

# ECON301/ENTP 301 Entrepreneurial Strategy

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## Course schedule and room

Section 1: MW, 9:00-10.15am, PBL 118  
Section 2: MW, 10:30-11.45am, PBL 118

## Office hours

Monday-Tuesday, 2:30-4:30pm

## A. Course Overview

This class introduces students to the major **determinants of entrepreneurial behavior, strategic choices, success and failure**. The course integrates a lecture style and an in-class discussion method, and is composed of **eight parts**, as follows:

1. Spotting and exploiting **entrepreneurial opportunities**.
2. **Who becomes an entrepreneur?** Born vs. made, intentional vs. accidental entrepreneurs
3. **Organizational** challenges: incentives, alliances, corporate finance.
4. **Competitive analysis**: value chains, entry, positioning, incumbents' responses, and industry dynamics.
5. The characteristics and dynamics of **family firms**, and founder's **succession**.
6. Entrepreneurship in **new and in established** companies.
7. The **measurement** of entrepreneurial behavior and success.
8. **Institutions and international entrepreneurship**: the influence of political, legal, and financial environments on entrepreneurship.

Students will be asked to read **business cases** and to be ready to discuss them in class. A few classes will include the discussion of **academic articles** and book chapters.

There will also be three **guest lectures**. One lecture will be given by Jack Kleinhenz, an economic consultant, on the definition and analysis of markets. The other two lectures will be by Kate Kerr of Fifth Third Bank and by John Dearborn of Jumpstart, on the challenges in financing new businesses.

A series of **optional** readings are also listed for each section (with the exception of section 7). **Do not be scared** by the high number of these additional readings. You are **not** expected to read all of them. Instead, each student is expected to pick (at least) **one** of these readings for **two** sections of the course, and to send me a **two-page comment** on the optional reading he/she has chosen.

## B. Audience and aims of the course

The class is of relevance to **students interested in starting new businesses, as well as to students thinking about working in consulting or finance, and students interested in pursuing research and graduate studies.**

In addition to students majoring in **Management**, students majoring in **Economics** and **Accounting** will find this class of interest. Obviously, students from other majors and disciplines are more than welcome to join the class.

What learned in this class is not supposed to be *sufficient* to successfully start a new firm, nor to claim full knowledge of the field of entrepreneurship. Rather, the course is designed as a *necessary* step toward those goals. Students will be called to critically assess the major tradeoffs managers and entrepreneurs face, and to evaluate the role and importance of various factors that affect their decisions and outcomes.

As a complement to this class, **ENTP 311 “New Venture Creation”** offers a more practice-oriented flavor to the topic of entrepreneurship. **ENTP 310 “Entrepreneurial Finance”** focuses on the challenges entrepreneurs face in raising money to start their new ventures. You should therefore see ENTP 301, 310 and 311 as complementary classes, or as part of a “sequence”. **ECON 364 “Industrial Organization”** and **ECON 369 “Economics of Technological Innovation and Entrepreneurship”** are additional, related classes to consider.

### *Prerequisites*

Familiarity with basic concepts and notions in **microeconomics** at the level of ECON 102 or higher, of **statistics** at the level of STAT 207, and of **accounting** at the level of ACCT 101, is recommended (though not required).

## C. Requirements and Grading

### *Class Attendance and Participation*

I expect you to come to class (*and to tell me in advance if you have to miss one*), and to actively participate in the discussion. A large part of each class will be spent discussing the required cases and readings. Please come prepared by reading the assigned material in advance. **At the beginning of each class, I will cold call a student and ask him/her to get the discussion started by summarizing and commenting on the cases and readings.** For each class, this syllabus includes a few discussion questions that should guide your class preparation.

**Just to be clear, it is very hard to get an “A” in this course unless you actively participate (as reported below, participation make up for 25% of your final grade).**

### *Memos and summaries of guest lectures*

Each student will choose one additional reading from two of the eight sessions of the course, and will post on [Blackboard](#) a two-page comment for each of them. The two-page comments have to be sent within specific deadlines, reported in the class schedule below.

