

Course	
Information	

Change Management for Innovation

6 Units Spring 2021

Instructor:Tim O'Loughlin

Office: First level

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Classes: 1.30 - 2.50 pm Wednesdays, 2.00 – 3.20 pm Fridays

Course Web Site: CMU Canvas

Motivation for this course

How do companies avoid going the way of Kodak, Nokia, Blockbuster and Borders? In each of these cases, the companies enjoyed early success and grew quickly to positions of market dominance. But that growth came at a cost – they became overly focused on the internal control systems required to manage growth while seeking to shape their market to perpetuate their dominance.

In all cases, these companies failed to detect fundamental shifts in both competitor behaviours, technology and shifts in consumer preferences. When they finally realized what was happening, they were unable to change quickly or deeply enough to resist the competitor assault. In some ways, this comes as no surprise as the research shows that 70-80% of company transformational change efforts fail.

Today there is a different set of dominant players that are very aware of the reasons for the failure of their predecessors, both in their failure to sense threats and their ability to respond fully and in time. How do they do it? How are they looking to avoid going the same way? This is a new course which looks at strategies being used by companies such as Microsoft, Amazon, Google/Android and Apple to grow their businesses in ways which do not rely on control but on the two constants for success – change and continuous innovation.

There is no single template so it is necessary to look at each company individually to draw out some common lessons. However, it is possible to identify two critical success factors from the outset—leadership and knowledge management. This is a practical course which focusses largely on case studies. Some theoretical lenses are used to provide insights but the overall objective is to give students a thorough grounding in contemporary change management techniques.

Learning objectives

Students completing this course will be able to:

- Understand the main theories of competitive business strategy, particularly change management theory
- Analyze how transformational strategies are employed by the world's leading innovation companies
- Evaluate the change management strategies of specific organizations focusing especially on the strategies technology companies
- Identify practical opportunities for successful use of change management techniques in organizations with which they are personally familiar

	Identify and understand the leadership requirements for successful implementation of change management processes
Course Materials	For each lecture, the instructor will provide lectures notes, readings and any other class material relevant for the lecture. A small number of readings need to be purchased by students. This will be done by the university and the costs added to students' accounts. The total costs for all readings to be purchased in expected to be less than USD20.00. The reading load for this course is significant. The assignment load has been kept moderate to ensure students have sufficient time to complete the readings. Accordingly, all students are expected to have completed all of the readings in time to discuss them in the designated class.

Evaluation Method	There will be three written Each assignment will be as Understanding of concepts Quality of argument: 40% Quality of writing: 20%	sessed as follows:	more than 2,000 wo	rds each.
Grading Scale	A+ 95% – 100 A 90% – 94. A– 85% – 89. Scores below 55% eq	99 % B 75% 99 % B- 70%	– 79.99 % C – 74.99 % C–	65% –69.99 % 60% – 64.99 % 55% – 59.99 %
Assessment schedule				
SCHEUUIC	Assignment 1: Application of change management theory to a case study to be supplied	Date posted 22 March	Due date 5 April	Return date 12 April
	2: Critical review of Google's change management strategy	22 March	19 April	26 April
	3: Assessment of the leadership style and effectiveness of Apple's	22 March	3 May	7 May
	Tim Cook			

Academic integrity

There is no tolerance for breaches of academic integrity in this course. Copying or paraphrasing the work of others without attribution will result in penalties, including the possibility of a failing grade.

Carnegie Mellon University policy prescribes that, in any presentation, creative, artistic, or research, it is the ethical responsibility of each student to identify the conceptual sources of the work submitted. Failure to do so is dishonest and is the basis for a charge of cheating or plagiarism, which is subject to disciplinary action.

Further information on the university's policies, including sanction to be applied for breaches of academic integrity can be found at:

https://www.cmu.edu/policies/student-and-student-life/academic-integrity.html

Course Outline / Readings

Topic 1:

Two failures: Kodak and Nokia

Required reading:

Mendes, G., 2007. What Went Wrong at Eastman Kodak?. The Strategy Tank.

