Open Strategy

Course Objectives

Strategy has been the exclusive domain of top managers. No longer! Today many organizations "open up" their strategy processes. To some extent technical advances permit a wider inclusion but more fundamentally organizations see the advantages of inclusion and transparency. Different stakeholders offers fresh perspectives and make increase the chances of successful execution.

This course provides students with an opportunity to engage with Open strategy and learn the different techniques, methods they can deploy. Once they completed the course they will be able to

- Understand the benefits of open strategy and its boundary conditions
- Explain some of the limitations of traditional strategy making
- Understand how they can prepare an organisation for open strategy, including design and leadership consideration.
- Pick the right open strategy tool depending on whether they want to generate strategic ideas, formulate a strategy, or execute a strategy.

Required reading:

Stadler, Christian, Hautz, Julia, Matzler, Kurt & Friedrich von den Eichen, Stephan (2021), Open Strategy: Mastering Disruption from Outside the C-Suite. Cambridge, MA: The MIT Press.

Additional reading:

Hautz, J., Seidl, D., & Whittington, R. 2017. Open Strategy: Dimensions, Dilemmas, Dynamics. Long Range Planning, 50(3): 298-309.

Stadler, C., Hautz, J., Matzler, K., & Friedrich von den Eichen, S. 2021b. Open Up Your Strategy. MIT Sloan Management Review, December 2021.

Stadler, C., Hautz, J., Matzler, K., & Von den Eichen, S. F. 2021c. A User's Guide to Open Strategy. Harvard Business Review, November(https://hbr.org/2021/11/balancing-open-innovation-with-protecting-ip).

Learning Philosophy and Format

This course is a "hands-on," participation-based course that relies on insights from management practice though **group interaction, discussion, and individual participation**. It involves a mixture of classroom presentation, experiential exercises, activities and case studies. This allows students use experience how open strategy actually works. The course requires a rigorous self-assessment, active participation and reflection as well as some insightful readings.

Assignments and Evaluation

The graded components of the course are as follows:

- Class Participation 30%
- Small Group Project 40%
- Final Exam 30%

Class Participation: With an interactive class format, everyone is expected to contribute to class discussions. You all play a part in each other's learning so, coming to class to observe and listen is not

sufficient. That is why class contribution is a meaningful component the course grade. The term contribution is used intentionally because participation and contribution are not the same. Quality of insights and value to group learning are more important than quantity of comments. The strongest contributions are thoughtful, evidence-based, analytical, and logically consistent. Note that you can make a "wrong point" and still make a valuable contribution if it is the result of solid analysis, stimulates discussion, or highlights an important issue. So, please do not let fear of making a mistake stop you from speaking up. Class contributions are cumulative and tracked through the term.

There is no penalty for being wrong; however, there is a penalty for egregious or offensive comments. During discussions, treat your classmates with respect and use professional language. Learn to disagree and to critique the work of others in a polite and respectful manner.

Small Group Project: Each group chooses a company. Your group is a small consulting team, developing a strategy for this company, using an open strategy approach. It's important that you keep the difference between analysis and presentation in mind. The analysis is conducted in order to develop insights but the presentation does not simply retell these insights, it tells a story. As the presentation is seen as developmental, 20% of the small group project will be based on this. 80% will be based on the final slide pack you hand in.

Final Exam: The final exam will take 1 hour where you answer three essay style questions.

Classroom Behavior

Participation: The course relies heavily on case discussions. Informed and engaged participation is expected of everyone. All students are therefore expected to arrive for class prepared to discuss the readings and case assigned for that day. If for some reason you are not prepared for a particular class session, let me know before class.

Attendance: Students are expected to attend every class session. By meeting as a group virtually, we are replicating an important element of traditional classroom discussion-based course in which much of the learning occurs in real time. If you must miss a session let me know via email in advance and be sure to view any recording of the meeting that may be available.

