

## MARKETING CHANNEL STRATEGIES EXECUTIVE MBA SYLLABUS

### NATURE AND PURPOSE OF THE COURSE:

This class is for individuals who currently work in or are targeting jobs in consulting and strategy, entrepreneurial ventures, industrial sales and buying, and marketing management. The goal is for you to leave the course with a solid framework and a set of tools that are useful in your work life. Alums of this class have found them useful in assessing financial arrangements in their go-to-market structures; deciding how broadly to distribute products in a new consumer-focused market when the company's history was in B2B sales; how to motivate and manage upstream partners who complete the firm's distribution channel to end users; and many other go-to-market challenges.

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 and consumers that is often overlooked is *how customers want to buy*. Customers and consumers are not just buying a product for a price, but a {product + channel benefits} bundle, for a price. Therefore, the firm's ability to make its products and services available to customers and consumers *at the right place and time and with other valued ancillary services* is a key source of explosive value, and the purview of marketing channel strategy.

In this course, we will unpack the "black box" of distributors, reps, salespeople, systems integrators, value-added resellers, and retailers that constitute the routes to market between the manufacturer and its end users. You will learn how to capture and leverage channel value through the careful selection of channel partners, the application of appropriate incentives and pricing agreements, and the design and management of multiple channels. Topics in this course include but are not limited to the following:

- How channels are themselves sources of explosive value and profit to the firms using them
- How to segment your market to best understand end-users' demands for how to buy – not just what to buy
- How to design (and/or redesign) routes to market
- How to use leverage sources to manage and prevent conflicts in the channel

The framework for analysis you will learn in this course is general and thus applicable across a wide array of consumer, B2B, and service applications, and across multiple geographies. We will bring this variety alive in this course through discussion of applications in emerging markets as well as developed economies and applications in services as well as physical products, sold to consumer as well as business end-users.

### TEXT AND REFERENCES FOR ASSIGNMENTS:

Your course packet contains required readings, cases, lecture slides, and analysis tools.

The required book for the course is: *A Field Guide to Channel Strategy: Building Routes to Market*, available for purchase on Amazon.com at: <https://www.amazon.com/Field-Guide-Channel-Strategy-Building/dp/1539987744> .

## EVALUATION OF STUDENTS' WORK:

Your grade in this course will depend on your performance on three written assignments, with the weights noted below. Following is a description of each assignment. Please note that 90-minute "sessions" are numbered 1 through 10, with two sessions each on the five dates on which we meet.

ASSIGNMENT	DUE DATE	WEIGHT IN FINAL GRADE
<i>Case memo on <b>one</b> of these two cases: Mary Kay case or Cemex case (group assignment)</i>	Mary Kay: Session 3 CEMEX: Session 5	30%
<i>Case memo on <b>one</b> of these two cases: Invisalign case or Sondologics case (group assignment)</i>	Invisalign: Session 7 Sondologics: Session 9	30%
<b>TAKE-HOME</b> final exam (individual assignment)	Due by 5:00 p.m., 10 days after last class session	40%

## GROUP CASE MEMO ASSIGNMENTS:

You will write group case memos on two of the four cases we discuss in class (Mary Kay, CEMEX, Invisalign, and Sonologics). Before the start of class, I will assign you to groups of 4 or 5 students and you should collaborate within your groups to prepare the two case memos I assign to your group. Each group will be assigned *either* the Mary Kay case *or* the Cemex case as its first case memo assignment; and will be assigned *either* the Invisalign *or* the Sondologics case memo as its second case memo assignment.

The cases are accompanied by study questions, with case memo questions at the top of the list of questions and clearly labeled. Your memo should focus directly on these questions. Write a document that sequentially answers the questions asked and please label each question that you answer, rather than trying to write a complete case analysis. You can submit Word documents and Excel spreadsheets as components of your case memos (no PDFs or other document formats, please).

Each case memo must be no longer than *four single-spaced pages of text (channel audit workbooks are extra)*.

Your case memo grade will be a function of (a) how clearly and completely you answer all of the case memo questions asked; (b) how well you use case evidence to bolster your statements; and (c) the linkage between case fact and use of analysis and tools from the class in your answer.

**I urge you to pre-read the assigned book chapters before the start of this course. They provide guidelines about how to apply the concepts and tools of the course to the auditing of channel design and implementation and will be helpful as you prepare your case memos.**

*Your case memos are to be prepared and written collaboratively within your group. It is a violation of the Honor Code to collaborate on the preparation and writing of your case memos with other groups or to use materials from other students (current or prior).*

## **TAKE-HOME INDIVIDUAL FINAL EXAM**

The take-home final exam is worth 40% of your course grade. It is to be prepared and written individually and without consulting with your colleagues in class or with others outside the class.

