

Economics 125
Spring 2006
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OFFICE HOURS:
M, & Th, 12:15-1:45 p.m.
and 4:55-5:30 p.m.

ECONOMICS 125 - GLOBAL COMPETITION AND COMPETITIVENESS:

TEXTS: THE FOLLOWING BOOKS WILL BE USE IN THIS COURSE

MICHAEL PORTER, THE COMPETITIVE ADVANTAGE OF NATIONS, THE FREE PRESS: NEW YORK, 1990.

MICHAEL L. DERTOUZOS, RICHARD K. LESTER AND ROBERT M. SOLOW, MADE IN AMERICA, MIT PRESS: CAMBRIDGE, MA, 1989. (DLS)

GRADING: Your grade in this course will total 1300 points and be compiled as follows; there will be two hour exams worth 150 points each (=300 total) and a final exam worth 275 points. There will be four student researched and written reports on examples of competitiveness worth 50 points each. There will be 12 weekly in-class case discussions worth 25 points each, and 15 written micro theme assignments worth 15 points each. A missed assignment will receive a grade of zero in the absence of an acceptable and verifiable excuse. There are no excuses for a missed micro theme. No make-up exams or substitute assignments will be allowed. I reserve the right to alter your final mark by up to 1/2 letter grade depending upon the quality of your class participation.

ACADEMIC HONESTY: Fairfield University's policies regarding academic honesty on tests and written assignments are in full force at all times in this class.

DISABILITIES: Students with a University certified learning disability should contact me as soon as possible to negotiate appropriate arrangements for tests, written assignments, class seating etc. It is your responsibility to make contact with me.

READING ASSIGNMENTS AND CLASS SCHEDULE: The following pages contain the reading assignments and a tentative class schedule. The usual pattern will be as follows:

MONDAY - Discussion of Porter, and DLS readings, written microthemes.

THURSDAY –Lecture topics, student competitiveness assignments, written Microthemes, case study discussion.

N.B. - The case study assignment schedule will be maintained regardless of our ability to keep up with the rest of the readings.

<u>DATE:</u>	<u>ASSIGMENT</u>
Jan 19	The story of IBM - Schumpeter's "dynamic competition" A new theory of competitiveness - Porter ch.1 The problem of American competitiveness - DLS ch.1
Jan 23-26	Competitiveness measures - Productivity + value added Productivity comparisons - DLS ch.2 Competitive strategy - Porter pp. 33-53 www.whitehouse.gov/fsbr/esbr.html - Recent productivity data <u>DLS Case A</u> – The Auto Industry and auto microtheme
Jan 30-Feb 2	Competing internationally - Porter pp.53-68 Outdated strategies - DLS ch.3 <u>DLS CASE H</u> - The Textile Industry and microtheme <u>STUDENT COMPETITIVENESS ASSIGNMENT #1 – 2/2/06</u>
Feb 6-9	Determinants of Competitive Advantage - Porter ch.3 The Internet and Global Competitiveness "The World is Flat" Thomas L. Friedman – Video + reading Short time horizons - DLS ch.4 <u>DLS CASE C</u> - Commercial Aircraft Industry and microtheme
Feb 13-16	Dynamics of Competitive Advantage - Porter ch.4 Technological weakness - DLS ch.5 <u>EXAM #1 - Thursday 2/16.</u>
Feb 20	President's Day – No Class
Feb 23	Competition and trade with Japan and Asia - Porter pp. 384-421 <u>PORTER CASE #1</u> - German Printing Press Industry - pp. 179-95
Feb 27- Mar 2	"Japan: Winning the War" - Frontline video Japanese microtheme assignments <u>DLS CASE D</u> - Consumer Electronics Industry and microtheme
Mar 6–9	Competitive Advantage in services - Porter pp.239-54 Service productivity - Mckinsey handout Neglect of human resources - DLS ch.6 <u>STUDENT COMPETITIVENESS ASSIGNMENT #2 – 3/9/06</u>
Mar 13-17	No Classes Spring Break

- Mar 20-23** **National advantage in services - Porter pp.254-273**
Failures of cooperation - DLS ch.7
PORTER CASE #2 - U.S. patient monitoring equipment - pp.195-210
- Mar 27-30** **Patterns of Competitive Advantage in the U.S. and the European Union**
with special reference to Germany - Porter pp. 277-307 & 355-382
Government and industry at cross-purposes - DLS ch.8
The GE approach to competitiveness - Speaker Laura Selma 3/27
DLS CASE E - Machine Tool Industry and microtheme
- Apr 3-6** **Competitive development of national economies - Porter ch.10**
Best industrial practice - DLS ch.9
PORTER CASE #3 - Italian Ceramic Tile Industry, pp. 210-225
STUDENT COMPETITIVENESS ASSIGNMENT #3 – 4/6
EXAM #2 – Monday April 3rd
- Apr 10-13** **Competitive Advantage in Italy & Korea - Porter pp. 383-84, 421-79**
A more productive America - DLS ch.10
Competitive company strategy - Porter ch.11
DLS CASE F – Semiconductor & Computer Industries + microtheme
- Apr 17** **No Class Easter Monday Recess**
- Apr 20** **Competitive government strategy - Porter ch.12**
Strategy for industry, labor and government - DLS ch.11
PORTER CASE #4 - Japanese robotics - pp. 225-238
- Apr 24-27** **National agendas - Porter pp.683-734**
How universities should change - DLS ch.12
DLS CASE G - The Steel Industry and microtheme
STUDENT COMPETITIVENESS ASSIGNMENT #4 4/24
- May 1** **Policy recommendations - DLS Ch. 13, and Appendix i**
DLS CASE B - The Chemical Industry and microtheme
- May 2006** **FINAL EXAM**

