DESIGNING (FOR) HAPPINESS
Jennifer Aaker
General Atlantic Professor of Marketing
People often define “success” as being happy in life. However, what we think drives our happiness often doesn’t. So what does? Recent behavioral research suggests that the meaning of happiness changes every 5-10 years, raising the question: ‘How might we build organizations and lives that cultivate happiness?’ Research also suggests it is better to aim for meaning. In Designing (for) Happiness, we explore how to rethink purpose in work and life. Dr. Aaker’s research integrates time, money, and happiness—these insights are captured in her co-authored award-winning book, The Dragonfly Effect.

PLATFORM COMPETITION IN DIGITAL MARKETS
Susan Athey
The Economics of Technology Professor
This class will analyze the economics of digital platforms and marketplaces. We will examine the role of scale economies and network effects in determining the dynamics of platform competition and long-run industry structure. We will consider key strategic decisions for firms, including vertical integration and exclusive deals, and we will touch on antitrust considerations. The course will highlight examples of marketplaces and platforms, including Uber, AirBnb, and service marketplaces, platforms such as Google, Visa, and ApplePay, and many others.

LEADING BY DESIGN
William Barnett
Thomas M. Siebel Professor of Business Leadership, Strategy, and Organizations
We will talk about the two essential functions of leadership, sense-making and direction. First, a leader must help her people make sense of the many, often confusing developments going on around them. A good leader can make sense of these changes. A great leader helps others make sense of these changes. Second, a leader must give her people direction, showing them a way forward. A good leader can be relied on to have a clear plan of action. A great leader helps her people to create such a plan.

ACCOUNTING FOR VALUATION AND CONTROL
Anne Beyer
Associate Professor of Accounting; R. Michael Shanahan Faculty Scholar for 2018-2019
The objective of financial accounting is to measure economic activity for decision making. Financial statements are a key product of this measurement process and an important component of firms’ financial reporting activities. Management control is the process whereby managers assure that resources are obtained and used effectively and efficiently in the accomplishment of an organization’s objectives. We will study the principles governing the measurement of income and financial position, as well as the design of systems for management control. In each case, the course will place emphasis on topics of recent interest. We will focus on broad principles and minimize detailed technique.
BUILDING STRONGER BRANDS

Bart Bronnenberg
Professor of Marketing

How valuable is your brand? And why isn’t brand value on the balance sheet? Firms spend many millions aiming for name recognition and building a brand. In this session, we discuss what is being created by these investments. You will exchange ideas about the value of brand recognition, about how brand preferences form, and when they act as barriers to entry for later entrants in an industry. You will also discuss the relevance of brand building in a world where information is cheap and your prospective customers find it easy to obtain reviews about your company’s performance and take them as a substitute for reputation.

STRATEGIC CRISIS MANAGEMENT

Steven Callander
Herbert Hoover Professor of Public and Private Management; Professor of Political Economy

A crisis can strike an organization at any time and almost anywhere in the world. Although each crisis may, in isolation, seem unpredictable, the sheer frequency of events and the complexity of modern organizations make the outbreak of a crisis inevitable. Responsibility for crisis response lies with management and it is up to them to be prepared when the next crisis erupts.

In these four sessions, we’ll dig deep into crisis to enable you to prepare for and manage crises effectively. We’ll examine the nature of crises and develop a deeper understanding of where they come from, how they evolve, and what we can do about them. Preparing for an unspecified threat requires a different state of mind to regular management as well as a different toolbox. These sessions will begin to develop the tools and frameworks to better equip you and your organization for when the next crisis breaks out.

FINANCING INNOVATION AND MANAGING FOR VALUE CREATION

Peter DeMarzo
The Staehelin Family Professor of Finance; Coulter Family Faculty Fellow for 2018-2019

Managing for sustained growth means investing resources in the next generation of product innovations. But how can business leaders assess opportunities and ensure their long-term positive impact on firm value? How should scarce resources, like capital and talent, be allocated to maximize value creation? And, once launched, how should projects be managed to optimize their potential? To answer these questions and “manage for value creation” requires an understanding of the financial drivers of firm value.