The exam will be a case analysis. I will give the case and the exam questions to you in our last class meeting. There is no time limit on the exam (subject to turning it in by the due date/time). I will ask specific questions in the exam (i.e., it will not be an open-ended case analysis) and, as with the in-class case memos, you should clearly answer each question in order, with reference both to institutional case facts and to the framework for analysis in this course.

## **OTHER ELEMENTS OF WORK FOR THIS COURSE:**

We will spend part of our time together in lecture/discussion and part in the discussion of in-class cases. You should make it a priority to prepare for class discussion; it is your chance to put to work the tools of analysis we will learn in this class.

Please use the discussion questions accompanying the cases as a guide in case preparation – *even if you are not preparing a case memo for that particular case*. We may include other topics in our case discussion, but these questions are all relevant to the channel design and management issues pertinent in these cases and in this course.

In addition, I have given you reading assignments and a set of lecture slides for each session. I generally prepare lecture slides that are more comprehensive than I intend on covering in class, and therefore we will generally not discuss every slide. Nevertheless, they are a distillation of what I view to be the important elements of channel analysis.

**CLASS SCHEDULE:  
EXECUTIVE MBA MARKETING CHANNEL STRATEGIES COURSE**

DATE	TOPIC(S)	DESCRIPTION & ASSIGNMENT
Day 1 (all days meet for 3 hours)	Course Introduction: Channel Strategy Framework  Creating Explosive Channel Value	<p>This week’s class will introduce the course; its framework for analyzing, structuring, and upgrading channels; and how channels can significantly affect total go-to-market value. We’ll discuss the go-to-market challenges raised in the video “The Cola Road.” Please view this video and consider its accompanying discussion questions before our first class.</p> <p><b><i>Read/Prepare before Week 1 class:</i></b>            Course Syllabus            Watch video: “The Cola Road”            Study Questions for “The Cola Road”  <b>Field Guide</b>, Chapter 1: A Framework for Channel Strategy  <b>Field Guide</b>, Chapter 2: Identifying and Capturing Explosive Channel Value            Optional read: “The Silver Blaze Mystery”</p> <p><b><i>Slides to be used in class:</i></b>            Introduction and Channel Value Creation</p> <p><b><i>Channel Analysis Workbooks (for your reference; we will discuss and use these throughout the course):</i></b>            Channel Benefit Demands Workbook            Channel Partner Value Creation Workbook            Channel Power, Conflict, Resolution (PCR) Workbook</p> <p><b><i>Channel Audit Project Overview Materials and Past Examples (for your reference throughout the course):</i></b>            The Channel Audit: An Informal Guide            Pure Barre (sample channel audit)            Naked Wines (sample channel audit)</p>