While I do not require any specific format and content for the memos, I expect you to address at least some of the following **questions**:

1. What is the topic the paper addresses, or the question it is asking?

2. What methods do the authors adopt to answer the question (empirical research, case studies, literature survey...)?
3. What are the main conclusions of the authors?
4. Do you think that the issues raised in the paper are relevant for strategy and entrepreneurship? Why? What did you learn that you did not know already?
5. How are the points of the paper related to business cases and real world facts we looked at in class or that you have knowledge of?
6. Do you think the methods chosen by the authors are appropriate? Are the authors rigorous in applying those methods?

**None of these guiding questions really requires a complete knowledge and understanding of the readings.** In fact, some of the papers may apply methods and technicalities you are not necessarily supposed to know. **Don't panic:** the key aim of the assignments is to train you in capturing the main point of the papers rather than focusing on methods and technicalities per se. In other words, **feel free to skim** over the more technical parts of a paper, and focus instead on the main points and findings. In addition, you will be asked to write a ONE page memo on two out of the three guest lectures, reporting the main points you took away from the talks.

### ***Midterm exam***

A midterm exam will be given, where you will be asked to answer a few questions on a business case that will be distributed one week before the exam. While the exam is individual, you should feel free to discuss about the case with your fellow students in the days before the exam.

### ***The final project***

The final project is a **team work** and I expect the teams to be composed of **three students**. You will be asked to choose a country where you want to invest, i.e., start a new business. Your final report will be an in-class presentation, where you will describe the country you picked, and the business sector and segment you propose to enter. You will have to motivate your choice and briefly describe your organizational, competitive, and financial strategy. This assignment is strictly related to section 8 of the course and to the assigned book (see below).

I expect the teams to be formed by **mid October**. I would like to meet all the teams at least once during the term – possibly earlier on, in order to discuss the country and business you chose and to help you out looking for literature, framing the issue and so on.

Each team will prepare a **20 minutes PowerPoint presentation** to be reported in one of the four last meetings of the course.

### **Composition of the final grade:**

In-class participation:	<b>25%</b>
Memos + summaries:	<b>25%</b>
Midterm exam:	<b>25%</b>
Final project:	<b>25%</b>

## **D. Course material**

The course material is composed of a series of **business cases, articles from academic journals and from the popular press, and a book.**

Most of the readings are freely available online through major databases the university subscribes to. I added links to these readings in the syllabus below. Some readings, and especially the cases, are not freely available. They will be available online in a course pack, through Xanedu.com. Finally, I upload some readings on [Blackboard](#).

The assigned book is titled *Outliers* by **Malcolm Gladwell**. It is available on Amazon [here](#).

## **E. Academic Integrity**

University policy on plagiarism and academic integrity will be rigorously enforced. The University does not tolerate cheating or plagiarism in any form. Cheating or plagiarism will result in a failing grade. Ignorance is not considered an excuse. If you are not sure whether or not something you plan to submit would be considered either cheating or plagiarism, please do not hesitate to ask me, or your other faculty.

## **F. Students with Disabilities**

I will be happy to meet with students with disabilities and who may need individual arrangements. **Please inform me of any of these issues at the beginning of the course.** The Coordinator of Disability Services can be contacted at 216-368-5230.

## Topics and readings

There will be eight sections. The class will meet twice a week. Cases are indicated with a [C]. The lists of the optional readings for each section are reported at the end of the Syllabus.

### 1. Introduction (2 classes)

- Description of the course, requirements, grading, readings.
- Why do we care about entrepreneurship?
- Does entrepreneurship (always) pay?
- Entrepreneurship as an engine of economic development and growth
- Spotting and exploiting entrepreneurial opportunities

**Class 1:** *Required Readings* **Aug. 24**  
**Course** Economist, 2006: “Searching for the invisible man”, March 9th.  
**introduction** [\[Blackboard\]](#)  
Bhide, 1996: “The questions every entrepreneur must answer”, Harvard Business Review (12 pages) [Course Pack]  
Stern, S., 2005: “HEconomic Experiments – The role of Entrepreneurship in Economic Prosperity”, Kauffman Foundation, pages 16-21  
[\[Blackboard\]](#)

#### *Questions for discussion*

1. What kind of “experiments” do entrepreneurs do?
2. Is entrepreneurship only about major innovation and change (e.g. new products, high tech...)?
3. What are the key issues raised by Bhide? Do you agree on their importance? Is he leaving any important issue out?
4. What makes it so hard to be a *successful* entrepreneur?

