

National Taiwan University

Competitive Dynamics Seminar

動態競爭研討

Summer 2011

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Course Description

Business competition is both dynamic and relative. It is defined by the interplay between companies as they constantly juggle their market positions by exchanging moves and countermoves. The soundness of a firm's strategy and actions—and even its performance—must be considered in the context of its competitors' actions.

This advanced strategy seminar provides class participants with an integrative framework and specific analytical tools for understanding how firms interact in the marketplace—within an industry, across industries, and beyond national borders. The premise of the course holds that when a company initiates a competitive move (a new product introduction, expansion into a new market, an acquisition bid, or a simple price cut), it should be prepared to meet potential counteractions from rivals. Understanding the relative nature of this dynamic process is the key to building and sustaining competitive advantage.

Through exposure to cutting-edge academic research and case discussion, the course will examine, in depth, the broad context in which competitive interaction occurs. Participants will be expected to abstract larger strategic issues from financial and operational particulars, and to apply the concepts, analytical tools, and research methods learned in class to an intensive project on competition. Drawing heavily from the instructor's work on this topic, as well as from participant-led discussion, the seminar intends to engage participants on two fronts: bridging application and scholarship, and maximizing the student-centered learning experience. This format and orientation have proved to appeal to EMBA's committed to both intellectual rigor and practical relevance.

Course Objectives

- To enhance participants' competitive thinking and analytical skills in conducting industry and market analysis

- To expose participants to established and emerging academic research and its direct business implications
- To show broad applications of interactive competitive analysis to other business topics such as JV partnership, industry eco-system, and stakeholder analysis
- To develop a learning community through intense interactions among all members of the class

Learning Points

- Interactive nature of business competition
- Analysis of a competitive attack
- Prediction of competitive reactions
- Dynamic global competition
- Competitor analysis
- Multimarket, multiproduct/business competition
- Indirect competition
- Industry ecosystem and competition
- Competition-cooperation

Target Audience

The seminar is designed to develop an appreciation for cutting-edge research and its application to pertinent competitive issues—an essential skill for managers responsible for developing and implementing business strategies as well as for strategy consultants advising these managers. It presumes working knowledge of the basic principles of business strategy. The course will be especially useful to those interested in high-level business-strategy consulting, advanced strategic planning and marketing, and industry security analysis, as well as anyone seeking to develop sophisticated competitive thinking or interested in further developing his or her business research and analysis training.

Academic-Article Discussion and Written Report

On the third day (September 19), we will devote to the exploration of basic concepts by reading academic articles. Participants will be assigned to lead each article discussion. These participant-led discussions aim to illustrate basic concepts with current business examples and practices, and, more importantly, to develop ideas for the participants' own term project research.

Each team needs to submit a written report extended from the discussions of assigned academic articles. The details of this written report (and the in-class discussion itself) will be specified separately.

Term Project

The seminar has a strong research component. The term project is an integral part of the course and will require intense interaction and discussions between the teams and the class as a whole. The project aims to apply some of the concepts that have been learned from academic articles or to extend and expand these concepts to the business context. It is equivalent to a take-home term

paper, and the class should expect to devote a considerable amount of time to the project. Given the relatively brief period of the term, participants will be encouraged to get their hands “dirty” early on in order to engage in the intellectual inquiry and business application.

The details of this project and the assignments will be made separately.

Course Materials

陳明哲 (Ming-Jer Chen) 著，蘇國賢審訂，林豪傑、喬友慶、侯勝宗翻釋與整理，2010，”動態競爭” (2 版)，台北：智勝。

Key articles from the book, as well as cases and prominent manuscripts, will constitute the bulk of the reading assignments. Our selection of readings supports the belief that “research breeds research” and that systematic knowledge accumulation over time is the best way to advance applied scholarship.

