

Entrepreneurship and Regional Competitiveness

Introduction and Course Process

Entrepreneurship and Regional Competitiveness

September 26, 2017

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.
- This course is offered to MSc students at LIUC.
- It is a compulsory course (CFU 6, 45 hours lecturing) for the curriculum in Entrepreneurship and Innovation.
- It is a selective and high-demanding course, compliant with Harvard Business School standards.

Microeconomics of Competitiveness

Global Impact 2016

Affiliates, Faculty, and Courses	Competitiveness Institutes and Initiatives	Knowledge Development
109 Active affiliates	46 Competitiveness institutes	332 Cases
330 Faculty	470 Cluster initiatives	668 Research projects
1,664 Courses	527 National and regional competitiveness initiatives	63 Cross-affiliate collaborations

632 Faculty have participated in the MOC Faculty Workshop since 2008

Microeconomics of Competitiveness

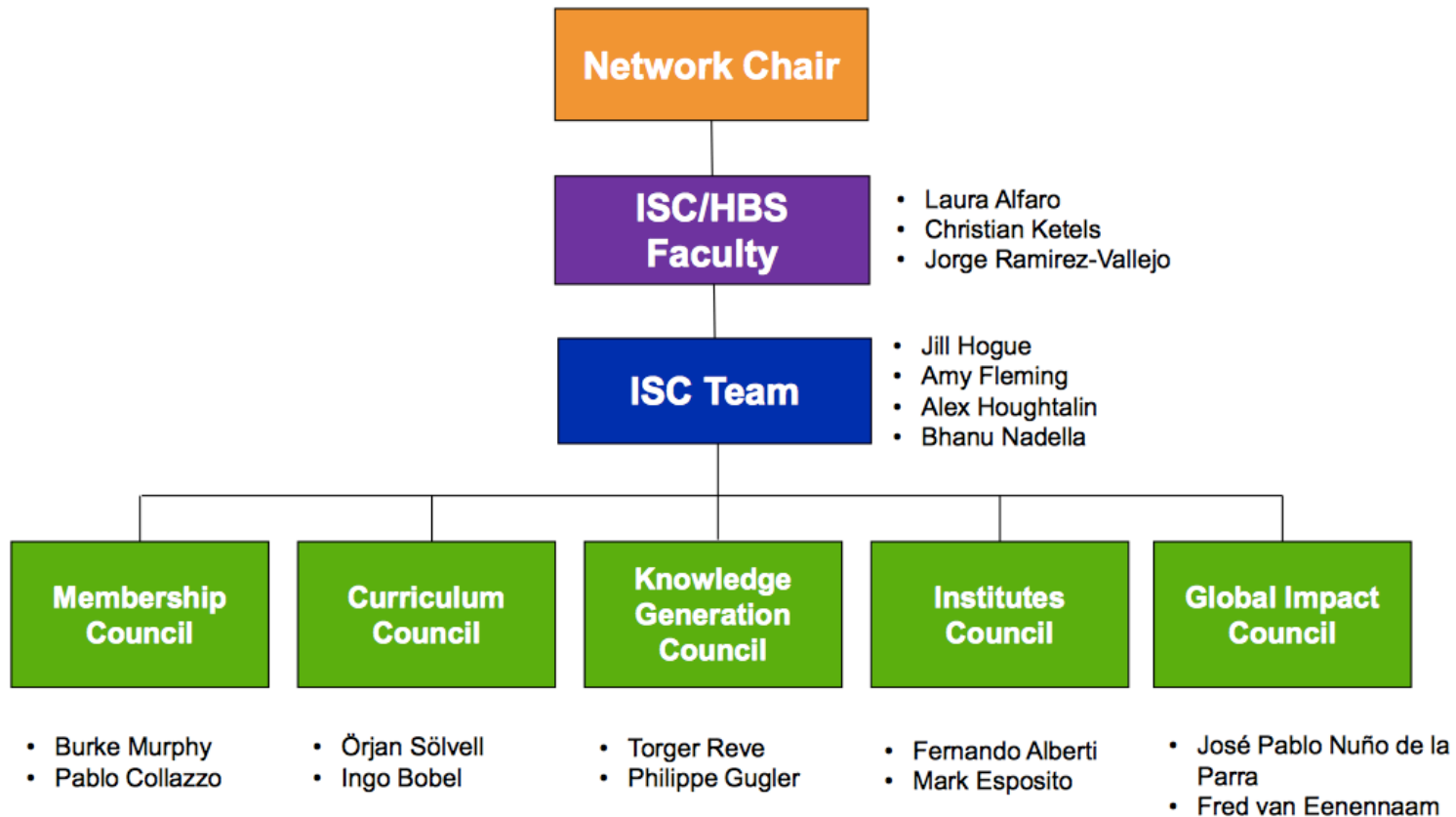
Affiliates by country



Total of 109 affiliates in 66 countries

Microeconomics of Competitiveness

Network Governance Structure



Microeconomics of Competitiveness

Regional Economic Chapters

- Most affiliate institutions are part of one of three regional network chapters:

European Chapter

- Fernando Alberti
- Emanuele Pizzurno

Asian Chapter

- Janet Tan
- Ken Charman
- Anukal Chiralaksanakul

Latin American Chapter

- Roberto Horta

- These regional communities raise awareness on competitiveness issues, collaborate in teaching and research, and share best practices within their geographical regions.

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.

Entrepreneurship and Regional Competitiveness

Faculty and Staff

Principal Instructors

Prof. Fernando G. Alberti
Prof. Emanuele Pizzurno

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Visiting Professors

Prof. Philippe Gugler
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Staff

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Entrepreneurship and Regional Competitiveness

Course Structure and Contents

Panel “Entrepreneurship and Competitiveness dynamics in today’s Europe “

Course Presentation

Part I: Firms, Industries And Cross-Border Competition

- Competitiveness: Overall Framework

Part II: Locations and Clusters

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

Part III: Competitiveness Strategies

- Internet of Things and Competitiveness

SEMINARS

- Competitiveness Strategy: Developing Economies
- Attracting Foreign Investment for Competitiveness
- Strategies for Economic Development
- Competitiveness of Italy
- Competition Across Locations and Global Strategy for MNCs
- Clusters and Internationalization