By the end of the course you will have the skills you need to evaluate your own investment projects and convincingly present your findings to others.

Regardless of your role in the firm, understanding the principles and drivers of valuation is important in effectively communicating across constituencies and managing resources.

For those working in a finance role, we value hearing your experiences, and hope these sessions also provide you with some new ways of communicating these concepts to others.

ECONOMICS OF INTERACTIVE DECISION MAKING: PEOPLE, REASONING, AND BEHAVIOR

Yossi Feinberg
John G. McCoy–Banc One Corporation Professor of Economics; Senior Associate Dean for Academic Affairs

You may have distant memories of studying microeconomics at some point in your life. You might remember graphs of supply and demand, theoretical principles of pricing (e.g. marginal revenue equals marginal cost), some production theory or externalities. Well, you are not going to find these distant memories useful at all in our sessions. Instead, we will be covering the cutting-edge tool deployed by microeconomists for understanding and predicting strategic behavior, namely Game Theory.

The objective of this modern microeconomics module is to equip you with a new methodology for strategizing and reasoning in an interactive setting with multiple decision makers. The applications cover only a small sample designed to share a way of thinking. The current state of the art way of thinking deployed by leading economists and researchers uses game theoretical thinking, be they labor economists, applied microeconomists, managerial finance researchers, managerial accounting researchers, and so on.
DECISION MAKING, MOTIVATION, AND COMMUNICATION

Francis Flynn
Paul E. Holden Professor of Organizational Behavior

Decision Making, Motivation, and Communication is a five-session course designed for senior managers who serve as enterprise-level leaders in their respective organizations. The goal of this course is to help these individuals improve and enhance the impact of their everyday communication, particularly which is done in the context of work collaboration. How can you persuade your colleagues to go along with your ideas? How can you inspire your subordinates to work together more cohesively? Beyond intelligence and technical skills, what separates leaders from average managers is the ability to move people toward a common goal—to persuade them, to cajole them, and to convince them that yours is the right course of action. In each of the four class sessions for this course, the program faculty will highlight these critical communication skills and provide ideas and tools for strengthening them.

Our time will be divided between in-class demonstrations, lecture content, an assortment of experiential exercises, and in-depth classroom discussion. Participants will be expected to identify and share important insights gathered from their own past experiences and connect them to the course concepts introduced. Each of the sessions will involve engaging activities, such as a face-to-face negotiation or feedback from a group exercise.

BUILDING NEW VENTURE GROWTH OPPORTUNITIES

George Foster
Konosuke Matsushita Professor of Management

Many existing companies and all new companies aim to build new ventures that will provide substantive growth over an extended period. This set of two sessions examines the various strategies of new ventures and how they can fundamentally differ in both their opportunities and risks, and their growth accelerators/growth inhibitors. The two sessions will draw on two World Economic Forum Reports that I led or co-led.

ACTING WITH POWER

Deborah Gruenfeld
Joseph McDonald Professor and Professor of Organizational Behavior

Everyone feels powerless, but a leader has to use power. What does it mean to use power well? In this session, we will explore the idea that leadership is a role, and to be successful, you have to know how to play it. To use power well, it is not enough to worry about the power you don’t have. You need to own the power you do have, and try to use it responsibly, in a way that benefits others. Some situations call for command-and-control, while others call for respond-and-connect. Most people find one of these approaches to using power comes more naturally than the other. A big role requires a bigger version of you. Not just more impressive, more authoritative, and more intimidating, but more caring, more committed, more “all in.” Using power well is about expanding your authentic range and acting as a base of security that brings out the best in everyone. This session offers tools and techniques from the world of professional acting for managing self-doubt, getting in role, and bringing out the most useful parts of yourself at the right moments.

