

BUS 648M
CHANNEL STRATEGY AND B2B

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W330
MEMBA 17, R7

This class is for executives who currently work in or are targeting opportunities in consulting and strategy, industrial sales and buying, marketing management, and business development.

Overview

Most students learn that marketing is about the development of goods and services; however, this viewpoint sells the marketing function short. One critical component of value creation for customers that is often overlooked is *how customers want to buy*. The ability to make its products and services available to customers **at the right place and time** is a key source of explosive value and the purview of marketing channel strategy.

We will unpack “the black box” of organizational channels, distribution and retailers that create the routes to market between the firm and its end user or customers. In this course, you will learn how to capture and leverage this value through the careful selection of channel partners, the application of appropriate incentives and pricing agreements, the design and management of multiple channels. Topics include but are not limited to the following:

1. How to design and redesign routes to market
2. How to select and incentivize partners
3. How to structure and manage business partnerships for maximum returns
4. How to manage multiple online and offline channels

We will also discuss how these ideas extend to and should be applied to social business channels in emerging economies and entrepreneurship (startup) environments. In doing so, the goal is to provide you with the relevant frameworks, tools, and processes for more effective management of these areas, including the advantages, limitations, common uses and some best practice examples. This is accomplished through case studies, lectures, and a simulation.

You will also have the opportunity to observe, apply, and experience channel management “in the wild” via a unique simulation, called the *Fundamentals of Channel Management* (FunCM). This simulation will test your entrepreneurship skills, as you will form a new firm competing as either distributors or suppliers. Your management team will negotiate and execute sourcing agreements, draft contracts, make investments, and jointly manage contracts over four quarters with the goal of leaving behind a functional and profitable firm.

Materials

Required book: *A Field Guide to Channel Strategy: Building Routes to Market* by Anne T. Coughlan and Sandy D. Jap, 2016. An electronic copy of the book will be made available in Blackboard (left hand menu under Course Materials) until the hard copies arrive.

Please note that ALL of the course communications and class materials can be found in their respective session folders on Emory's Blackboard server (apps are also available for your tablet and/or smartphone). The login is at: <https://classes.emory.edu/webapps/portal/frameset.jsp> Blackboard can be configured to notify you in the event that new materials or announcements are posted to the site and to remind you of upcoming assignment deadlines. Your graded papers and scores over the course of the semester can also be viewed in Blackboard. Every class session will be recorded and available to you in Blackboard, in case you miss a session or would like to review any part of a class.

You will be forming teams of suppliers and resellers and competing against each other in our simulation, the *Fundamentals of Channel Management*, or FunCM for short (it really will be fun). This semester's game ID will be **04511-00015-74795** and you will be given a specific license id for login. Our game is listed under SJapan-BUS 648M S17. The game creators are extremely responsive to customers; feel free to email them at support@islworld.com or call them at 1-865-522-1946.

Course TA: Amy Clark, ACLAR31@EMORY.EDU

Organization

In the spirit of innovation, the MEMBA program has asked us to experiment with a new class format in which our residency time is front-loaded and the balance of the course is completed via distance. This will require all of us to do things differently, so thank you in advance for your cooperation and flexibility in this regard.

The emphasis of the course is on class discussions and application of key principles, frameworks, and issues necessary for analysis and concept integration. There will be an emphasis in class on *applying* the readings and concepts as well as *analyzing* business problems, so it is imperative that you come to class prepared, having completed the relevant exercises and case write-ups. I have created videos introducing you to key course concepts and application exercises online so that you can complete them during the pre-work period. Our residency and distance time will focus on group discussion and interaction. Class participation is not only expected, it is required.

Many channel issues are complex problems and there is rarely a single right answer. Instead, there are *better* answers and more *robust* options that are discovered via collaborative discussion together. Hence, the format of this course will be highly interactive and *there will be an attempt to encourage every individual to speak at some point during the class session*. This implies that frequent contributors may need to refrain in order to assure everyone an opportunity to speak. You will be expected to take a point of view and be ready to defend it in the discussion. Your presence is a necessary condition for successful performance, but not a sufficient guarantee of a

satisfactory class participation score. Please be aware that if you are not present in class or during a WebEx session, you cannot receive class participation credit.

Grading

In this subject, as in all subjects at Goizueta, the goal is to help you learn the material so that you can become a better manager. There are many ways to succeed in this course, so please do not become overly focused on the grade.

The MBA program's official grading policy mandates a grade distribution for elective courses: Grades of "Distinction" be limited to 18-20%, and that grades of "High Performance" and "Distinction" in combination not exceed 50-60%. The appropriate average distribution for the LP grade would be no more than 5%, recognizing that many times the appropriate distribution for a course would be 0%.

