ISM 105/205: MOT I: Homework # 3

Competitive Strategy (continued), Aggregate Project Plan, Decision Analysis

Midterm: will be handed out on Thursday, October 28, 2010, and will be due the following Tuesday, November 2.

Readings: (1) U& E, PDD, Chapters 1-4; (2) “Intel 2004” article available at:
http://www.businessweek.com/magazine/content/04_10/b3873001_mz001.htm
(3) “Intel 2006” article available at:
http://www.businessweek.com/magazine/content/06_02/b3966001.htm

Homework Problems (due Thursday, October 14):

1. “Intel 2004”: Use the structured problem solving approach to solve this problem. How has Intel’s Technology strategy, Product/Market strategy, and developmental goals changed from its inception (1968) to 2004. What were the key driving forces that triggered these changes? What do you think are the three key technology/product initiatives that the CEO Craig Barrett should pursue during the next year (2005)?

2. Sensitivity Analysis for the Umbrella problem. You have traveled to London (a “rainy city”) and forgotten your umbrella. You have an important interview the next day, for which the probability that it will rain is 40%. If you get caught in the rain you will do $75 of damage to your expensive suit. The cost of an umbrella is $25. Draw the decision tree for this problem. What should you do? How sensitive is your decision to (a) a 10% change in probability of rain; (b) a 20% change in probability of rain.

3. (ISM 205 only) “Intel 2006”: Read the Intel 2006 article and answer the questions in Question 1 above.

Project Phase I (Phase 1 is due on Tuesday 10/26):
Assume that you are a medium-sized company that is developing several products and technologies to satisfy a given market, e.g., hand-held “personal digital assistants (PDAs) for the consumer electronics market”. Make sure you have a time-phased project plan for how your team is going to develop your technology/product during the next (approximately) 8 weeks. Then, proceed as follows (concurrently, when necessary):

• First, develop a technology strategy, a proposed marketing strategy, and a set of overall development goals for the company.
• Then, do a market sizing (revenue map) and market (customer) needs analysis for your proposed technology/product line.
• Do a set of thorough and specific competitive analysis of your technology/product business landscape: identify competitors, suppliers, buyers, etc. Are you a new entrant? Are you creating a substitute product? Etc.
• Also, address the issue of creating an aggregate project plan, i.e., an appropriate project mix (R&D, core products, etc.), within the context of (1) your developmental goals (2) your market needs analysis, and (3) your technology, market, and competitive strategies.
• Do a simple risk analysis of your project mix in order to determine which particular product you plan to develop.