**Class 2:** *Required Readings* **Aug. 26**  
**Spotting** [C] “R&R”, HBS case [Course Pack]  
**(creating?)**  
**and exploiting** *Questions for discussion*  
**opportunities**

1. What is the business Bob Reiss is considering to enter?
2. Are there entrepreneurial opportunities in this business? Is this a new product?
3. Analyze the demand and supply conditions: Will people buy the product? What evidence do we have? Are there other competitors? What are their characteristics? Are they doing well in the business?
4. Does Bob Reiss have the characteristics to succeed in this business? Which ones?
5. How did Bob Reiss organize the production and distribution of the product? Did this differ from the competitors? How many people did Trivia, Inc. employ?

6. Should Reiss go for “Whoozit”? Why or why not?
7. Comment the following claim: “Entrepreneurial opportunities are not *found*: they are *created*.”

**Memo for section 1 due by August 28 at midnight**

## **2. Who becomes (and succeeds as) an entrepreneur? A look at individual characteristics (3 classes)**

“Nature”: innate characteristics and their importance

“Nurture”: education, skills, power, experience, learning, social networks

User entrepreneurship and innovation

**Class 3: Is entrepreneurship in our DNA?**

### ***Required Readings***

[C] Specter, M., 2007: “Branson’s Luck”, *The New Yorker*, May 14, 114-125. [\[Blackboard\]](#)

M. Gladwell, *Outliers*, ch. 3, 4.

**Aug. 31**

### ***Questions for discussion***

1. Why do some people (and not others) identify opportunity windows, and are able to profit for them?
2. What is special about Richard Branson?
  - Was he “born entrepreneur”?
  - Did the environment around him help?
  - Would he be good for any business? Or only for some? Which ones?
  - Was he just lucky?
3. If you were to advice Branson, would you encourage him to go further with Virgin Fuel, the environmental challenge, and Virgin Galactic? Why or why not?
4. What does IQ measure and what it does not, according to Gladwell? Is it a good measure of creativity or “practical intelligence”?

**Class 4: Generic and specific entrepreneurial skills**

**Required Readings**

[C] “Heidi Roizen”, HBS case [Course Pack]  
M. Gladwell, *Outliers*, ch. 2, 9.  
Lazear, E., 2004: “Entrepreneurship”, *American Economic Review* (Skip technical details) [[Jstor](#)]

**Sept. 2**

**Questions for discussion**

1. Does Heidi Roizen have any specific competence? Is she a “tech” person?
2. Should Heidi change her approach to business now that she is in charge of a Venture Capital company?
3. Does Heidi conform to the definition of entrepreneur as a “Jack of All Trades” by Lazear?
4. Do you agree on the importance of being a “Jack of All Trades”? Or, would you rather be a specialist?
5. Does the “10,000-Hour Rule” that Gladwell discuss make sense to you as a general principle?

**Class 5: User Entrepreneurship**

**Required readings**

Tripsas, Mary and Shah, Sonali K., "[The Accidental Entrepreneur: The Emergent and Collective Process of User Entrepreneurship](#)" (October 2007). *Strategic Entrepreneurship Journal*  
M. Fitzgerald, [How to Improve It? Ask Those Who Use It](#), *New York Times*

**Sept 9**

**Questions for discussions**

1. How does user entrepreneurship differ from “traditional” entrepreneurship?
2. Please find at least one example of user entrepreneurship not mentioned in the articles (e.g. though an internet search)
3. In which sectors do you expect there to be a higher prevalence of user entrepreneurship?

**Memo for section 2 due by September 18 at midnight**

**3. Organizing for success (2 classes)**

Incentives to workers, managers, and entrepreneurs  
Alliances, joint ventures

**Class 6: The boundaries of companies**

**Required Readings**

[C] “Abgenix and the Xenomouse”, HBS Case [Course Pack]

**Sept. 14**

***Questions for discussion***

What are the upsides and downsides of these three alternatives for Abgenix? [Note: consider both **financial** and **organizational** issues!]

- Licensing the technology to Pharmacol
- Teaming up and co-develop the technology with Biopart
- Go it alone with clinical trials

What option would you choose, and why?