WHAT EVERY LEADER SHOULD KNOW ABOUT MACROECONOMICS

Charles Jones
The STANCO 25 Professor of Economics; Charles and Melissa Froland Faculty Fellow for 2018-2019

What is the current state of the macroeconomy, and what changes can we expect over the short, medium, and long term going forward? This session will consider macroeconomic performance in the U.S. and world economies, including GDP growth, employment, and inflation. Some highlights will include:

- Possible macro scenarios for the U.S., European, and other major economies going forward, from a research perspective
- Policies of the Federal Reserve impacting U.S. macro performance
- Near-term and long-term implications of U.S. fiscal policy and the budget deficit
- Key forces that underlie the long-term growth of the world’s major economies, including China and India
VALUE CHAIN INNOVATIONS AND ENTREPRENEURSHIP

Hau Lee
Thoma Professor of Operations, Information and Technology

As businesses become more and more globalized, supply chains can be highly complex. The numbers of raw materials, components, intermediate products, and finished goods are increasing; there are more supply chain partners involved in the production of goods and services; and the geographical spread of the supply network can be extensive. While such complexities can be challenging, they also give rise to opportunities for companies to develop capabilities and competencies as supply chain orchestrators, therefore creating values through the provision of orchestration services. Supply chain orchestration involves the re-engineering of information, material, and financial flows.

WHAT SHAPES OUR DECISIONS?

Jonathan Levav
Professor of Marketing

How do people judge value? How do employees in your company make decisions? How do your intuitions help and hurt your judgments? During our time together, participants will learn to:

• Identify factors that influence people’s decisions
• Understand what happens when people grow tired of making choices
• Determine the limits of influence that companies have on their employees’ choices

LEADING IN CHAOS:
THE BIG PICTURE SIMULATION

Brian Lowery
The Walter Kenneth Kilpatrick Professor of Organizational Behavior; Senior Associate Dean for Academic Affairs

In this session you will participate in an organizational simulation in which you will grapple with some of the central challenges of leadership and management. The simulation will provide you with a laboratory to test some of the strategies and techniques you have learned in the program and your behavior will provide us with additional data from which to derive lessons about the role of leadership and organizational structure in producing effective organizations.

By the end of Big Picture, you will have gleaned insight through:

• Practicing organizational alignment to satisfy and delight customers.
• Identifying ways to foster “horizontal” communication within groups.
• Addressing the challenge of identifying a common vision and implementing a single, unified strategy.
• Reinforcing organizational alignment, cross-team collaboration, and flexible thinking.

DEVELOPING A BUSINESS MODEL AND BUSINESS MODEL INNOVATION

Haim Mendelson
The Kleiner Perkins Caufield & Byers Professor of Electronic Business and Commerce, and Management

In this module of SEP we’ll discuss the structure and application of business models. Business models are used both in the startup world, where the key challenge is to discover a business model that works, and in the established company domain, where we execute and refine an existing business model, but also need to reinvent it from time to time. We’ll start by looking at the business model development process, using Airbnb as an example. We’ll then drill down on the business model of Uber. In our two final sessions, we’ll then look at how Amazon, one of the world’s leading business model innovators, is changing its business model over time.

GETTING (MORE OF) WHAT YOU WANT

Margaret Neale
Adams Distinguished Professor of Management

Everyone negotiates. Yet many people often think of negotiation only as a relatively rare event, involving an interaction between a buyer and a seller. Yet, in its various forms, negotiation is a much more ubiquitous and routine process used to resolve differences and allocate scarce resources with two or more parties. Even though we may negotiate almost continuously, it is clear that we (and others) leave resources “on-the-table,” agree to contracts and outcomes that are not in our best interest, and do little systematic assessment of either the quality of negotiated agreements or the appropriateness of our behavior.

WINNING THROUGH INNOVATION

Charles O’Reilly
Frank E. Buck Professor of Management

Recently we have seen the demise of companies like Blockbuster and Radio Shack and the struggles of firms like Kodak, Karstadt, Kanebo, Blackberry, and Sears. Recognizing that the reasons why firms run into trouble are invariably complex, we will focus on one critical and often overlooked ingredient in this process—the role of culture in helping or hindering firms as they wrestle with incremental and discontinuous change. This session will develop a framework for diagnosing and understanding both the statics and dynamics of organizational change. This framework will highlight the complementary (or contradictory) roles of formal and social control systems in generating innovation and change.
BUILDING AND LIVING A MINDSET: CONNECTING THE TALENT BRAND TO THE CUSTOMER BRAND

Hayagreeva Rao  
Atholl McBean Professor of Organizational Behavior and Human Resources

People make organizations. If so, people are a critical source of competitive advantage for startups. A building block of excellence is the mindset of employees. This session addresses the major ‘HR’ or people decisions confronting leaders as they think about what kind of mindset to build and how to make employees ‘live’ the mindset. The key is to connect the customer brand experience to the talent brand experience. We will discuss a case and then use it to derive a simple but powerful framework.

