the growth of the ‘information economy’. The course thus has a strategic focus, and addresses both management and policy development issues, making it suitable for both public and private sector practitioners. No technical background or experience in managing information and communication technologies is required. The relevant core papers that this elective builds upon are MMBA503 Economics, MMBA505 Organisational Behaviour and MMBA 507 Information Systems, and it is a complement to MMBA534 Strategic Management. It is also a complement to the electives MMBA577 Macroeconomics, MMBA579 Advanced Corporate Management, MMBA541 Strategic Modelling, MMBA559 Managing Service Operations and MMBA565 Innovation and Entrepreneurship.

Course Format

Lectures, case studies, guest presentations, assigned reading and discussion are the main teaching methods used in this course.

The first day of the course (July 23) will be a research methodologies workshop, offered as one of the MBA skills development programme. It is expected that all participants in MMBA574 will attend this workshop. This workshop is in addition to the 24 hours teaching in the course.

Readings

Textbook: Shapiro, Carl; and Hal R. Varian. 1999. *Information Rules: A Strategic Guide to the Network Economy*. Boston, Massachusetts: Harvard Business School Press. A request has been made for this text to be stocked by the University bookshop. It is also available from Amazon.com.

Students may also find the following useful: McMillan, John. 2002. *Reinventing the Bazaar: a natural history of markets*. New York: W.W. Norton and Company. This text is also recommended for MMBA579.

Reading material: A series of readings will be provided prior to the first class. Additional material will be distributed at the lectures, and it is expected that participants will also research and access other materials independently.

Assessment Requirements

A participant's overall grade for this course will be determined as follows:

(A)	Research Paper	70%	due 5pm October 30 2005
(B)	Group Case Presentation	20%	September 25 2005
(C)	Class participation	10%	

A Research Paper (70%)

Submission date 30 October 2005

Each participant will be required to prepare a detailed research paper of approximately 5000 to 7000 words. Either of option 1 or option 2 may be selected.

Option 1.

Participants will be required to select one specific information product or electronic commerce application or process, either existing or proposed. The product will be produced by a firm, but the application or process may occur within a firm, between a small number of firms, or within an industry. The participant does not necessarily require access to the firm/industry if publicly-available information supporting the application exists. However, if a firm case study is proposed, then access may be required.

Using publicly-available and/or inside information, the participant will be required to:

1. identify and analyse the theoretical justifications supporting the development of this product or application
2. identify, analyse and assess the strategic and operational consequences for the firm/industry arising from the introduction of this application/product/process
3. draw conclusions and lessons from this analysis about the future viability of this product/application/process for this firm/industry, and other firms and industries where this application may be utilised.

For example,

- an electronic marketplace for the US car parts market (Covisint)

- B2C electronic commerce in Amazon
- supply chain integration at Cisco
- substituting digital information for human information in the health sector
- research and development processes in a multi-national firm

Option 2.

Participants will be required to select one government policy (this may be a New Zealand-specific policy, one from another country, or one from a policy umbrella organization such as the OECD, APEC or the EU) for which the stimulation of electronic commerce or enhancement of the information economy is claimed as a justification. The policy may be one which has been enacted, or one that is at this stage only proposed.

The participant will be required to:

1. identify and analyse the theoretical justifications for and against the adoption of this policy
2. analyse the environment in which this policy is designed to operate
3. identify and assess the likely consequences of the enactment of this policy (or actual consequences, if the policy has been already enacted).

For example:

- universal provision of broadband technology to all United States households
- New Zealand government investment in the venture capital market as a means to stimulate the domestic information economy
- the effect of the EU privacy laws upon the development of global electronic commerce
- OECD taxation policy for an electronic world

I am happy to discuss projects with individual students. Participants will be required to submit a written essay proposal (email is satisfactory) by July 31.

Final submission date is **30 October 2005**. No late submissions will be accepted as this is the last date possible to ensure marking can be completed in time to meet Registry requirements.

B Group Case Study (20%)

Presented in class September 25th.

At the July 24 class, case studies of firms using electronic commerce applications will be assigned to groups of 3-4 participants. At the September 24 class, each group will have 1 hour to present their analysis to the class. Based upon the themes of the course, the analysis will explore the nature of the products and applications, the strategic justifications for their use, an assessment of the likely or actual outcomes for the firm, and a plan for future developments.

The group presentation will be assessed on the basis of:

Presentation style and quality (to the level expected of a managerial presentation to the Board of Directors)

Involvement of all group members

Evidence of independent research

Identification of the key facts

Identification of key issues and challenges for managers

Relevance to the themes of the course

Level of understanding of the strategic and managerial issues

Leadership in the subsequent discussion.

C Class Participation (10%)

Participation in class discussion is expected of all course participants. Criteria for participation assessment include:

Is the participant a good listener?

Are the points made relevant to the discussion?

Are these comments linked to the comments of others?

Do the comments show evidence of sound analysis of the reading material?

Is there a willingness to test new ideas?

Do comments build on previous analysis and do they lead to a better understanding of the topic?

Class members will also be expected to present a brief (5-10 minute) preliminary overview of their research project (topic, organisation, key frameworks, findings to date) to the rest of the class at the September 25 lecture. This will contribute towards the class participation mark.