Surowiecki J 2013 Where Nokia Went Wrong. New Yorker. September Where%20Nokia%20Went%20wrong%20New%20Yorker.pdf

Other readings

Chan, C.M., Teoh, S.Y., Yeow, A. and Pan, G., 2019. Agility in responding to disruptive digital innovation: Case study of an SME. Information Systems Journal, 29(2), pp.436-455

Huy, Q 'Who Killed Nokia? Nokia Did' 2015 INSEAD https://knowledge.insead.edu/strategy/who-killed-nokia-nokia-did-4268

Sulphey, M.M., 2019. Could the Adoption of Organizational Ambidexterity Have Changed the History of Nokia? South Asian Journal of Business and Management Cases, 8(2), pp.167-181.

Topic 2

Transformational change theory

Required reading:

Kotter, J 1996 'Leading Change: Why Transformation Efforts Fail' HBR March-April

Beer M and Nohira N 2000 'Breaking the Code of Change' HBR

Chris Sarra and the Cherbourg State School ANZSOG case study

Other readings:

Chapman, J. A. (2002). A framework for transformational change in organisations. Leadership & Organization Development Journal, 23(1), 16-25.

Ford, R. (2006). Organizational learning, change and power: toward a practice-theory framework. The Learning Organization, 13(5), 495-524

Porras, J. I. & Silvers, R. C. (1991). Organizational development and transformation. Annual Review of Psychology, 42, 51-78.

Senge, P. M., & Kaeufer, K. H. (2000). Creating change. Executive excellence, 17(10), 4-

Topic 3

Google and Amazon

Required reading

Frank T. Rothaermel 2019 Google Inc HBR

Koo, O 2017 'Successes and failures of Amazon's growth strategies' INSEAD

Wells, J, Weinstock B, Ellsworth G and Danskin G 2019 'Amazon.com, 2019' Harvard Business School

Other readings

Mellahi, K. and Johnson, M., 2000. Does it pay to be a first mover in e. commerce? The case of Amazon. com. Management Decision.

Topic 4

Knowledge management

Required reading

McFarlan F 2003 Enabling Business Strategy with IT at the World Bank. Harvard University Press

Oppenheimer D and Prusak L 2014 Knowledge Management at the World Bank: Parts 1 & 2

King, K., 2002. Banking on knowledge: The new knowledge projects of the World Bank. Compare: A Journal of Comparative and International Education, 32(3), pp.311-326.

Other reading

Kiron, D., Kane, G.C., Palmer, D., Phillips, A.N. and Buckley, N., 2016. Aligning the organization for its digital future. MIT Sloan Management Review, 58(1).

Topic 5

Change Leadership

Required reading

Battilana J and Knoop C 2018 Christine Lagarde (C): Managing the IMF. Harvard

Kucharvy, T., 2009. IBM's role in creating the workforce of the future. Beyond IT, pp.1-15.
Other reading
Garcia-Rios P, Varley P, Zeckhauser R, and Donahue, D 2013. Cracking Oyster: Shashi Verma & Transport for London Confront a Tough Contract (A, B & C) Harvard
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Topic 6
Crisis management

Course Policies & Expectations

Lectures:

Class participation is essential to the success of this course. The subjects dealt with in this course are very new and there is no established syllabus internationally for the topic as a whole. Therefore, we need to find our way through the various issues and this can only be achieved with the active involvement of each student.

This is post-graduate education so it should not be necessary to set rules regarding arriving on time, using mobile phones and other distractions. We are in this together so the expectation is that each student will behave in a way that adds to the achievements of the group as a whole.

Each class will be recorded and made available to students. No student may make their own recording of any classroom activity without the express written consent of the instructor. If a student believes that he/she has a special requirement, they should speak with me directly.

Academic Honesty and Integrity

All CMU students are expected to follow the ethical guidelines and adhere to the policies as defined in your Program's <u>Student Handbook</u> or in any other source describing such policies as they apply to students at Carnegie Mellon University. These policies and guidelines are available on the CMU web site.

Individual assignments must reflect individual effort. Sharing your assignments with any other student in any form (whether it is a paper document, an electronic document such like a MS Word document, or a document in any other format) is not permitted and will be considered cheating. Any "discussion" between students that results in a similar submission is also not allowed.

Any violations of academic integrity in this class will have the following consequences:

- (a) at the minimum, no credit for assignment in question <u>and</u> lowering final grade by one letter (e.g., from B to C);
- (b) in more serious offences, failing the class;
- (c) cases will be reported to the Dean's office