Grading

Individual class contribution	25%
Case-discussion write-up (three cases)	15%
Participant-led academic-article discussion and written report	15%
Term project	45%

Design Philosophy/Caveats

The course is shaped by the belief that all class participants—including the instructor—are “learning partners” in the process of creating and accumulating knowledge, from philosophy to theory/concept to practice; therefore the seminar is a collaborative investigation of the dynamic and relative nature of business competition.

Asking the right questions is the key not only to strategy and business management but also to research and case teaching. The instructor will use the Socratic method to help class participants develop a strategic-question mindset that will ultimately benefit both their business and personal endeavors.

One approach to “applied scholarship”—the cornerstone of business education—is to conduct constant dialogue between prominent academic ideas and practical business application. Over the past 20 years, a body of strategic management literature has emerged that takes an organizational and behavioral perspective of business competition. The instructor’s research is central to the development of this literature, and for this reason, the assigned academic readings draw heavily from his work.

This seminar has some distinct features. First, it will require intense participant involvement throughout the course. Second, the instructor considers his role of coach in this course central to the process of learning.

Although the seminar is about competition, we will study this subject in a very cooperative way. The success of the course depends on each participant pulling his or her own weight in both the term project and the participant-led discussions in class. Knowledge building is a group effort,

and information derived from today's projects may be used for future research activities. Contributions from the class in this regard will be fully acknowledged.

Also important: The class is built on mutual trust and the willingness of its participants to support each other. Because peer review and support are important contributions to intellectual progress, they are highly encouraged—and required—in this class.

Note: The content below may be adjusted in class to maximize learning effectiveness.

Session Outline

September 17 (Saturday)

Session 1-1	9:00 – 10:30	Taking Competitive Initiative
		<p><u>Topics:</u></p> <ul style="list-style-type: none"> • Strategy, competition, and competitive dynamics • Industry analysis vs. competitive action • Industry evolution <p><u>Case:</u></p> <p>“Gillette’s Launch of Sensor” (HBS 9-792-028)</p> <p><u>Assignment:</u></p> <ol style="list-style-type: none"> 1. Should the Sensor be launched as a cartridge or a disposable razor? 2. When should Gillette launch the Sensor (now, a year from now, or in a several years)? How much advertising should be used to launch the Sensor Razor: say \$100 million, \$50 million, \$25 million? (Note: \$25 million is still more than any competitor would spend.) 3. How sustainable is the Sensor Razor? What might competitor response be and when? What may delay competitor response? How should Gillette prepare for that response? 4. Based on your experience, what does it take to be a successful global company engaging in multinational competition? What advice would you offer John Symons? <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. “Competitive Dynamics: Competition as Action- Response” (UVA-S-0123). 2. “Competing for Advantages: From Industry Analysis to Competitive Action” (UVA-Draft)
Break	10:30 – 10:45	
Session 1-2	10:45 – 12:15	Taking Competitive Initiative (continued)
		<p><u>Case:</u></p> <p>“Gillette’s Launch of Sensor” (HBS 9-792-028)</p>
Lunch	12:15 – 13:30	
Session 1-3	13:30 – 15:00	Interfirm Rivalry
		<p><u>Topics:</u></p> <ul style="list-style-type: none"> • Predicting competitive response • Identifying response barriers • Business model competition <p><u>Case:</u></p> <p>“The Battle for Logan Airport: American Airlines vs. JetBlue” (UVA-S-116 (A))</p>

		<p>[Group discussion questions will be assigned in class.]</p> <p><u>Assignment:</u></p> <ol style="list-style-type: none"> 1. What should Joe Smith do? Should AA respond to JetBlue’s entry into Logan Airport? Why or why not? 2. If AA decides to respond, what considerations should it take into account? Specifically, what should its response look like? 3. In anticipating AA’s potential reaction, how should JetBlue prepare? 4. In light of the AA-JetBlue rivalry, what should other airlines do?
Break	15:00 – 15:15	
Session 1-4	15:15 – 16:45	Interfirm Rivalry (continued)
		<p><u>Case:</u></p> <p>“The Battle for Logan Airport: American Airlines vs. JetBlue” [UVA-S-117 (B) and S-118 (C) will be distributed in class.]</p>

