

Entrepreneurship and Regional Competitiveness

Introduction and Course Process

Entrepreneurship and Regional Competitiveness

September 22, 2015

Professor Fernando G. Alberti

This presentation is adapted from the original presentation by Professor Porter “Microeconomics of Competitiveness. Core Concepts and Course Process”, given on December 12, 2012 at Harvard Business School. It draws on ideas from Professor Porter’s articles and books, in particular, *The Competitive Advantage of Nations* (The Free Press, 1990), “Building the Microeconomic Foundations of Competitiveness,” in *The Global Competitiveness Report* (World Economic Forum), “Clusters and the New Competitive Agenda for Companies and Governments” in *On Competition* (Harvard Business School Press, 2008), and ongoing research on clusters and competitiveness. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise - without the permission of Michael E. Porter. Further information on Professor Porter’s work and the Institute for Strategy and Competitiveness is available at www.isc.hbs.edu

Entrepreneurship and Regional Competitiveness

Welcome!

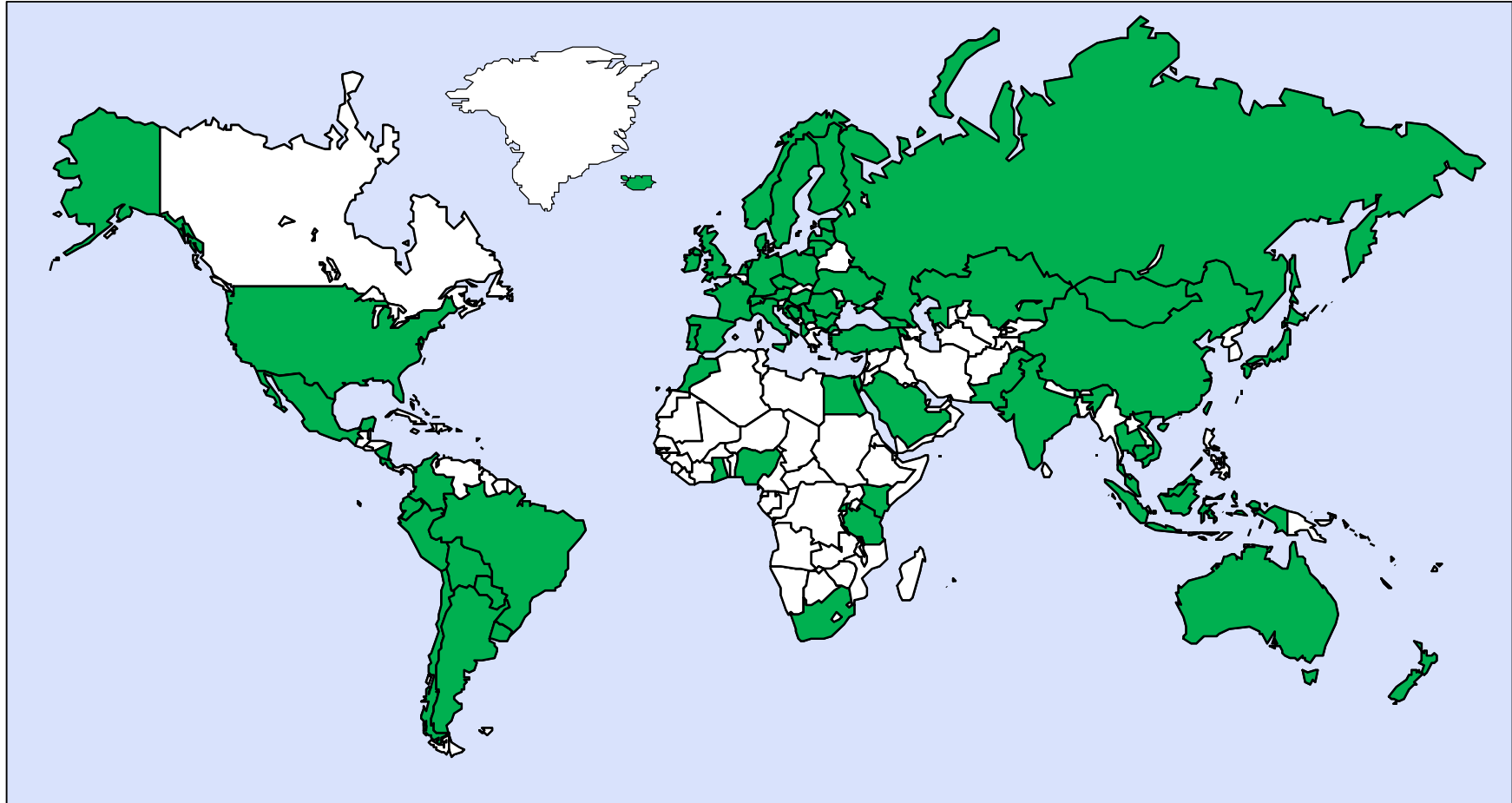
- Welcome to the “Entrepreneurship and Regional Competitiveness” course offered by LIUC within the *Microeconomics of Competitiveness* (MOC) framework developed by Harvard Business School.
- LIUC (and F. Alberti and E. Pizzurno) joined the HBS MOC network in 2010.
- This course is offered to MSc students from both the Business and the Engineering Schools at LIUC.
- It is a compulsory course for International Business Management students and an elective course for all the others (please add it to your curriculum via my.liuc), CFU 6, 45 hours lecturing.
- It is a selective and high-demanding course, compliant with Harvard Business School standards.