The components of your final grade will be weighted as follows:

| GRADING COMPONENT | % WEIGHT | INDIVIDUAL / TEAM |
|--|-------------|----------------------|
| PreClass Online Exercises (includes benefit audit and friend or foe questionnaire) and Chapter Quizzes | 20 | I |
| Class participation | 20 | I |
| FunCM Simulation | 20 | T |
| Two Case write-ups (teams of 3) | 20 | T |
| Channel Audit project (teams of 3) | 20 | T |
| TOTAL | 100 | |

The process of assigning grades involves a great deal of care and deliberation. If you feel that there has been an error in the calculation of your grade, you can submit it for re-grading up to two weeks of having received your grade along with a written statement of your concerns. Be aware that a re-grade can lead to a higher or lower revised grade.

Your grade will be a reflection of your demonstrated mastery of the material and nothing more. I will strive to ensure that students are treated consistently – in other words, I will never give a student any preferential treatment over another. **Late assignments will receive at most half credit.**

Pework videos and exercises. There are a number of prework videos and exercises that overviews the course content and must be completed (and submitted in Blackboard) before the start of their corresponding residency class. The benefit audit and friend or foe questionnaire responses that you submit will be covered in a class session; your grade will be solely based on the completion of these assignments. Any work turned in after the start of the class session will be treated as late.

Book chapters. Many class sessions will assign a chapter from the required book for the course prior to our residency time. These chapters are brief and provide depth beyond the introductory videos. They should be read after watching the prework video and completing the related exercise. Each chapter is followed by a one question application quiz to be completed online in Blackboard prior to class. These quizzes will simply be graded as 0 = quiz not completed, 1 = incorrect answer, and 2 = correct answer.

Case write-ups. There will be two case discussions: Uber and Cemex. You will be expected to complete the 3-4 case questions online in Blackboard as a team of three individuals by the start of the case session. Your total responses should not exceed one page in length. Be as thorough as possible and try to use all the data, class concepts and learning to support your reasoning. Your grade will be based on the correctness of your answer (where there is a correct answer), the logic of your approach and thinking, supporting analysis and clarity.

Class participation. Your participation assessment will be based on the (1) quality (and balanced quantity) of responses to case/discussion questions and (2) thoughtful responses/follow-ups to a point made by your classmates (including alternate points of view). I will be looking for evidence that you have read, thought about, and applied the concepts and tools.

Another way to demonstrate class participation is to post an article or describe a scenario at your company to the class discussion board in Blackboard. Your posting should explain how a class concept can be useful in informing the scenario, or how a scenario illustrates a class concept or what should be done. This does not have to be lengthy, but relevant and contribute to learning.

Teamwork. You will be asked to form a team of three to four individuals of your choice for the case write-ups and the FunCM simulation; these teams can consist of the same individuals or different ones. All team members will receive the same grade and I reserve the right to ask for individual contribution assessments if needed.

Channel Audit. A major course product is a spreadsheet that contains all of the key frameworks: the Channel Audit. This blank spreadsheet is designed to be completed in a team effort and with respect to a specific company that the team chooses, likely one that a team member currently works for as it will require in depth access to data. Copies of past channel audits that have received top scores will be available for review in Blackboard. All submitted work is proprietary and will not be shared with individuals outside your team without your express permission.

Expectations

It is your responsibility to keep up with daily happenings in regard to handouts, updates, and critical course announcements. You can set up your notification in Blackboard so that you are emailed or reminded of critical upcoming events. I will distribute copies of class slides in class; these will typically be incomplete and the completed slides will be posted electronically after class is over. If you miss a class, make sure you get annotations from a classmate; you may also view the video replays (the link to this will be in Blackboard). The slides are a guideline for

discussion, and in the spirit of continuous improvement, are subject to change. Do not be distressed if we do not discuss every slide during a class session.

Each session folder also contains past news articles and stories that illustrate key concepts in that session. These are optional reading and provide further examples of channel concepts.

The school enforces a strict honor code and there will be **zero tolerance** for violations. It is a violation to: (a) give or receive unauthorized assistance on an assignment or project, and (b) have knowledge of someone else's violation and not report it.

Finally, as a courtesy to your classmates, please minimize entering and exiting the room when we are in session and silence your cell phones. If you need to leave early, please sit at the end of the row so you can leave with minimal disruption.