September 18 (Sunday)

Session 2-1	9:00 – 10:30	Global Competition and Cooperation
		<p><u>Topics:</u></p> <ul style="list-style-type: none"> • The CD-AMC framework: Competitive dynamics and awareness-motivation-capability • Utilizing competitive asymmetry • Managing competition-cooperation <p><u>Case:</u></p> <p>“The Battle of the Asian Transshipment Hubs: PSA vs. PTP (A)” (UVA-S-109)</p> <p><u>Assignment:</u></p> <ol style="list-style-type: none"> 1. What are the economics of the ports industry? What are the economics of the shipping industry? How does the industry economics drive the competitive strategies? 2. What are the competitive strengths and weaknesses of PSA and PTP? How do these strengths and weaknesses affect their strategies and actions? 3. Why didn't PSA respond to Port Klang's actions in the mid 90s? 4. Analyze the competitive actions between PTP and PSA (in terms of, for instance, relative scope and speed of response). 5. What should PSA do? How might PTP respond to PSA's actions?
Break	10:30 – 10:45	
Session 2-2	10:45 – 12:15	Global Competition and Cooperation (continued)
		<p><u>Case:</u></p> <p>“The Battle of the Asian Transshipment Hubs: PSA vs. PTP” [UVA-S-110 (B) and S-111 (C) will be distributed in class.]</p>
Lunch	12:15 – 13:30	
Session 2-3	13:30 – 15:00	Competitive Dynamics: Conceptual Foundation
		<p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. “Competitive Dynamics Research: An Insider's Odyssey” (Ming-Jer Chen), <i>Asia Pacific Journal of Management</i>, 2009, 26: 5-25. (動態競爭策略探微第一章) 2. “預測競爭對手的回應：AMC 三環透視法” (Ming-Jer Chen, 2011)
Break	15:00 – 15:15	
Session 2-4	15:15 – 16:45	Personal Assessment (I): Competitor and Competitive Dynamics
		<p>Your company is about to launch a new initiative (e.g., a new product or a price cut). Please apply the CD-AMC framework to anticipate your primary competitor's response(s). How should you prepare for such a response?</p>

September 19 (Monday)

Session 3-1	9:00 – 10:30	Academic-Article Discussion and Application (I): Philosophical Foundation and Overview
		<p><u>Articles:</u></p> <ol style="list-style-type: none"> 1. “A Relational Perspective of Competitive Dynamics” (Ming-Jer Chen and Danny Miller), under review at the <i>Academy of Management Review</i>, 2011. 2. “Competitive Dynamics: Themes, Trends, and Theoretical Thrusts” (Ming-Jer Chen and Danny Miller), <i>Academy of Management Annals</i>, 2012 (forthcoming).
Break	10:30 – 10:45	
Session 3-2	10:45 – 12:15	Academic-Article Discussion and Application (II): Dynamic Competitive Strategy and Repertoire
		<p><u>Articles:</u></p> <ol style="list-style-type: none"> 1. “Competitive Attack, Retaliation and Performance: An expectancy-Valence Framework” (Chen, Ming-Jer and Danny Miller), <i>Strategic Management Journal</i>, 1994, 15: 85-102. (動態競爭第二章) 2. “Speed, Stealth, and Selective Attack: How Small Firms Differ from Large Firms in Competitive Behavior” (Ming-Jer Chen and Donald C. Hambrick), <i>Academy of Management Journal</i>, 1995, 38: 453–82. (動態競爭第五章)
Lunch	12:15 – 13:30	
Session 3-3	13:30 – 15:00	Article Presentation, Application and Discussion (III): Market-Resource Rivalry
		<p><u>Articles:</u></p> <ol style="list-style-type: none"> 1. “Competitor Analysis and Interfirm Rivalry: Toward a Theoretical Integration” (Ming-Jer Chen), <i>Academy of Management Review</i>, 1996, 21: 100–34. (動態競爭第十章) 2. “Multimarket Maneuvering in Uncertain Spheres of Influence: Resource Diversion Strategies” (Rita G. McGrath, Ming-Jer Chen, and Ian C. MacMillan), <i>Academy of Management Review</i>, 1998, 23: 724–40. (動態競爭第十一章)
Break	15:00 – 15:15	
Session 3-4	15:15 – 16:45	Article Presentation, Application and Discussion (IV): Human Concerns of Competition
		<p><u>Articles:</u></p> <ol style="list-style-type: none"> 1. “Navigating in a Hypercompetitive Environment: The Roles of Action Aggressiveness and TMT Integration” (Ming-Jer Chen, Hao-Chieh Lin, and John G. Michel), <i>Strategic Management Journal</i>, 2010, 31(13): 1410-1430. 2. “Reconceptualizing the Competition-Cooperation Relationship: A Transparadox Perspective” (Ming-Jer Chen), <i>Journal of Management Inquiry</i>, 2008, 17(4): 288-304.
Break	16:45 – 17:00	
Session 3-5	17:00 – 18:30	Article Presentation, Application and Discussion (V): Rival-centric Competition

