Course description
This is a Master-level course (Proseminar) in Organizational Economics and Strategy. The course draws on insights from Institutional Economics and Industrial Organization to analyze business problems and cases. In the first part of the class you will be participating in a business strategy game where you and your team will have to make decision about prices, capacities, investments, etc. in a real-world-like business environment. You will compete against other teams and the market will determine your team’s performance. In the second part of the game, we will discuss key topics like organizational strategy and incentive strategy, the design and purpose of incentive systems, entry and exit decisions in markets, strategic positioning for competitive advantage, and innovation and sustaining competitive advantage.

Previous knowledge expected
This course uses methods that are introduced and discussed in 334.100 Master Course on Management, and also in 334.110/120 Organizational Design and Incentives in Firms 1+2, and in 334.130 Organizational Design and Strategy 1.

Objective
After this course, students should have a deeper understanding of the challenges that are involved when the general manager develops a firm’s organizational and incentive strategy. The concepts and frameworks introduced in this course will help the participants learn to put structure on complex and unstructured problems in business firms, in particular with regard to decisions that concern the efficiency of a firm’s incentive strategy in connection to a firm’s market strategy.

Language of instruction:
This course will be held in English.

Teaching and learning method
The course is based on team discussions and presentations, case studies, video lectures, experiments, and problem sets that are solved in study groups. Teams will be organized based on a “buddy system” (more advanced students will help incomings and less advanced students)

Exam information
Assessment is based on active involvement and participation in class, performance of tasks, group assignments, presentations, problem sets.
ECTS
This course has 4 ECTS = 100 hours. Please reserve sufficient time outside class for reading the assignments.

Required readings

Schedule and readings

**Part 1: Business Strategy Game (Roland Königsgruber)**
May: 2., 14-19
May 3, 14-18
- **Readings Part 1**
  - TOPSIM – General Management, Participant’s manual – Part I: Introduction
  - TOPSIM – General Management, Participant’s manual – Part II: Initial situation
  - TOPSIM – General Management, Participant’s manual – Short overview: Introduction

**Part 2: Foundations of Strategy (Michael Kopel)**

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<th>Presentations</th>
<th>General readings, all teams</th>
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<td><strong>May 9., 14-17</strong></td>
<td>Economic Primer: Basic Principles (BDSS 9-37)</td>
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<td>Team 1: Chapter 6: Entry and exit (BDSS 196-225)</td>
<td>Chapter 5: Competitors and competition (BDSS 165-195)</td>
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<td>Team 2: Chapter 7: Dynamics: competing across time (BDSS 226-257)</td>
<td>Chapter 8: Industry Analysis (BDSS 258-289)</td>
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<td><strong>May 16., 14-17</strong></td>
<td>Chapter 10: Information and value creation (BDSS 333-362)</td>
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<td>Team 3: Chapter 9: Strategic positioning for competitive advantage (BDSS 293-332)</td>
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<td>Team 4: Chapter 11: Sustaining competitive advantage (BDSS 363-398)</td>
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<td><strong>May 23., 14-17</strong></td>
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<td>Team 5: Chapter 14: Environment, Power, and Culture (BDSS 470-500)</td>
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