Microeconomics of Competitiveness: Firms, Clusters, and Economic Development (MOC)

Overview

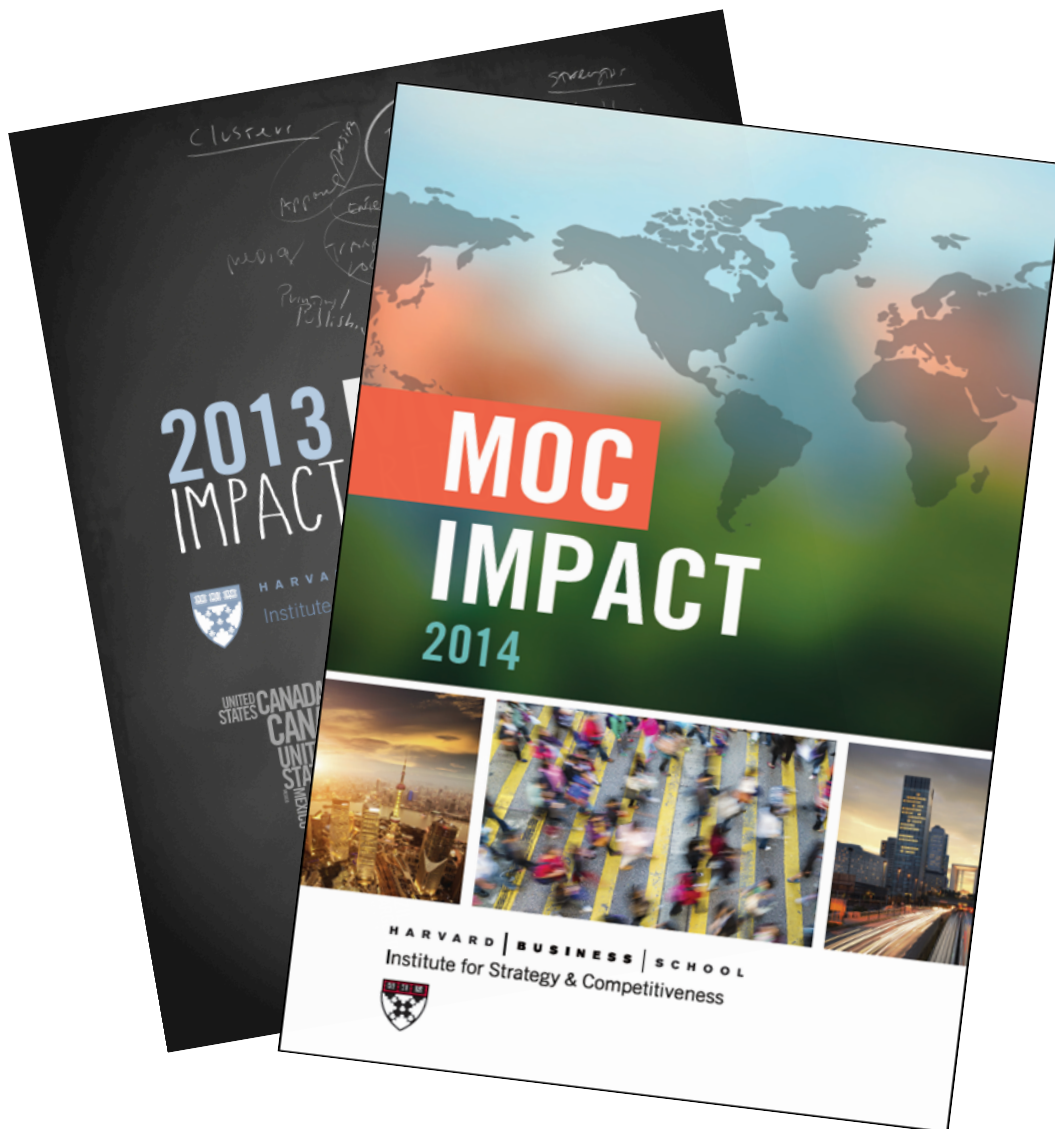
- The course was created in 2002 by Professor Michael E. Porter and the staff of the **Institute for Strategy and Competitiveness** at Harvard Business School.
- The MOC course explores the **determinants of competitiveness** and successful economic development viewed from a bottom-up, **microeconomic perspective**.
- MOC is a **university-wide graduate course** offered to students from around the Harvard University community including the Harvard Business School, the Kennedy School of Government, other Harvard graduate programs, and selected students from MIT and Tufts University.
- The course has been designed not only for students at Harvard but as a **platform** that can be taught at **universities throughout the world**.
- An instructor web site, containing **case studies** and an extensive library of **video content**, was created to support instructor preparation. The web site showcases Professor Porter's **lectures, case discussions**, and videotapes of **case protagonists**, including heads of state, senior ministers, governors, and others.
- The course platform also includes a **web site for students** which can be tailored to each affiliated university.

