

MGMT893-001: Building Future Markets (0.5 cu)

Version 2.7: 111512

Faculty: Ian MacMillan

Location: Cape Town, South Africa

Dates: March 4 - 6, 2013

Local partner: University of Stellenbosch Business School (USB)

Textbook: "Demand," by Adrian Slywotzky. Oliver Wyman 2012

TAs:

Clare Leinweber (leinwebe@wharton.upenn.edu),

Jeanne Chen (jeanne4@wharton.upenn.edu)

Alli Berliner (aberl@wharton.upenn.edu)

Future Market Creation Plan due March 21, 2013

Course Description:

With serious economic slowdown in most of the developed world, major firms and investors are turning their interest to participating in the burgeoning growth of emerging markets around the globe. In this course we will be looking at how to enter, and in many cases actually create, markets in countries poised for growth.

Firms and entrepreneurs alike are typically ill-equipped to evaluate and execute new initiatives that provide healthy upside potential and simultaneously limit exposure to liability and loss. We shall provide tools and insights for entering, or creating and expanding future markets, applying radically different processes for planning and executing market creation under conditions of great uncertainty.

This course is not just about entering African markets. While the course will be delivered in South Africa as an exemplar region - the materials apply to all emerging economies.

The course will cover how to:

- **Identify, evaluate and create future market opportunities.**
- **Embrace uncertainty and manage risk in the creation of a future market.**
- **Plan and execute under uncertainty**
- **Analyze and anticipate the sociopolitical challenges of new market creation**

The course comprises lectures by Wharton instructors and executive briefings by executives who have actually managed the entry of their firms into emerging markets such as India, China, South America, Eastern Europe and Africa, and who will provide insights for market entry into those regions.

Wharton students will have the opportunity to take the course in partnership with students from University of Stellenbosch

Grading structure: 30% class participation & 70% group future market creation plan.

Schedule and readings

Note that this schedule is not a contract; it is a game plan subject to modest changes contingent on local scheduling changes.

Day 1: Monday, March 4

Readings for day 1:

1. R. Gunther McGrath and Ian C. MacMillan "Discovering New Points of Differentiation". Harvard Business Review, Vol. 75, no. 3, July-August 1997. pp. 133-145
2. R. Gunther McGrath and Ian C. MacMillan "Discover Your Products' Hidden Potential". Harvard Business Review, Vol. 74, no. 3, May-June 1996. pp. 58-73.
3. Text book: "Demand" Chapters 1,2,3

Day 1 Schedule

8:00 – 9.30

Introduction: Framework for Building Future Markets

9.45 – 11.15

Deliverable and experience tables

11.30 – 1.00

Executive briefing: Entering emerging markets with financial services: India

1.15 – 5.00

Optional and strictly voluntary visit to entrepreneurial marketplace

6.00 – 9.00

Group formation and group work

DAY 2: Tuesday, March 5

Readings for Day 2:

1. Larry Selden and Ian C. MacMillan "Manage Customer Centric Innovation Systematically" Harvard Business Review, April 2006
2. Text book: "Demand" Chapters 4,5,7

Day 2 Schedule

8:00 – 9.30

MCA, Capability tables

9.45 – 11.15

Executive briefing: Entering emerging markets with Telecom: Africa - Vodacom

11.30 – 1.00

Discovery Driven Planning and CheckPoint/Assumption Table

1:00 – 1:30

Lunch

1:30 - 3:00

Executive briefing: Entering emerging markets with retailing: Africa -ShopRite

3.30 – 5.30

Stakeholder analysis

6.00 – 8.30

Group work

Day 3: Wednesday, March 6

NOTE: There are severe penalties for missing any classes, particularly the final day's classes

Readings for Day 3

1. Text book: "Demand" Chapters 8,9

Day 3 Schedule

8.00 – 9.30

Sociopolitical Strategy

9.45 – 11.15

Executive briefing: Entering emerging markets with consumer goods: China

11.30 – 1.00

DRAT analysis and disengagement planning

1:00 – 1:45

Lunch

1:45 - 3:00

Executive briefing: Entering emerging markets with telecom and information technology: Africa and Middle East

3.15 – 4.30

Course wrap up

Group report: Future Market Creation Plan **DUE March 21**

Form a team consisting of at least 5 members. Assume the role of a team charged with entering a market in an emerging economy. Select an offering that really interests your team, and a region where there is potential for high growth for that offering. This may be for an existing firm or a for de novo start up.

Your goal is to learn enough about the future market opportunity using whatever data sources you can, and then apply the course materials to prepare a draft plan and entry strategy for entering this future market.

The following outline should serve as a guide, but use your own best judgment as to the best way to present your work. Confine your text to no more than 15 double-spaced pages of 12 point type excluding appendices.

1. Executive Summary (Maximum 1 page)
2. Impact statement Description of the future market, how your offering will be superior to the most competitive current alternatives, the expected performance of your program five years out, and expected financial benefits (about 3 pages).
3. Market analysis. Analysis of the emerging market for the innovation: Five forces analysis identifying potential areas of greatest potential or vulnerability; arenas that will benefit, and the benefits to these arenas. The size and growth rate of the target revenue arenas, or target application arenas, with value propositions, the revenue model and profit model (about 3pp)
4. Your articulation of the market creation challenges – summary of the experience, deliverables, MCA capability and expense tables.(about 3 pp)
5. Sociopolitical analysis and stakeholder reactiveness. Recommended entry strategy and tactics (about 3 pp.)
6. Recommendations and key risks. What the client should do next, and why you feel this is the best way to proceed. (Your recommendation may be to not go forward, in which case your analysis should show why). Critical environmental risks, customer-response issues, alternate competitor reaction scenarios, impact on your base-case assessment, (About 3pp.)
7. Appendices: Your deliverable table, experience table, MCA, capability tables, Cost and expenses table and funding table. Your Attribute Maps, DDP, barebones NPV, Sociopolitical and DRAT analyses and other exhibits, supporting materials and additional analyses should be no more than another 12 pages.