**Class 7: Incentives  
in companies**

***Required Reading***

[C] Kerr, Steven. 1975: "On the Folly of Rewarding A, While Hoping for B", *Academy of Management Journal* 18:769-83  
[\[Blackboard\]](#)

J. Beggs, [Incentives and The Land Of Unintended Consequences, Charity Style...](#)

**Sept. 16**

***Questions for discussion***

1. Why do companies and other organizations sometimes "pay for A while hoping for B"?
2. Can you think of other recent examples of this "folly", in addition to the examples described by Kerr and Beggs?
3. What are the major distortions in incentive pay for entrepreneurs, in your opinion?
4. Comment on this claim: "The definition of appropriate incentives for workers and managers is not a problem to be dealt with in isolation. It is deeply intertwined with the overall organizational and strategic choices of a firm"

**Memo for section 3 due by September 25 at midnight**

## 4. Industry and competitive analysis (4 classes + 3 guest speakers)

- Competitive forces and value chains
- Competition: Strategic behavior, first mover advantages, positioning
- Responses by existing firms: fight or accommodate?
- Industry and product life cycles

### Class 8: Five forces and value chains

#### *Required Readings*

[C] “Keurig”, HBS Case. [Course Pack]

#### *Questions of discussion*

1. Analyze the coffee brewing industry and the entrepreneurial opportunities in it. Is there a need for a different cup of coffee/ How does the competition look like? What are substitutes for coffee?
2. Draw and analyze the “coffee brewing” value chain for Keurig Draw and analyze the “coffee brewing” value chain for Keurig, and Keurig’s position in it
3. What does really Keurig do/produce? What is it buying from other companies?
  - a. Are the relations with these other companies smooth and easy?
4. Consider the following two strategic decisions
  - a. Should Keurig enter the “at home” market? Why or why not?
  - b. If Keurig enters the at home market, should it have two different types of cups (for office and for home use)? Why or why not?

How do the characteristics of the value chains (distributors, roasters, packaging companies, customers...) affect these decisions?

Sept. 21

### Class 9: Entry and positioning

#### *Required Readings*

[C] “Ikea Invades America”, HBS case. [Course Pack]

Yoffie, D. and Kwak, M., 2002: “[Judo Strategy: 10 Techniques for Beating a Stronger Opponent](#)”, Business Strategy Review, 13, 1, 20-30.

Hartford, Tim, 2008: “[How Facebook Is Like Ikea](#)”, *Slate*, Jan. 19.

#### *Questions of discussion*

1. What made IKEA successful, abroad and in the US? How could they make it, against a solid and established “local” competition?
2. What was the competitors’ reaction, if any? Or, would you have expected incumbent to react in a tougher way?
3. Is IKEA a case of “clever” differentiation? In what sense?
4. Is IKEA’s strategy aggressive, i.e. aimed at driving competitors out of business?
5. How can new ventures compete against established firms,

Sept. 23

which have both more resources and an established reputation?

6. What is Judo Strategy? Does it apply to the IKEA case?
7. Go back to the story of Richard Branson and his going after “Giants” in several industries. Has he been playing judo strategy? Why or why not? How is his case different from IKEA?
8. What are the similarities between IKEA and Facebook? Is also IKEA a form of user entrepreneurship?

**Class 10: The response to entrepreneurial entry by existing firms**

***Required Readings***

[C] “Sealed Air Corp.”, HBS Case. [Course Pack]

**Sept. 28**

***Questions of discussion***

1. How is the protective air bubble market evolving? What has changed around the time of the case? What is Sealed Air’s position at the time of the case?
2. What should Sealed Air do?
  - a. Enter the uncoated bubble market? Why or why not?
  - b. Stay on the coated segment only? Why or why not?
  - c. Exit the bubble segment altogether? Why or why not?
3. What does this case tell us about the challenges for new companies in entering a market dominated by strong and established incumbent firms?
4. Is entering such markets always a bad proposition? How about IKEA, or Dell?