MOC Affiliates by Country / Region



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The impact so far of the MOC faculty



- 1,350+ cumulative courses
- 44,000+ cumulative students
- 110 active faculty affiliates
- 63 countries
- 37 competitiveness institutes
- 435+ cluster initiatives
- 400+ national and regional initiatives
- 250+ case studies
- 480+ research projects

Entrepreneurship and Regional Competitiveness

Aim of the Course

- This course is concerned with the **determinants of competitiveness** and economic development viewed from a bottom up, microeconomic perspective, i.e. entrepreneurship occurring in firms and clusters.
- The **strategies of firms, the entrepreneurial vitality of clusters, and quality of the business environment** in which competition takes place are what ultimately determines a region's productivity.
- This course covers both **developing and advanced economies**, and addresses competitiveness at several levels: nations, states or cities within nations, clusters, and groups of neighboring countries.
- A major theme of the course is that competitiveness and economic development is affected by policies at all these levels.
- The course will explore not only theory and policy, but also the nature of the organizational structure and institutions for sustained improvements in competitiveness.

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Course Profile

- The course will be taught using the case method developed at Harvard Business School, together with readings, lectures, videos and guests.
- Case studies will focus on global firms, clusters and strategies for competitiveness. The case method requires extensive advance preparation for each class, and a significant part of the course grade will be based on participation.
- The course also involves a major team project involving the competitive assessment of a particular cluster.
- Professor Michael E. Porter together with other faculty from the Institute for Strategy and Competitiveness at Harvard Business School may be involved both in video-recorded or remote live sessions.

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Course Requirements

- Being a graduate students from both the Business and the Engineering Schools as well as to international exchange students.
- Add the course in you curriculum via my.liuc.it.
- Fluency in English is compulsory to attend the course.
- Advanced training in economics and management is required. However, the course will provide a sufficient foundation in industry competition and competitive strategy to allow students without management/strategy training to grasp course concepts.
- Background preparation: Ch. 1, 2 and 5 in *On Competition*

Entrepreneurship and Regional Competitiveness

Faculty and Staff

Principal Instructors

Prof. Fernando G. Alberti

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Course Structure and Contents

Course Presentation

Part I: Firms, Industries And Cross-Border Competition

- Competitiveness: Overall Framework
- Competition Across Locations and Global Strategy for MNCs

Part II: Locations and Clusters

- The Diamond Model: Advanced Economies
- The Diamond Model in Developing/Transition Countries
- Clusters and Cluster Development in Advanced Economies
- Clusters and Cluster Development in Developing Countries
- Clusters and Institutions for Collaboration
- Cluster Initiatives
- Organizing for Competitiveness
- Clusters and Internationalization

Part III: Competitiveness Strategies for Locations

- Competitiveness Strategy: Advanced Economies
- Competitiveness Strategy: Cities and local areas
- Competitiveness Strategy: Developing Economies
- Strategies for Economic Development
- Attracting Foreign Investment for Competitiveness