Content

- Class 1: Introduction

Getting ready

- Class 2: Traditional strategy come undone
- Class 3: Are you ready for open strategy?
- Class 4: Designing your open strategy process

Strategic Ideas

- Class 5: Harness the wisdom of the crowd
- Class 6: Peer into the future
- Class 7: Disrupt yourself before others do

Strategy Formulation

- Class 8: Develop killer business model
- Class 9: Use the crowd to develop better strategies

Strategy Execution

- Class 10: Execute better
- Class 11: Group presentations

Introduction

A growing number of organizations open up their strategy. In this class we will learn why they do this.

Questions for this class:

- How can Open Strategy help you to win?
- Is Open Strategy tried-and-tested or an entirely new concept?

Traditional strategy come undone

Between 50 and 90 percent of all strategic initiatives fail. That's surprising when we consider how much time CEOs spend on strategy. In this class we will dive into the biases that plague traditional strategy making.

Questions for this class:

- What's wrong with the traditional way of crafting strategy?
- How can Open Strategy help to overcome these biases?

Required Reading:

- Chapter 1

Are you ready for open strategy?

If leaders are somewhat reluctant to open up the strategy of their organization, the results are likely to be disappointing. In this class we will find out how you can measure your leader's readiness and how they can improve their readiness.

Questions for this class:

- Do you have an open mindset?
- How can you develop an open mindset?

Required Reading:

- Chapter 2

Designing your open strategy process

It makes little sense to simply open up. A crucial question is whether you hope to generate new ideas, formulate a strategy, or execute your strategy. In this class we will take the necessary steps to design an appropriate process. Further, we will discuss how to handle proprietary information.

Questions for this class:

- How can you design an affective open strategy process – addressing your specific needs?
- What about proprietary information?

Required Reading:

- Chapter 3 and 4

Harness the wisdom of the crowd

Crowdsource has been used in many areas including innovation. In this class we will learn how to apply some of the tried-and-tested tools to strategy questions.

Questions for this class:

- When does crowdsourcing work?
- How can you organize a contest or manage a community?

Required Reading:

- Chapter 5

Peer into the future

Experts often get the future wrong. Large groups tend to be more accurate. In this class we will learn how to develop a trend radar, a flexible tool that captures the important dynamics affecting an organization.

Questions for this class:

- Do plans help, even if they are wrong?
- How can you develop a trend radar?

Required Reading:

- Chapter 6

Disrupt yourself before others do

A lot of attention has been paid to disruption. But how can you prepare yourself? In a Nightmare Competitor Competition we will capture non-existent but potentially deadly competitors. This makes disruption real and with the right composition of participants uses the power of openness.

Questions for this class:

- Do plans help, even if they are wrong?
- How can you develop a trend radar?

Required Reading:

- Chapter 7

Develop killer business model

Many organizations use business model when they try to set up new initiatives. Two things tend to go wrong though. Either the new model is too far removed from what the organization can achieve, or it is a minor extension of the current business model. Using a open strategy approach helps to avoid these pitfalls.

Questions for this class:

- What's a business model?
- How can develop a business model using an open process?

Required Reading:

- Chapter 8

Use the crowd to develop better strategies

Once you have a strategy, how can you be sure it will deliver? Prediction markets will allow you to fine-tune your approach, thereby increasing the chances of success.

Questions for this class:

- How do prediction markets work?
- How can set up a prediction market?

Required Reading:

- Chapter 9

Execute better

Strategies that sound great in the boardroom do not necessarily resonate with those on the operational front-end. In this class we will learn how strategy jams and social networks can be used to develop psychological ownership, which in turn greatly increases the chances of successful implementation of a strategy.

Questions for this class:

- How can Strategy Jams facilitate execution?
- How can leverage Social Networks for strategic dialogues?

Required Reading:

- Chapter 10

Group presentations

In this final class students will present their group projects. They will have an additional week to revise their slide pack after the presentation and use the feedback to get it ready for final hand-in.