**Class 11: Industry evolution and the product life cycle** *Required Readings* **Sept. 30**  
Geroski, P. 1995: “What do we know about entry?”, International Journal of Industrial Organization, 13, 4, 421-440. [\[EJC\]](#)

Corey-Capon, 1985: “Product Life Cycle”, Harvard Business Review [course pack]

McFarland, A.,: “[Entrepreneurial Failure: get used to it](#)”

[C] “[Top ten Dot-Com flops](#)”

Wikipedia: [Dot-com Bubble](#)

V. Postrel, 2001: “[A vital economy is one that suffers lucky fools gladly](#)”, The New York Times

*Questions for discussion*

1. Which of Geroski’s reported findings are more surprising to you? What are their implications for new venture creation?
2. Please think of five products and locate them in the product life cycle framework
3. Would you ever start a new business in a mature industry/product? Why or why not?
4. Why do entrepreneurs need to get used to failure, according to McFarland?
5. Pick one among the ten stories in “Top ten Dot-Com flops” and find additional information on it. What went wrong in your opinion?

**Class 12: Defining and Analyzing Markets** *Guest speaker – Jack Kleinhenz* **Oct. 5**  
(6:30-8pm, room PBL 258) –*Note the change of time and location for this class*

**Class 13: Entrepreneurial Finance -- 1** *Guest speaker – John Dearborn, JumpStart* **Oct. 7**  
(6:30-8pm, room PBL 258) –*Note the change of time and location for this class*

*The case for the midterm exam (October 14) will be distributed*

**Class 14: Entrepreneurial Finance -- 2** *Guest speaker – Kate Kerr, Small Business Administration specialist, Fifth Third Bank* **Oct. 12**  
(6:30-8pm, room PBL 258) –*Note the change of time and location for this class*

**Report on Jack Kleinhenz’s talks due by October 9 at midnight**

**Memo for section 4 due by October 16 at midnight**

**Report on Kate Kerr’s or John Dearborn’s talks due by October 23 at midnight**



**Memo for section 6 due by November 6 at midnight**

## 7. Measurement issues (1 class)

**Class 17: Metrics;  
testing hypotheses**

**Required Readings**

Hamilton, B. 2000: “Does entrepreneurship pay? An Empirical Analysis of the Returns to Self Employment”, *Journal of Political Economy*, 108, 3, 604-631 (skip more technical parts) [[Jstor](#)]  
Hamilton-Nickerson, 2003: [Correcting for Endogeneity in Strategic Management Research](#), *Strategic Organization* 1, 1 (read up to page 11).  
P. Klein, 2008: [Good to Great: Neither Good nor Great](#).

**Nov. 2**

**Questions of discussion**

1. What kind of measures of success, and which summary statistics, does Hamilton use? Why?
2. What is endogeneity and the related causality problems? Why do these problems matter in order to assess the determinants of entrepreneurial success?
3. What is the problem with business books like “Good to Great”?

## 8. Institutions and entrepreneurship (3 classes + Students’ presentations)

- Differences in entrepreneurial behavior and performance over time and across countries and regions
- Financial, educational, political institutions
- Focus on developing countries: obstacles, microfinance, “institutional entrepreneurs”
- Geography and entrepreneurship
- Intellectual property rights
- Cultural and historical roots

**Class 19: Business  
environments**

**Required Readings**

World Bank’s [“Doing Business”](#) report, 2009, up to page 58  
Economist, March 12 2009:  
“The more the merrier” [[Blackboard](#)]  
“The United States of Entrepreneurs” [[Blackboard](#)]  
“Lands of opportunity” [[Blackboard](#)]  
Economist, April 16 2009: “It’s the economy, stupid” [[Blackboard](#)]

**Nov. 4**

**Questions of discussion**

1. What institutional factors does the World Bank identify as stimulating new business creation? Why?
2. What makes the US still one of the best countries where to start a business?
3. How do the other countries described by the Economist attract businesses?

