

VICTORIA MANAGEMENT SCHOOL

MMBA 574 THE INFORMATION ECONOMY

Trimester 1 2007

COURSE OUTLINE

Course Coordinator: Bronwyn Howell
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Guest lectures/case studies will be provided (provisional upon presenter availability) by Professor Lewis Evans (information in spot and future markets), Mark Obren (Strategy in an Information Economy), Paul Linton (Metra case study, marketing information goods) and Sue Sage (Planet Skin case study, information, technology and small business).

Start Date: **March 5th**
Format: Modular
Lecture Times: Mondays 5, 12, 19 & 26 March 10am – 2pm
Saturday 10 March 9am - 4.30pm
Thursdays 22, 29 March 10am-12pm

Course Objective:

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.

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.

Workload:

Workload expectations for this course are 10 hours per week for the 12 teaching weeks and 30hrs during the mid-trimester break.

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

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 book shop. 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.

Course Assessment:

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

(A)	Research Paper	80%	due 5pm June 25 th 2007
(B)	Class participation	20%	

A Research Paper (80%)**Submission date 25 June 2007**

Each participant will be required to prepare a detailed practitioner-based research paper of no more than 10,000 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 or process 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 or industry 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) which addresses an issue related to the changing uses of information. 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 March 31.

Final submission date is **25 June 2007**. 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 Class Participation (20%)

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.

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.

Mandatory Course Requirements

To meet the mandatory course requirements for MMBA 574, students are required to attend classes and submit the assignment and research report.

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.

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.

Plagiarism

The Victoria MBA programme views plagiarism as a serious offence. Students who plagiarise put themselves at risk of expulsion from the programme.

PROVISIONAL SCHEDULE OF LECTURES
(*Subject to presenter availability)

Session	Theme	Lecturer
1.	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
2.	Strategies for an Information Economy	Mark Obren
	Research Methodologies workshop	Bronwyn Howell Mark Obren
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.	Information in Spot and Future Markets; Electronic marketplaces	Prof Lewis Evans*
	Research, development and information production	Bronwyn Howell
	SouthFresh Case Study	Bronwyn Howell
5.	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
	Business to Consumer (B2C) applications: Advertising and selling, web pages, brochure- ware and other information products	Bronwyn Howell
6.	Case Study 1. Information for competitive advantage: the case of a beauty clinic	Sue Sage*
	Case Study 2. Marketing information products	Paul Linton*
	Group Case Studies Individual project updates	Class

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services 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. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education 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 is available for the following:

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

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar or go to www.vuw.ac.nz/policy.

For information on the following topics, go to the Faculty's website www.vuw.ac.nz/fca under Important Information for Students:

- Academic Grievances
- Academic Integrity and Plagiarism
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support

Manaaki Pihipihinga Programme

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, email manaaki-pihipihinga-programme@vuw.ac.nz or phone (04) 463 5233 ext. 8977. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz or phone (04) 463 5842.