

Faculty of Commerce and Administration

Victoria MBA Programme

DRAFT

2007

MMBA 574

THE INFORMATION ECONOMY

VICTORIA UNIVERSITY OF WELLINGTON

Te Whare Wānanga o te Ūpoko o te Ika a Māui



**VICTORIA
MANAGEMENT SCHOOL**

Te Kura Whakahaere

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 OUTLINE

Start Date: March 5th

Format: Modular

Lecture Times: Mondays 5, 12, 19 & 26 March 10am-2-pm
Saturday 10 March 9am-4.30-pm
Thursdays 22, 29 March 10am-12pm

Location: TBA

Teaching Staff: Bronwyn Howell, lecturer in Victoria Management School.

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).

Contact details:

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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 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.

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

Course Assessment

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

(A)	Research Paper	80%	due 5pm June 25 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.

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.

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.



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 contained in the statutes in the VUW website.

The University Statute on Student Conduct and Policy on 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 MBA 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 paper you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the MBA Director. 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 Statute which is published on the VUW website:

www.vuw.ac.nz/policy/AcademicGrievances

Plagiarism

Victoria University defines plagiarism as the copying of ideas, organisation, wording or anything else from another source without appropriate reference or acknowledgement so that it appears to be one's own work. This includes published and unpublished work, the Internet and the work of other students and staff. Plagiarism is an example of misconduct in the Statute of Student Conduct. Students who have plagiarised are subject to a range of penalties under the Statute. See the website:

www.vuw.ac.nz/policy/StudentConduct

Reasonable Accommodation Policy

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 the Disability Liaison Person can be obtained from the MBA Programme Coordinator.

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