<b>Class 20: Country report: Costa Rica</b>	<b>Required Readings</b> OECD: Caribbean Rim investment initiative (crii), business environment report (ber):Costa Rica [ <a href="#">Blackboard</a> ]  <i>Questions for Discussion</i> <ol style="list-style-type: none"> <li>1. What are the major factors facilitating and impeding entrepreneurial investments in Costa Rica?</li> <li>2. What changes have been occurring lately, and how they will impact the attractiveness of the country to investors?</li> </ol>	<b>Nov. 9</b>
<b>Class 21: Entrepreneurship in a Recession</b>	<b>Required Readings</b> Economist - thriving on adversity [ <a href="#">Blackboard</a> ] John A. Quelch and Katherine E. Jocz, "How to Market in a Downturn," Harvard Business Review [Course Pack]	<b>Nov. 11</b>
<b>Class 22: Student presentations</b>		<b>Nov. 16</b>
<b>Class 23: Student presentations</b>		<b>Nov. 18</b>
<b>Class 24: Student presentations</b>		<b>Nov. 23</b>
<b>NO CLASS ON NOVEMBER 25</b>		
<b>Class 25: Student presentations</b>		<b>Nov. 30</b>
<b>Class 26: Course Wrap up</b>		<b>Dec. 2</b>

**Memo for section 8 due by November 20 at midnight**

## Optional readings

***Optional readings for section 1 (pick one for your 2-page memo)***

- Baumol, W., 1990: “Entrepreneurship: productive, unproductive, and destructive”, *Journal of Political Economy*, 98, 5, 893-921. [[Jstor](#)]
- Evans, D. and Leighton, L., 1989: “Some empirical aspects of entrepreneurship”, *American Economic Review*, 79, 3, 519-535. [[Jstor](#)]
- Geroski, P. 1995: “What do we know about entry?”, *International Journal of Industrial Organization*, 13, 4, 421-440. [[EJC](#)]
- Parker, S.C., 2005: “[The economics of entrepreneurship](#)”, *Foundations and Trends in Entrepreneurship*, 1, 1, 1-54.
- Kortum-Lerner, 2000: “Assessing the contribution of venture capital on innovation”, *RAND Journal of Economics*, 31, 4, 674-692. [[Jstor](#)]
- Francesca Pissarides, Miroslav Singer, Jan Svejnar, 2000: [Objectives and Constraints of Entrepreneurs: Evidence from Small and Medium Size Enterprises in Russia and Bulgaria](#)
- Blanchflower, D. Oswald, A., and Stutzer, A., 2001: [Latent Entrepreneurship Across Nations](#)

***Optional readings for section 2 (pick one for your 2-page memo)***

- Veronika Kisfalvi, 2002: “The entrepreneur's character, life issues, and strategy making”, *Journal of Business Venturing* [[EJC](#)]
- Evans, D. and Leighton, L., 1989: “Some empirical aspects of entrepreneurship”, *American Economic Review*, 79, 3, 519-535. [[Jstor](#)]
- Wong Y., 1986: “Entrepreneurship, Marriage, and Earnings”, *Review of Economics and Statistics*, 68, 4, 693-699. [[Jstor](#)]
- Uzzi, B., 1996: “Sources and Consequences of Embeddedness for the Economic Performance of Organizations: the Network effect”, *American Sociological Review*, 61, 4, 674-698. [[Jstor](#)]
- Bertrand, M. and Schoar, A., 2003: “Managing with Style”, *Quarterly Journal of Economics*, 118, 4, 1169-1208. [[EBSCO](#)]
- Zucker, L., Darby, M. and Brewer, 1998: “Intellectual Human Capital and the birth of the US Biotechnology Industry”, *American Economic Review*, 88, 1, 290-306. [[Jstor](#)]
- Jones, B. and Olken, B., 2005: “Do Leaders Matter? National Leadership and Growth Since World War II” *Quarterly Journal of Economics*, 120, 3, 835-864. [[EBSCO](#)]
- Hamilton 2000: JPE: “Does entrepreneurship pay? An Empirical Analysis of the Returns to Self Employment”, *Journal of Political Economy*, 108, 3, 604-631. [[Jstor](#)]
- Blanchflower, D. and Oswald, A., 1998: “What makes an entrepreneur?”, *Journal of Labor Economics*, 16, 1, 26-60. [[Jstor](#)]
- Silva, O., 2006: “[The Jack-of-All-Trades Entrepreneur: Innate Talent or Acquired Skill?](#)”
- Camerer, C. and Lovallo, D., 1999: “Overconfidence and Excess Entry: An Experimental Approach”, *American Economic Review*, 89, 1, 306-318. [[Jstor](#)]
- Chatterji, A. and Fabrizio, K., 2008: “[Professional Users as a Source of Innovation: The Role of Physician Innovation in the Medical Device Industry](#)”

