

OPTION 1: STRATEGIC AND ECONOMIC ANALYSIS/CASE STUDY

Overview

This is an opportunity for you and your teammates to explore, in depth, the use of a digital technology in a business setting. Your analysis should draw on different views and information on the company and its competitors; on interviews with key people at the firm and its customers; the readings and discussion in the course; library and web-based research; and personal contacts and experience as appropriate.

Detailed Description

Groups of 4-5 people will work directly with an organization to analyze the strategic and economic implications of a business application initiative using some type of digital technology. You may pursue one of the following two sub-options:

1. Assess the economics of a significant digital initiative which has been completed or is underway. Your analysis should apply insights from the readings, cases, lectures and discussion of the course to clarify the issues involved.
2. Analyze a digital information opportunity that the company is contemplating, evaluate the company's current strategy and its strategy options, and recommend a course of action. New ventures are acceptable for this option.

The results of your project will be delivered in both written and oral presentation formats. Your final written report should be no more than 10 pages long (2500 word maximum) and should include a 1 page executive summary. Your presentation should be 8-10 minutes long, plus another 2-3 minutes for questions and discussion.

Both written reports and oral presentations should contain the following two components:

A. "Case Study" of the Business and Technological Environment and Strategy Challenges Facing the Firm.

Provide a comprehensive discussion of:

- The industry environment and specific challenge(s) facing the company
- The technology options considered and basis for selection
- The strategic options considered and the basis for selection
- The metrics for success.

Also include:

- Background information on the firm's industry and its history
- Perspectives from the company and from organizations or persons that interact with the initiative, such as customers, suppliers, competitors, or employees as appropriate.

The type of case study used in classroom teaching is an appropriate model for this exercise, with the important provision that unlike many teaching cases, "artful ambiguity" is not a virtue for this project.

B. "Economic Analysis" of the Business Application or Initiative.

The heart of the report is an attempt to understand and document the key economics of information relevant to the project studied and their implications for the company. Provide a set of recommendations for how the company should proceed, both in terms of measuring returns from the system and in terms of how to most effectively use the technology. Are there strategic or other business changes that you would advise?

If you are documenting an initiative which has already been implemented, you should describe the evolution of the initiative over time. This will involve characterizing a set of dimensions along which you will analyze and follow the project, based on course materials, contacts, interviews and/or prior experience. One dimension to characterize the initiative is how significant the roles of top managers vs. middle managers were in adopting and implementing the initiative and how a hierarchical structure of a firm affected the decision of implementing the initiative. Finally, you will issue an assessment of how successfully the project was undertaken, point out possible weaknesses in its planning and implementation, and suggest alternatives if necessary.

In order to help you with the assessment, you are encouraged to compare your findings with those of another team in the class studying a similar technology initiative at another firm, and compare the analysis between the two firms. If you choose to look at an initiative that has not been implemented yet, your analysis should include the firm's strategic options and costs/benefits of specific actions.

Company Sponsored Project Opportunities

Successful projects will demonstrate an in-depth understanding of the company and its environment that can only be gained by first-hand access to company information and decision-makers. You should ensure that the company your team selects will provide you sufficient access to information and individuals necessary to successfully complete your project.

Student teams should provide a copy of their report to the company sponsoring the project. In the past some teams have been given the opportunity to present their recommendations directly to senior members of the sponsor company. Teams are encouraged, but not required, to pursue this option where available (please advise the project TAs of this option if it is available).

If the team is asked to travel, either to interview individuals in the company or to present results, the company may reimburse team members for out-of-pocket travel expenses. However, since this is a class project and not a consulting engagement, teams may not accept any compensation for their work. Sponsor companies and company project liaisons should clearly understand these projects are class projects, and as such, the primary purpose is educational and academic.

Format

The reports will be delivered in two ways: written and presentation formats.

- **Written Reports:** The written reports should be no longer than 10 pages (2500 words maximum), including a 300 word executive abstract.

- Presentations: Your presentation should be 8-10 minutes long, plus another 2-3 minutes for questions and discussion.

Grading

Projects that are provocative, insightful, and interesting to read are always appreciated. Grading will be based on:

- a. how interesting the topic area is in its relevance to the economics of information (15%)
- b. the depth and accuracy of your case study description (20%)
- c. the quality of your accompanying strategic and economic analysis (35%)
- d. the quality of your presentation in its written and class presentation formats (30%).

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