Course Terms of Reference

Late Assignments

In fairness to other students, work submitted after the deadline will be subject to a penalty of 5% of the total marks available per day of lateness. Assignments more than one week late will not be accepted. A “zero” mark will be applied. In the event of unusual, unforeseen circumstances (e.g., serious illness, family bereavement), students should discuss waiver of the penalty with the course controller prior to the deadline date.

Obtaining Terms

To obtain terms, students are required to attend classes and submit the assignment and research report.

Passing the Course

In order to pass this course, students are required to obtain at least fifty percent of the overall course marks available.

Victoria MBA Grading Standards

- Victoria MBA - **Excellent** Category
A (80 – 85%) to A+ (above 85%): The quality is performed to a very high level of proficiency, i.e. it is at a standard that makes it exceptional at Master’s level.
- Victoria MBA - **Very Good** Category
B+ (70 – 74%) to A- (75 – 79%): The quality is performed at a high standard. Students have reached a level which clearly exceeds “competency”.
- Victoria MBA - **Good** Category
B- (60 – 64%) to B (65 – 69%): The quality is clearly demonstrated without being exceptional in any way. Students can be thought of as competent in respect of this quality.
- Victoria MBA - **Satisfactory** Category
C (50 – 54%) to C+ (55 – 59%): The quality is demonstrated to a minimally acceptable level. There may be flaws but these are not serious enough to “fail” the student on this quality.
- Victoria MBA - **Unsatisfactory** Category
E (0 – 39%) to D (40 – 49%): The quality is absent or performed to a very low level, or the performance is seriously flawed in this respect.
- Please note that the MBA Board of Studies (End of Course Marks Meeting) reserves the right to adjust final grade distributions in order to achieve meaningful grading standards and equity in the application of evaluation standards across various MBA courses.

Individual Work

While the Victoria MBA programme has a tradition of study group collaboration, there are important elements in the assessment process that are strictly individual. Collaboration on individual assignments is not allowed beyond general discussion as to how one might interpret the nature of the assignment question. Please do not work together to formulate a response and do not loan out your completed assignments.

Communication of Additional Information

Additional information and information on any changes will be conveyed to students via class announcements.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student Administration Office

The Student Administration Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications.

Easterfield (EA) - FCA/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce & Administration and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office, will be open from 9:00 am to 5:00 pm during Trimester 2, offers the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- FCA Student Administration forms (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

Please note:

There will be a Student Administration Adviser, from the RWW office, based in EA005 from Monday 27 June to Friday 1 July (9:00 am to 5:00 pm) and from Monday 4 July to Friday 22 July (11:00 am to 1:00 pm).

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

Student Conduct and Staff Conduct

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at:

www.vuw.ac.nz/policy/StudentConduct.

The policy on Staff Conduct can be found on the VUW website at:

www.vuw.ac.nz/policy/StaffConduct.

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website: www.vuw.ac.nz/policy/AcademicGrievances.

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.

Plagiarism is not worth the risk.

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct (www.vuw.ac.nz/policy/studentconduct) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

Find out more about plagiarism and how to avoid it, on the University's website at: www.vuw.ac.nz/home/studying/plagiarism.html.

Students with Disabilities

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: disability@vuw.ac.nz. The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

Student Support

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/ or email student-services@vuw.ac.nz.

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email education@vuwsa.org.nz.

Maori and Pacific Mentoring programme (Manaaki Pihipihinga)

This is a free programme of mentoring for Maori and Pacific students doing first year courses within the Faculty of Commerce and Administration. Weekly one hour mentoring sessions: drafting and editing assignments/discussing any questions that you might have from tutorials or lectures and going over every aspect of essay writing, either in small group sessions or on a one-to-one basis.

This includes:

- A computer suite hooked up to cyber commons for students to use to produce their assignments.
- Regular skill-based workshops with a learning adviser from Student Learning Support Services.
- Networking with other Maori and Pacific support groups throughout the university.

For more information please contact:

Melissa Dunlop, Programme Coordinator

Ph: 463 6015 or Email: Maori-Pacific-Mentoring@vuw.ac.nz

PROVISIONAL SCHEDULE OF LECTURES
(*Subject to presenter availability)

Session	Theme	Lecturer
1. July 23	Research Methodologies workshop	Bronwyn Howell and others
2. July 24	Course Introduction Introduction to Information Economics – Commodity Information and Information Commodity	Bronwyn Howell
	More theory of information and economics - property rights, standards, lock-in etc. network economics	Bronwyn Howell
	Research, development and information production	Bronwyn Howell
3. September 3	Technology Diffusion: technological progress, economic growth and determinants of diffusion	Bronwyn Howell
	Information and Telecommunications Networks	Bronwyn Howell
	Information and Global Competition: the Globalisation debate	Bronwyn Howell
4. September 4	Information in Spot and Future Markets Electronic marketplaces SouthFresh Case Study	Prof Lewis Evans* Bronwyn Howell
	Business to Consumer (B2C) applications: Advertising and selling, web pages, brochure-ware and other information products	Bronwyn Howell
	Business to Business (B2B) applications 'New' products, 'new' formats and 'new' methods: 'new' clothes for 'old' emperors? Supply chain management, clusters, networks and alliances	Bronwyn Howell
5. September 24	Information Policy: and Strategy: where to from here? International Governance, taxation, new forms for firms	Bronwyn Howell
	Case Study 1. Information for competitive advantage: the case of a beauty clinic	Sue Sage*
	Case Study 2. Marketing information products	Paul Linton*
6. September 25	Group Case Studies Individual project updates	Class