		<p><u>Articles:</u></p> <ol style="list-style-type: none">1. “Competitive Tension: The Awareness-Motivation-Capability Perspective” (Ming-Jer, Chen, Kuo-Hsien, Su and Wenpin sai), <i>Academy of Management Journal</i>, 2007, 50(1): 101-118. (動態競爭第十二章)2. “Seeing Through the Eyes of a Rival: Competitor Acumen Based on Rival-Centric Perceptions” (Tsai Wenpin, Kuo-Hsien Su, and Ming-Jer Chen), <i>Academy of Management Journal</i>, 2011, 54(4): in-press.
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September 20 (Tuesday)

Session 4-1	9:00 – 10:30	Personal Assessment (II): Application of Core CD Concepts
		Please apply or extend one CD concept/idea from academic-article presentations to assist your business analysis and problem solving.
Break	10:30 – 10:45	
Session 4-2	10:45 – 12:15	From Research to Application: Feedback and Discussion
		Professor Ji-Ren Lee will Facilitate this session
Lunch	12:15 – 13:30	
Session 4-3	13:30 – 15:00	Beyond Industry and Competition
		<p><u>Readings:</u></p> <p>“Why Compaq is Mad at Intel” (Fortune) “Intel Unbound” (Business Week)</p> <p><u>Topics:</u></p> <ul style="list-style-type: none"> • Mapping industry ecosystem • Projecting industry evolution • Developing a forward-looking, competitive-focused company <p><u>Assignments:</u></p> <ol style="list-style-type: none"> 1. Looking at the situation in the 1994-95 time period, explain what you think is driving the conflict between Intel and Compaq. What do you see as Compaq’s key strategic challenges? 2. Map the value chain as it exists in 1994-95. What are Compaq’s options then? 3. How has the value chain evolved to today’s situation?
Break	15:00 – 15:15	
Session 4-4	15:15 – 17:00	Reflecting and Moving Forward
		<p><u>Readings:</u></p> <p>“Reflecting on the Process: Building Competitive Dynamics Research” (Ming-Jer Chen), <i>Asia Pacific Journal of Management</i>, <i>forthcoming</i>.</p>

陳明哲 博士

陳明哲博士，現任美國維吉尼亞大學達頓商學院講座教授，是全球著名的企業戰略專家、動態競爭理論創始人，且為管理學界最高榮譽的國際管理學會(Academy of Management)院士。陳教授目前也擔任國際管理學會副主席，且將於2012年接任主席。他是這個全球最具影響力、擁有近兩萬名會員的管理學術組織，成立68年以來第一位沒有在美國接受大學教育的主席。