Professor Bio

@SandyJap Website: <http://sandyjap.com>

Sandy Jap is Professor of Marketing. She is a co-founder of the Emory Marketing Analytics Center (MAC) and is an international expert in the management of partnering relationships and business-to-business issues. Her research centers on the development and management of interorganizational relationship and multichannel strategy as well as e-procurement activities involving industrial online, reverse auctions. She has developed algorithms for analyzing and forecasting bidding strategies related to effective auction design. Sandy has won numerous awards for her impact on the field and is currently developing decision support systems for multichannel sales and media management with a number of firms. Her research efforts have been conducted in a number of industries, including the aerospace, automotive, chemical, petroleum, high-tech and consumer product industries and the work has received significant attention from the academic community and the marketplace, including the *Wall Street Journal*, *CFO Magazine*, and *Harvard Business Review*. She is an editorial board member at leading marketing journals and her work appears in a variety of books. Prior to joining the Goizueta Business School, she served on the faculty at the Sloan School of Management at the Massachusetts Institute of Technology for six years and was a Visiting Associate Faculty member at the Wharton School at the University of Pennsylvania. She received her PhD from the University of Florida (Go Gators!), and enjoys life with her kids. Red wine, tennis and Cape Cod summers come in a very close second.

SCHEDULE OF DELIVERABLES

Everything that you will need to complete your preparations and be ready for class discussions are listed below and can be found in the Blackboard (BB) folders organized by date. *Please complete the work in the suggested sequence below.* Videos provide a topic overview, while related chapters dive into more detail and depth.

Videos. There are slide handouts in the BB folders to accompany all video segments and the related exercises are listed in sequence within the corresponding BB folder. After viewing the video, you should be able to complete the exercises online in BB and submit them electronically. Please disregard any statements in the videos regarding due dates and any schedule related matter; these were related to a past semester and do not apply to this class and session. *The schedule below will govern this semester and override any specific dates and times mentioned in the videos.* Please focus solely on the course content in these videos.

Chapter quizzes. After every chapter reading, you will be asked to complete a one question quiz in BB and submit electronically. These links can be found in the corresponding BB folder. Please note that only one attempt is allowed to complete a quiz and the quizzes cannot be saved and resumed later; all other exercises that you submit in BB do not have a limit on the number of attempts and can be saved and resumed later). Like Snapchat, quizzes are only available for a brief time and then disappear.

Pework organization. The pre-work sessions are structured to divide the workload over the three week period and exercises and quizzes should be completed during those weeks. Of course, you are welcome to complete these aspects in advance of the designated pre-work week, as your schedule allows. You will not be penalized if you are not able to complete the tasks during the designated pre-work week, however, the deadline for each aspect is the start of class during the residency period. For example, if you are not able to watch the Channel Benefits video and read the chapter during the pre-work week, the work will not be classified as late as long as it is completed by the start of class on 12/12.

It's also worth noting that the list of things to do in the prework week is not strict, but they are listed in a front-loaded manner: the nightly workload during the residency weeks may seem significantly lower. It's perfectly acceptable for you to read the chapters and complete the quiz the night before we meet in order to better balance the distribution of your tasks. Once we have started talking about the topic in class, any work received after that time will be classified as *late*.

| # | DATE | TOPIC | DO |
|-----------------------------------|--------------------|--------------|--|
| PREWORK PERIOD 11/20-12/11 | | | |
| | #1 11/20-26 | INTRO | Complete a student profile form in BB (link located on the left hand menu). Watch Introduction videos (1, 2, and Cola Road Video) then complete "Solving a World Health Problem" exercise in BB. |
| | | | Read Preface and Chapter 1 and then complete quiz in BB Watch Class Logistics and Deliverables video |

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| | | EXPLOSIVE VALUE | Watch Creating Channel Value videos (1-3) and then complete "Channel Strategy" exercise in BB |
| | | | Reach Chapter 2 and then complete quiz in BB |
| | | CHANNEL BENEFITS | Watch Channel Benefits video 1 and then complete "Channel Benefits - 1" exercise |
| | | | Watch Channel Benefits video 2 and then complete "Channel Benefits - 2" exercise |
| | | | Read Chapter 3 and then complete online quiz in BB |
| | | UBER CASE | Choose 2-3 teammates to work with for the case writeup due on Uber |
| | | AUDITING BENEFITS | Complete Channel Benefit Audit exercise in BB - this will involve a same product purchase at two different retail outlets, so get out and shop! |
| | | | Read Chapter 4 and then complete quiz in BB |

Note: Blackboard will be unavailable on Saturday 11/26 from 10a-3p for maintenance