Day 2	<p>End-User Channel Benefits: Channel Segmentation</p> <p>Case application: Mary Kay Case Discussion</p>	<p>This class meeting continues our discussion, turning to a demand-side analysis of end-users' <i>channel benefits</i> and how channel value is created by responding to <i>how</i> the end-user wants to buy, not just <i>what</i> s/he wants to buy. These insights allow you to segment your end-user market for channel design purposes.</p> <p>We also discuss the challenges faced by Mary Kay Corp. in serving its target market, given changing market, technological, and demographic conditions that affect end-users' desired channel benefits.</p> <p><b>Assignment:</b> <i>If chosen, your Mary Kay case memo is due electronically on CANVAS at the beginning of class.</i></p> <p><b>NOTE:</b> <i>the two chapters assigned here are useful advance reading to prepare your case memo on Mary Kay: "How Do Customers Want to Buy?" sets up the channel benefits framework, and "How Can I Audit My Customers' Channel Benefit Preferences?" shows the process by which to use the Channel Benefit Demands Workbook.</i></p> <p><b>Read/Prepare before class:</b>  Mary Kay case  Study Questions for Mary Kay case  <b>Field Guide</b>, Chapter 3: How Do Customers Want to Buy?  <b>Field Guide</b>, Chapter 4: How Can I Audit My Customers' Channel Benefit Preferences?</p> <p><b>Channel Audit Tool to Peruse:</b>  Channel Benefit Demands Workbook</p> <p><b>Slides to be used in class:</b>  Channel Benefits: Segmenting on How End-Users Buy</p>
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Day 3	<p>Channel Partner Value Creation: Doing the Work of the Channel</p> <p>Cemex Case Discussion</p>	<p>We discuss the <i>supply side</i> of channel design analysis today: what the work of the channel is and which channel member(s) can/should do which elements of the work, in the pursuit of generating end-user channel benefits while controlling the costs of channel operations.</p> <p>In connection with this, we discuss the CEMEX case, which asks whether and how Cemex should implement an initiative to sell more cement and other building materials to poor end-users in Mexico.</p> <p><b>Assignment: If chosen, your CEMEX case memo is due electronically on CANVAS at the beginning of class.</b></p> <p><b>NOTE: the two chapters assigned for Day 2's class, as well as the two assigned here, are useful advance reading to prepare your case memo on Cemex:</b></p> <p><b><i>“How Do Customers Want to Buy?” sets up the channel benefits framework, and “How Can I Audit My Customers’ Channel Benefit Preferences?” shows the process by which to use the Channel Benefit Demands Workbook (available in blank Excel form on CANVAS) to present your analysis of CB demands.</i></b></p> <p><b><i>“What Functions and Costs Are the Responsibility of Each Channel Member?” sets up the channel function analysis framework, and “How To Audit the Work of the Channel?” shows the process by which to analyze channel functions in the Cemex channel.</i></b></p> <p><b>Read/prepare before class:</b>  CEMEX case  Study Questions for CEMEX case  <b>Field Guide</b>, Chapter 5: What Functions and Costs are the Responsibility of Each Channel Member?  <b>Field Guide</b>, Chapter 6: How To Audit the Work of the Channel?</p> <p><b>Channel Audit Tool to Peruse:</b>  Channel Function Workbook</p> <p><b>Slides to be used in class:</b>  Channel Functions</p>
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<p>Day 4</p>	<p>Channel Power, Conflict, and Resolution Analysis</p> <p>Invisalign Case Discussion</p>	<p>We turn to issues of channel <i>implementation</i> today, with a dual focus on channel power and channel conflict. Sources of channel power can be used to influence others to take channel actions they would not otherwise take, but which can improve channel performance and profitability. Channel conflict meanwhile occurs when a channel “partner” does not want to support your channel initiatives. Conflict resolution involves the effective application of sources of channel power to mitigate conflictual channel behaviors.</p> <p>We use this framework to analyze why Align Inc., the maker of Invisalign, is unable to convert prospects into sales; and to suggest implementation solutions that will prevent the failure of this entrepreneurial start-up company.</p> <p><b>Assignment:</b> <i>If chosen, your Invisalign case memo is due electronically on CANVAS at the beginning of class.</i></p> <p><b>NOTE:</b> <i>the chapters assigned for Day 3’s class, as well as those assigned here, are useful advance reading to prepare your case memo on Invisalign:</i></p> <p><i>“What Functions, At What Costs, Are Done By Which Members of My Channel?” sets up the channel function analysis framework, and “How Can I Audit the Work of My Channel?” shows the process by which to use the Channel Function analysis to present your analysis of channel functions in the Cemex channel.</i></p> <p><i>Chapters 8-10 set up the frameworks for an analysis of channel power and conflict, as well as showing the process by which you can do this analysis in the Invisalign channel.</i></p> <p><b>Read/prepare before class:</b></p> <p>Invisalign case  Study Questions for Invisalign case  <b>Field Guide</b>, Chapter 8: Become a Strategic Skeptic!  <b>Field Guide</b>, Chapter 9: How Can I Reduce or Prevent Opportunism?  <b>Field Guide</b>, Chapter 10: How to Thrive With a Powerful Channel Partner?</p> <p><b>Channel Audit Tool to Peruse:</b></p> <p>Channel Power, Conflict, Resolution (PCR) Workbook</p> <p><b>Slides to be used in class:</b></p> <p>Channel Power, Conflict, and Resolution</p>
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Day 5	<p>Pricing Through the Channel</p> <p>Sondologics Case Discussion</p> <p>Course Wrap-Up and Distribution of Final Exam</p>	<p>We discuss the challenges of managing pricing through your channel, from wholesale to end-user pricing and including financial mechanisms for incentivization and reward for proper channel performance: what tools and policies are available to motivate downstream channel partners to “set the right price?”</p> <p>We apply these insights in a discussion of the Sondologics case, which examines the problem of gray marketing through multi-channel systems. Gray marketing is the sale of real, authorized, branded products by unauthorized resellers, which can result in price erosion and the cannibalization of sales in the authorized channel structure. Resolving gray market problems requires the identification of the “culprit” supplying the gray market, and the design of monitoring and channel pricing policies to mitigate the associated channel conflicts.</p> <p>We then wrap up the course and pass out the take-home final case exam.</p> <p><i>Assignment: If chosen, your Sondologics case memo is due electronically on CANVAS at the beginning of class. This case is currently under development; I will make it, and its accompanying case study questions, available to you when it is ready.</i></p> <p><i>NOTE: the chapter assigned here (“How Do I Price Through the Channel?”) is useful advance reading to prepare your case memo on Sondologics.</i></p> <p><i>Read/prepare before class:</i>  Sondologics case  Study Questions for Sondologics case  <b>Field Guide</b>, Chapter 13: How Do I Price <i>Through</i> the Channel?</p> <p><i>Slides to be used in class:</i>  Pricing Through the Channel</p>
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