***Optional readings for section 3 (pick one for your 2-page memo)***

- Ghemawat, P. 1995: “Competitive advantage and internal organization: Nucor revisited”, *Journal of Economics and Management Strategy* [[Blackboard](#)]

Beer, Michael; Cannon, Mark D.; Baron, James N.; et al., 2004: [Promise and peril in implementing pay-for-performance, Human resource management.](#)

Baker, 1992: “Beatrice: A Study in the Creation and destruction of Value”, *Journal of Finance*, 47, 3, 1081-1119. [[Jstor](#)]

Henderson, R. and Cockburn, I., 1996: “Scale, Scope and Spillovers”, *RAND Journal of Economics*, 27, 1, 32-59. [[Jstor](#)]

Bloom, N. and Van Reenen, 2006: “[Measuring Management Practices](#)”, working paper

March, J., 1991: “Exploration and exploitation in Organizational Learning”, *Organization Science*, 2, 1, 71-87. [[Jstor](#)]

Gittelman, M. and Kogut, B., 2003: “Does Good Science Lead to Valuable Knowledge? Biotechnology Firms and the Evolutionary Logic of Citation Patterns”, *Management Science*, 49, 4, 366-382. [[ProQuest](#)]

***Optional Readings for section 4 (pick one for your 2-page memo)***

Porter, 1980: *Competitive Strategy*, Ch. 1-2, Pages 3-46 [[Blackboard](#)]

Gans, J. and Stern, S. 2003,: “The product market and the market for ideas”, *Research Policy*, 32, 2, 333-350. [[EJC](#)]

Giarratana, M., 2003: “[The Birth of a New Industry: Entry by Start-ups and the Drivers of Firm Growth. The Case of Encryption Software](#)”

Marvin B. Lieberman; David B. Montgomery, 1988: “First-Mover Advantages”, *Strategic Management Journal*, Vol. 9, pp. 41-58. [[Jstor](#)]

Klepper, S., 2002: “Capabilities and Industry Evolution in the automobile industry”, *Industrial and Corporate Change*, 11, 4, 645-666. [[EJC](#)]

Rajshree Agarwal, 1997: “Survival of Firms over the Product Life Cycle”, *Southern Economic Journal*, Vol. 63, No. 3 (Jan., 1997), pp. 571-584 [[Jstor](#)]

Rajshree Agarwal and David B. Audretsch, 2001: “Does Entry Size Matter? The Impact of the Life Cycle and Technology on Firm Survival” *The Journal of Industrial Economics*, Vol. 49, No. 1 (Mar., 2001), pp. 21-43. ([Jstor](#))

Anand Swaminathan, 1998: “Entry into New Market Segments in Mature Industries: Endogenous and Exogenous Segmentation in the U.S. Brewing Industry”, *Strategic Management Journal*, Vol. 19, No. 4, Special Issue: Editor's Choice (Apr., 1998), pp. 389-404. ([Jstor](#))

Gompers, P. and Lerner, J., 2001: “The venture capital Revolution”, *Journal of Economic Perspectives*, 15, 2, 145-168. [[Jstor](#)]

Hochberg, Y., Ljunqvist, A. and Lu., Y., 2006: [Venture capital networks and investment performance](#), *Journal of Finance*, forthcoming.

Gersick, C., 1994: “Pacing strategic change: the case of a new venture”, *Academy of Management Journal*, 37, 1, 9-45. [[Jstor](#)]

Hellman, T. and Puri, M., 2000: “[The interaction between product and financing strategy: the role of venture capital](#)”, *Review of Financial Studies*, 13, 4, 959-984.

Camerer, C. and Lovo, D., 1999: “Overconfidence and Excess Entry: An Experimental Approach”, *American Economic Review*, 89, 1, 306-318. [[Jstor](#)]

***Optional readings for section 5 (pick one for your 2-page memo)***

Wasserman, N., 2003: “Founder-CEO Succession and the Paradox of Entrepreneurial Success”, *Organization Science*, 14, 2, 149-172. [[ProQuest](#)]

Villalonga, B. and Amit, 2004: "[How do Family Ownership, Control and Management affect Firm Value?](#)", working paper.

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