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| #2 11/27-12/3 | CHANNEL FUNCTIONS | Watch Channel Functions videos (1,2) and complete "Channel Functions 1" exercise |
| | | Watch Channel Functions video 3 and complete "Channel Functions 2" exercise |
| | | Read Chapter 5 and 6 and then complete quizzes in BB |
| | CEMEX CASE | Choose 2-3 teammates to work with for the case writeup due on Cemex |
| | ALIGNMENT | Watch Channel Alignment and the Optimal Offering video and complete "Channel Offering" exercise in BB |
| | | Read Chapter 7 and complete quiz in BB |
| | STRATEGIC SKEPTIC | Read Chapter 8 and 9 and complete online quiz in BB |
| | POWER AND CONFLICT | Read Chapter 10 and complete online quiz in BB |
| #3 12/4-10 | RELATIONSHIPS | Watch Channel Relationships videos (1,2) and complete the "Managing Channel Relationships Exercise" |
| | | Watch Channel Relationships video 3 and complete the "Friend or Foe" Questionnaire |
| | | Read Chapters 11 and 12 and complete quiz for each in BB |
| | PRICING | Watch Pricing Conundrum videos (1,2) and complete "Channel Pricing Questions" in between |
| | | Read Chapter 13 and complete online quiz |
| | FUNCM | Read "Instructions for Starting the Simulation," "Getting to Know the Simulation Interface" and skim the "FunCM Gamebook." |
| | | Watch Fundamentals of Channel Management videos (1-2) and complete the "FunCM Intro" exercise. |

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| | | | Watch the FunCM Q1 video and begin entering Q1 decisions with teammates |
| RESIDENCY 12/12-12/15 | | | |
| 1 | 12/12 8a-noon | INTRO | Review INTRO handouts and chapter from prework session and bring to class any questions you might have |
| 2 | | EXPLOSIVE VALUE | Review EXPLOSIVE VALUE handouts and chapter from prework session and bring to class any questions you might have |
| 3 | | BENEFITS & AUDIT DEBRIEF | Audit debrief. Review CHANNEL BENEFITS handout and chapter from prework session and bring to class any questions you might have |
| 4 | 12/13 8a-11a | UBER CASE | Case Writeup due in BB by the start of class (only 1 copy per team needs to be submitted, but be sure that every member's name is on the submission) |
| 5 | | FUNCTIONS | Review CHANNEL FUNCTIONS handout and chapter from prework session and bring to class any questions you might have |
| 6 | 12/14 8a-1145a | CEMEX CASE | Case Writeup due in BB by start of class |
| 7 | | ALIGNMENT AND OPTIMIZATION | Review CHANNEL ALIGNMENT handout and chapter from prework session and bring to class any questions you might have |
| 8 | | STRATEGIC SKEPTIC | Read Chapter 8 and complete online quiz in BB by start of class |
| 9 | 12/15 8a-noon | RELATIONSHIPS | Review RELATIONSHIPS handout and chapter from prework session and bring to class any questions you might have. FFF analysis. |
| 10 | | PRICING | Review PRICING handout and chapter from prework session and bring to class any questions you might have |
| 11 | | FUNCM INTRO & Q1 | Introductions and Q1 negotiations with other firms. Q1 RFPs to suppliers are due by 12/16 and Q1 decisions by 12/18. |
| DISTANCE PERIOD 1/7-3/18 | | | |
| 12 | 1/7 1030a-noon | FUNCM Q2 | Review your Q1 results, watch the FunCM Q2 video and be prepared for your executive briefing and negotiations with other firms by start of class. Q2 RFPs will be due by 1/8 and Q2 decisions by 12/9. Feel free to turn these in before the deadlines. |
| 13 | 1/14 1030a-noon | FUNCM Q3 | Review Q2 results, watch the FunCM Q3 video and be prepared for your executive briefing and negotiations with other firms by start of class. Q3 RFPs are due 1/15 and Q3 decisions by 1/16. |
| 14 | 1/21 1030a-noon | FUNCM Q4 | Review Q3 results, and be prepared for your executive briefing and negotiations with other firms by start of class. Q4 RFPs will be due 1/22 and Q4 decisions by 1/23. |

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| 15 | 1/28 1030a-noon | FUNCМ WRAP | FunCM wrapup statements are due in BB by start of class. |
| 16 | 2/4 1030a-noon | COURSE WRAP | Watch the Course Wrapup video on multichannel management and complete the “Multichannel Management” Exercise |
| | FINALS WEEK 3/12-18 | CHANNEL AUDIT | Work with your team on the Channel Audit project. Due Mar 18 in BB but feel free to turn in anytime beginning 2/4. |