陳教授於1988年在美國馬里蘭大學取得企管博士學位。曾先後任教於哥倫比亞大學商學院與賓夕法尼亞大學華頓商學院，其教學、研究與諮詢範圍橫越歐、美、亞三洲。

教學方面，陳教授是美國這幾所著名商學院最受學生歡迎的教授；在馬里蘭大學商學院任教時，教學成效獲學生評選為全院第一。他所講授的企業戰略、動態競爭，以及中西企業戰略思維比較等課程，均深受好評。

研究方面，陳教授著作甚豐，是第一位三度榮膺國際戰略管理學會最佳論文獎和頂級學術期刊《管理評論》最佳論文獎的學者，後來也擔任《管理評論》的副總編輯。陳教授也是全球華人企業戰略研究的先鋒。他整合西方科學與東方哲學觀點來探討競爭與合作關係的論文，被Journal of Management Inquiry推選為2008年最佳論文。此外，陳教授於1997年在華頓商學院創辦了西方第一個以華人企業為研究對象的「全球華人企業發展中心」。他的著作《全球華人企業透視—世界企業經理導引》由哈佛大學商學院出版社出版，《外交事務》雙月刊曾評論推薦此書。中文版的《動態競爭》一書，分別由臺灣智勝出版社與北京大學出版社出版，收錄了陳教授歷年來重要的十二篇學術論文與治學心得。

諮詢方面，陳教授經驗豐富。他曾為多家著名的跨國企業(包括美國聯合技術、默克製藥、聯邦快遞、杜邦、美國鋁業、友邦保險、鐵姆肯、摩根斯坦利、慕尼黑再保險、比歐西氣體，以及勞斯萊斯公司等)與杜克企業教育全球學習資源網路，提供戰略諮詢與高階經理人培訓，也於2009年培訓中國國務院國有資產監督管理委員會的重要骨幹企業領導人員。陳教授曾應邀參加2000年在北京由世界經濟論壇主辦的「中國企業高峰會」，2004年在紐約舉行的「美國—中國企業執行長高峰論壇」與在德國漢堡舉行的「中國—歐洲企業高峰會」，2006年與2007年分別在阿根廷布宜諾賽勒斯、巴西聖保羅和義大利米蘭由HSM主辦的「世界商業論壇」，2007年在北京舉行的「中國CEO論壇」，以及2010年在上海舉行的「復旦管理學國際論壇」等國際高峰會，並擔任主講人。陳教授也在2010年與宏碁集團創辦人施振榮共同創立「全球王道企業領袖薪傳班」，致力於成就全球華人標竿企業。

陳教授的研究理念及活動見諸於世界主要媒體專訪及報導。其中包括《華爾街日報》、《金融時報》、《美國新聞與世界報導》、《今日美國》、《福布斯》、《新聞週刊》、CNNfn、路透社、《亞洲週刊》、《明報》、《人民日報》、中央電視臺、《財富中文版》、《經濟日報》、《哈佛商業評論中文版》等。他是臺灣天下雜誌於2008年在文化、商業、政經等領域，所遴選出來的全球72位典範人物之一。他也為哈佛商業評論繁體中文版撰寫兩個月一期的動態競爭專欄，並且經常接受重要的華人商業雜誌訪問、發表前瞻的論點。

陳教授長年致力於年輕管理學者的培訓。2004、2006與2007年曾三度應臺灣國科會邀請，1997年與2006年曾二度應中國國家教委MBA指導委員會邀請，分別在臺北與北京培訓當地的MBA管理教授。同時，他也先後受邀擔任英國帝國理工學院、香港中文大學、復旦大學、臺灣大學、政治大學等多所學校的客座講座教授。

陳教授出身臺灣、祖籍福建，曾經投身大儒之門，修習四書五經、先秦諸子等中國古典著作，深得中華文化的精髓，並以此為底蘊應用於管理學術與實務。