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Course Calendar

TUE	22/09	10:00-11:00 (FA)	Course Presentation (Ch. 1, 2, 5)
			Part I: Firms, Industries and Competition
FRI	25/09	14:00-17:00 (FA)	Competitiveness: Overall Framework (Ch. 6, 7 – Finland and Nokia)
TUE	29/09	10:00-13:00 (SF)	Competition Across Locations and Global Strategy for MNCs (Ch. 8 – Volvo Trucks)
			Part II: Locations and Clusters
TUE	06/10	10:00-13:00 (FA)	The Diamond Model: Advanced Economies (Ch. 6, 7, 8 – Japanese Facsimile Industry)
FRI	09/10	14:00-17:00 (EP)	The Diamond Model in Developing/Transition Countries (Ch. 6, 7, 8 – Estonia in Transition)
TUE	20/10	10:00-13:00 (FA)	Clusters and Cluster Development in Advanced Economies (Ch. 6, 7, 8 – California/Australia Wine)
TUE	27/10	10:00-13:00 (EP)	Clusters and Cluster Development in Developing Countries (Ch. 6, 7, 8 – Costa Rica)
FRI	30/10	14:00-17:00 (EP)	Clusters and Institutions for Collaboration (Ch. 6, 7, 8 – Energy Cluster)
TUE	03/11	10:00-13:00 (EP)	Cluster Initiatives (Ch. 7, 8 – New Carolina)
TUE	10/11	10:00-13:00 (FA)	Organizing a Cluster for Competitiveness (Ch. 7, 8 – Motor Valley)
FRI	13/11	10:00-13:00 (FA)	Cluster and Internationalization (Ch. 7 – Dutch Flower Cluster)
			Part III: Competitiveness Strategies for Locations
TUE	17/11	10:00-13:00 (FA)	Competitiveness Strategy: Advanced Economies (Ch. 7 - Singapore)
FRI	20/11	14:00-17:00 (EP)	Competitiveness Strategy: Developing Economies (Ch. 8 – Vietnam)
TUE	24/11	10:00-13:00 (FA)	Competitiveness Strategy: Cities and local areas (Ch. 10 – New York City)
FRI	27/11	14:00-17:00 (FA)	Strategies for Economic Development (Ch. 7, 8 – The Basque Country)
TUE	01/12	10:00-12:00 (EP)	Attracting Foreign Investment for Competitiveness (Ch. 8 – Indonesia)

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A Typical Class Session

- Sessions will run for three hours with a short break
 - A typical topic lecture/guest discussion runs for 45-60 minutes
 - A typical case discussion runs for 75-90 minutes
 - For sessions in which a distinguished guest is attending or for sessions complemented by video resources, you may be asked to stay for an additional 15 minutes
- Optional review / Q&A sessions for interested students during Instructors' office hours.
- There will be a wrap-up at the end of the course.

MOC Affiliate SharePoint Site

The screenshot shows a Windows Internet Explorer browser window displaying a SharePoint site. The address bar shows the URL: <https://iscln.hbs.edu/sites/moc/Pages/Default.aspx>. The browser's Favorites bar includes links for 'Barcode', 'Web Slice Gallery', 'Computer System Test Pa...', 'myHBS', 'Office Supplies', 'Suggested Sites', 'Susan Borges', and 'TSS Support'. The site's title is 'Microeconomics of Competitiveness'. A navigation bar contains tabs for 'Modules and Assignments', 'Audio and Video', 'Cases and Links', 'Universities', and 'Collaboration'. A 'Welcome' message is visible in the top right corner. Below the navigation bar, there is a status bar indicating the page version is 'Draft (109.1)' and is checked in and viewable by authorized users. The main content area is divided into several sections:

- Announcements:** Contains two entries from 'ctshler@hbs.edu' dated 3/9/2011 2:14 PM. The first entry, 'About the MOC Modules', explains the layout of the page. The second entry, 'Video Content', notes that there will be no new video content for 2011 MOC classes.
- Competitiveness: Overall Framework (2011):**
 - MODULE:** I. Firms, Industries and Cross-Border Competition
 - TOPIC:** Competitiveness: Overall Framework
 - CASES/READINGS:**
 - Finland and Nokia: Creating the World's Most Competitive Economy, HBS Case Number: 9-702-427
 - On Competition, read Chapters 2, 6 and 7
 - ASSIGNMENTS:**
 - How was Finland as a nation able to move from a sleepy economy to one of the most competitive nations in the world by the end of the 1990s?
 - Why was Finland able to become a world-leading nation in the mobile communications cluster? Why did this cluster develop in Finland rather than others?
 - How did the Finnish firm Nokia become the world leader in mobile handsets? How did its home base in Finland influence Nokia's success?
 - What are the most important challenges for Finland in 2001? For participants in the Finnish mobile communications cluster? For Nokia?
 - What economic policy priorities would you recommend to the government? What steps should the private sector take?
- Economic Strategy: Cross-National Regions (2011):**
 - MODULE:** III. Policy for Nations and Regions
 - TOPIC:** Economic Strategy: Cross-National Regions
 - CASES/READINGS:**
 - Central America: Strategy for Economic Integration, HBS Case Number: 9-703-425
 - ASSIGNMENTS:**
 - Why is economic integration among neighbors important for competitiveness? Why have there been repeated efforts at economic integration in the Central American region?
 - Why did the Central American Common Market (CACM) fail?
 - How is the new regional integration approach (the Central American Alliance for Sustainable Development or CAA) different from CACM? How is it different from a free trade zone? What is the logic of the CAA for enhancing competitiveness?
 - What explains the considerable progress made by the CAA in the second half of the 1990s?
 - What are the limitations of this approach? What should Central American leaders do next? What are the implications of a free trade agreement with the United States?
- European Integration (2011):**
 - MODULE:** III. Policy for Nations and Regions
 - TOPIC:** European Integration
 - CASES/READINGS:**
 - European Integration: Meeting the Competitiveness Challenge, HBS Case Number: 9-708-421
 - ASSIGNMENTS:**
 - What is the rationale guiding European integration? How does it differ from the approach in Central America? Why?

The bottom of the browser window shows the Windows taskbar with various application icons and the system tray displaying the time as 9:54 AM on 10/11/2011.

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Administrative Matters

<https://iscln.hbs.edu/sites/moc>

- You will access the HBS website platform for course material (you will receive your personal username and password) – when we have a full and fix list of students attending the course
- In the meanwhile, please use <http://my.liuc.it> to assess course materials
- Cases and assignment questions
 - Cases are available on the HBS website platform and should be read in advance.
 - Assignments for the week are posted on the HBS website platform. Assignments are subject to change so check them before class.
- Course slides
 - All slides packages will be available on the HBS website platform before class.
- Videos and additional resources
- Course book
 - *On Competition*, M.E. Porter (2008), HBS Press – selected chapters

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Grading and Feedback

- Grading
 - Class participation 30%
 - Team project 70%
 - Attendance adjustment Downward
- Feedback
 - Class participation Students with insufficient class participation midway through the course will be notified.
 - Team project Instructors reviews
Class discussion of projects presentations
Faculty comments and final mark

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Expectations

- Name cards (always)
- Attendance
- Punctuality
- Preparation
- Distractions
- Active involvement

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Criteria for Evaluating Class Contributions

- This is a course about a **framework for thinking**
 - The cases are intended to allow the class to explore the concepts
 - The “answer” is less important than the thinking process
- **Analytical rigor** is highly valued
- **No** outside-of-case data is allowed or rewarded
- **Raise your hand** to participate
- **Build** on previous contributions
- Be **concise**; marshal **evidence**; show your **logic**
- **Integrate** across facts, issues, and cases
- **Take a constructive** approach and tone
- Be prepared for **follow-up questions**
- Participate while **not** speaking
- No **questions** to the instructor are appropriate during the **case discussion**
- What if you are **not called on**?

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Team Projects Guidelines

- Students will be asked to apply their learning in a team project that analyzes the competitiveness of a selected country (or region in very large countries) and one of its clusters with a focus on one specific topic of the course.
- Teams must include 4 or 5 students.
- Teams are encouraged to be mixed (business and engineering background).
- The team project accounts for the 70% of the final grade and is in lieu of a final exam.
- The team project is made of a 30 pages paper and a 20 minutes powerpoint presentation.
- Instructions on how to select the target cluster+topic and structure both paper and presentation will be uploaded on the HBS website and discussed with your facilitator.