STUDENT COMPETITIVENESS ASSIGNMENTS - INSTRUCTIONS

Four times during the semester each student must find, research, analyze, and provide a **type written** report on a competitiveness case found in a non-newspaper source. The purpose of the exercise is to get you to think independently and creatively about the problem of competitiveness. The analysis is to be no less than 1 and ½ nor more than 2 typed pages. It is not to be a summary of the article but rather, it should accomplish as much as possible of the following:

- * Identify the competitive focus (issue) of the article
- * Explain how competition is taking place - tools, concepts
- * Identify the leaders and explain why they are successful or failing
- * Identify the role of prices, differentiation, costs, innovation, entry, scale, etc.
- * Analyze any international aspects
- * Examine any efficiency elements such as
 1. Cost reductions
 2. Productivity upgrading
- * Compare the article to class material developed so far. Identify the article as important because it: reinforces, extends, or contradicts a specific concept discussed in class.

Your competitive report should have a title page with:

- * your name, course, assignment
- * article title, including source, date and page
- * and the following summary outline in one line bullet form
 - * group focus - product, firm, industry, nation
 - * domestic or international competition
 - * competitive focus
 - * form of competition/competitiveness
 - * identify leaders/participants
 - * why leaders are successful or failing
 - * goal of competitive activity
 - * efficiency aspects
 - * relevance of article

You must hand in two Xeroxed copies of the article

Good but not exclusive reference sources would include:

- | | | |
|------------------------------|-----------------|----------|
| * FORTUNE MAGAZINE | * THE ECONOMIST | * TIME |
| * HARVARD BUSINESS REVIEW | * NEWSWEEK | * INC. |
| * U.S. NEWS AND WORLD REPORT | * BUSINESS WEEK | * FORBES |

Most of these sources may have web sites with interesting articles.

You are restricted in your source search to the following dates:

- ASSIGNMENT #1 - ANY SOURCE DATED 1/1/05 TO 6/30/05**
- ASSIGNMENT #2 - ANY SOURCE DATED 2003 OR 2004**
- ASSIGNMENT #3 - ANY SOURCE DATED 7/1/05 TO 12/31/05**
- ASSIGNMENT #4 - ANY SOURCE DATED IN 2006**

YOUR GRADE WILL DEPEND UPON THE FOLLOWING:

- * The quality of the article selected: technical sophistication, focus on key issues**
- * The insight and analytical content of your report**
- * The quality and style of your written presentation**
- * The quality of your oral presentation, when requested**

MICROTHEME ASSIGNMENTS

Typical microtheme assignments will involve an article or collection of articles on a specific competitiveness topic. They will be accompanied by a brief list of questions for which you must provide a prose, type written response of **no more than one** page in total. The response is to be an answer to the question(s) not a summary of the article. To get the most out of each assignment, you should always ask yourself; why was this article assigned? How does it relate to the topics in our earlier classes or readings?

There will be a minimum of 17 microtheme assignments worth 15 points each. The fifteen highest scores will count towards your final grade. Microtheme responses are due at the start of the next class following their assignment. No hand written or late responses will be accepted. All microtheme topics are possible subjects for exam questions.

CASE ASSIGNMENTS

There are 12 case studies, some with accompanying microthemes or supplemental readings, which will usually be discussed on Thursdays. You must read the case before class, and be prepared to answer questions as well as discuss competitive aspects of each case. Your case grade will depend upon the quality of your oral participation that day. An unexcused absence from class will result in a case grade of zero.

SMALL GROUP DISCUSSIONS AND PEER REVIEW PROCESS

Some of the cases, microthemes and competitiveness assignments will be discussed within small, in-class groups. The group will be responsible for a collective response or analysis toward the end of the class. Group response grades may be assigned to each member where appropriate. Groups will be formed by me, using the seating arrangement, and will be

changed at least once during the semester.

A peer review process will be employed to evaluate the quality of the student competitiveness assignments. You will read a class member's assignment, and construct a written, and graded evaluation of that effort. You will be supplied with a pre-printed form to guide you in your assessment. Your written evaluation will serve as a microtheme for you, and receive a grade. **Be careful:** a poorly done evaluation, or an unjustly praiseworthy one, will result in a low microtheme grade for you. Your goal is to be tough, but fair, in your evaluation of the work of others. You may wish to use the following grading guidelines in forming your evaluation:

- "a" - outstanding work: significant, insightful, creative
- "b" - much better than average: thoughtful, important
- "c" - work expected from the typical/average college student
- "d" - below average: dull, lacking imagination, error prone,
lacking in importance or thoughtful evaluation.
- "f" - failing: unworthy of recognition

You may add a "+" or "-" to your grade evaluation, as you see fit.