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Course Calendar

- FRI 22/09 09:00-11:00
- TUE 26/09 09:00-12:00
- THU 28/09 09:00-12:00
- TUE 03/10 09:00-12:00
- THU 05/10 09:00-12:00
- THU 12/10 09:00-12:00
- THU 19/10 09:00-12:00
- THU 26/10 09:00-12:00
- TUE 31/10 09:00-12:00
- TUE 07/11 09:00-10:00
- TUE 14/11 09:00-12:00
- THU 16/11 09:00-11:00
- Seminars by Visiting Professor - *TBD*
- Seminars by Visiting Professor - *TBD*
- Seminars by Visiting Professor - *TBD*
- Seminars by Visiting Professor - *TBD*
- Seminars by Visiting Professor - *TBD*

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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

Home - Windows Internet Explorer
 https://iscln.hbs.edu/sites/moc/Pages/Default.aspx

File Edit View Favorites Tools Help

Microeconomics of Competitiveness

Modules and Assignments Audio and Video Cases and Links Universities Collaboration

Version: Draft (109.1) Status: Checked in and viewable by authorized users.

Page Workflow Tools Edit Page Publish

Announcements

About the MOC Modules 3/9/2011 2:14 PM
 by ctshler@hbs.edu
 The modules on this page go in order top to bottom down the left column and then the right column. Older modules (prior to 2011) are at the bottom of the right column.

Video Content 3/9/2011 2:14 PM
 by ctshler@hbs.edu
 Please note that for many 2011 MOC classes there will not be any new video content.

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?

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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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Examples of projects

- 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
- Ski Cluster in The French Alps
- Austrian Automotive Cluster
- South Korea Entertainment Cluster
- Swedish Forest Cluster
- Tyrol Wellness Cluster
- Champagne Cluster
- Skyscrapers Cluster
- France Financial Services Cluster
- Italian Cluster of Tobacco
- Lombardy Agrifood 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 7, 2017 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.
- December 21, 2017 Team project should be handed in to instructors (as indicated above). Team presentations and feedback with preliminary mark (refuse/accept procedure)
- May 29, 2018 Final (optional) submission of paper for revised mark or HBS International competition (it should encompass feedback received)
- June 12th, 2018 Decision about the 2017 Best 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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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 Thursday September 28, 2017 at 9.00

- 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?