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Team Projects Guidelines

- Each team will be assigned to a facilitator.
- We will email your team the name of your assigned instructor as soon as the team is formed and the project is selected.
- Students are then responsible for contacting their advisors and arranging meetings to review their team's country/cluster selection.
- The principal reason for counseling a team to pick a different country or cluster will be our concerns about the feasibility of conducting a high quality study given available data.
- One member of the team should be designated the team coordinator. Communication with the instructors should take place through this person.

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Group Projects Guidelines

- The task is for each team to conduct a competitiveness analysis of a country and a cluster within that country. Teams can select a country, and one cluster within that country, but the choices will be reviewed by the faculty to ensure that sufficient data is available for a meaningful analysis.
- We will provide a list of countries for which competitiveness data is in our experience generally available through public sources and HBS sources. Other countries are possible topics for an analysis as well, but a team interested in such a country should review potential data sources and discuss the selection with the faculty.
- Cases that are covered in the course itself are not eligible for the team projects.
- Teams interested in large countries (such as Russia, China, India and Brazil, and the United States), should select a sub-national region (e.g., a state) within the country for analysis, and a cluster based in that region.
- Teams are strongly discouraged from selecting a country/cluster already selected this year by another team.

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Projects in LIUC so far

- Swiss Watchmaking Cluster
- Disneyland Paris
- Taiwan Electronic Goods Cluster
- Omega3 Cluster
- Motor Valley
- Italian Cheese Cluster
- Hollywood Film Cluster
- Bollywood Indian Film Cluster
- Las Vegas Entertainment and Gambling Cluster
- Thailand Medical Tourism Cluster
- Montreal TV Shows Cluster
- Surf Cluster in Basque Country
- German Beer Cluster
- Irish Pharmaceutical Cluster
- Automobile Cluster in the Region of Stuttgart
- Greek shipping cluster
- Belgian Chocolate Cluster
- Antwerp Diamond Cluster
- Chicago processed food cluster
- The higher education cluster in London
- The luxury tourism cluster in Costa Smeralda
- The Italian nautical cluster
- Monza and Brianza green and high tech cluster
- Macao gambling cluster
- Singapore shipping cluster

You will receive a copy of one of the student papers above as a benchmark.

Project Evaluation

- Quality of **team process**
- Coverage of **all** required elements
- Quality of analysis
 - Use of **tools**
 - Ability to **integrate findings**
 - Ability to **connect** performance assessment, competitiveness assessment, and recommendations
- Quality and actionability of **recommendations**
- Quality of **presentation** (focus, length)
- Reaction to **feed-back**

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Group Project Important Dates

- November 20, 2015 Team formation and cluster selection should be communicated to Instructors (falberti@liuc.it and epizzurno@liuc.it) by the end of the course at the latest.
- February 1, 2016 Team projects should be handed in to Instructors (falberti@liuc.it and epizzurno@liuc.it).
- February 12, 2016 Team projects presentation and feedback with preliminary mark (refuse/accept procedure).
- May 23, 2016 Final submission of papers for revised mark or HBS International competition (it should encompass feedback received).
- June 13, 2016 Decision about the LIUC Team Project that will take part in the HBS International Competition.

Team projects (hard copies and files) will be circulated among all instructors and all students attending the course.

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Team Project Important Dates

- International students leaving at the University at the end of 2015 cannot work in pair with students attending the second semester at LIUC.
- These students should create one or more teams of four or five student and present their project on **December, 18 2015 at 14.00** (room to be assigned).
- These students will have the opportunity to deliver the paper and the presentation on the same day and will receive a mark and a feedback via email after Christmas vacations in January 2016.

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Professor Porter's recommendations

- Teach the best course, ever!
- Shape the attitudes and knowledge of generations of talented young people
- Establish our university as a major player in the nation and region
- Become a leading force in competitiveness

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Assignment for Friday September 25, 2015 at 14.00

- Readings: Finland and Nokia (case)
Chapters 6 and 7 in *On Competition* (reference)
- **Assignment questions** (as posted on the website)
 1. How was Finland as a nation able to move from a sleepy economy to one of the most competitive nations in the world by the end of the 1990s?
 2. Why was Finland able to become a world-leading nation in the mobile communications cluster? Why did this cluster develop in Finland rather than others?
 3. How did the Finnish firm Nokia become the world leader in mobile handsets? How did its home base in Finland influence Nokia's success?
 4. What are the most important challenges for Finland in 2001? For participants in the Finnish mobile communications cluster? For Nokia?
 5. What economic policy priorities would you recommend to the government? What steps should the private sector take?