DESIGNING SOLUTIONS FOR ORGANIZATIONS

Baba Shiv  
Sanwa Bank, Limited, Professor of Marketing

Every organization today faces growing vulnerability of fading into irrelevance in terms of designing and delivering value to various stakeholders (customers*, investors, employees, etc.). Owing to this vulnerability, organizations need effective solutions to be prepared for potential opportunities and threats, both internal and external, and be acutely responsive to such opportunities and threats. Thus, the need for exemplary leadership has never been more important than it is today and this importance is only going to grow in the future. Leaders need to be better equipped at making decisions and, more importantly, influencing others’ decisions by crafting superior value propositions for various stakeholders. Designing effective solutions for organizations, stakeholders, and leaders requires a deeper understanding of human behavior, leveraging the growing insights into the workings of the human brain, with special emphasis on the emotional brain. The reason for this special emphasis is that while the human brain is unique among species in its ability to strategize, conceptualize, hypothesize, memorize, etc., it is now undeniable that most of human decisions, behaviors, and experiences are shaped non-consciously by basic emotional neural systems and processes (even in B2B contexts). Yet traditional approaches to designing solutions have predominantly focused on the cognitive rather than instinctual or emotional underpinnings of behavior. Thus, constituting the broad goals of the topics that will be covered in my sessions—it behooves us to first unravel the workings of the emotional brain and then leverage this understanding to design effective solutions for the organization, for leaders within organizations, and for key stakeholders, including customers.

STRATEGY BEYOND MARKETS

Kenneth Shotts  
David S. and Ann M. Barlow Professor of Political Economy

Most business school classes focus on firms’ interactions with customers, competitors, suppliers, and shareholders in the form of mutually beneficial voluntary exchange transacted in markets. In contrast, these sessions consider firms’ strategic interactions with comparably important constituents, organizations, and institutions outside of markets. Strategy beyond markets is a central component of a company’s approach to achieving superior overall performance, and it must be integrated with the company’s market strategy.

Examples of topics that we will discuss in these sessions include activist pressures, political risk, regulation, judicial decisions, legislation, and intellectual property enforcement, all of which substantially impact firms’ performance and profitability.

WHAT IS STRATEGY?

Jesper Sørensen  
The Robert A. and Elizabeth R. Jeffe Professor, and Professor of Organizational Behavior; The Katherine and David deWilde Faculty Fellow for 2018-2019

Strategic leadership requires an ability to identify and evaluate strategic alternatives, as well as to analyze and understand the firm’s competitive environment. Despite the prevalence and widespread use of strategic frameworks, many managers and firms struggle when it comes to conducting robust discussions about strategic alternatives and decisions. As a result, “strategy” is often left to the strategic planning department, and many managers struggle to understand how their actions do or do not reinforce the firm’s strategy.

In this session, we will discuss the nature of productive strategic thinking and introduce a new framework for strategy identification. This framework focuses on the distinction between creating value and capturing value, and on identifying your logic of success. It focuses your attention on the key problems that you as a strategic leader need to concentrate on to ensure your firm’s sustained success.
DESIGN THINKING BOOT CAMP
Sarah Soule
Morgridge Professor of Organizational Behavior; Senior Associate Dean for Academic Affairs
Stanford is one of the principal educational institutions driving the paradigm shift in the design field today. This boot camp is designed to teach you about design thinking—a human-centered, prototype-driven process for innovation that can be applied to products, services, and experiences. We will approach design thinking in this boot camp as a powerful problem-solving technique, which can also be used by leaders grappling with vexing organizational challenges (e.g., lack of coordination between units, lack of diversity, lack time for creative thinking, lack of trust between units, talent drain, lack of engagement, and so on). In the boot camp, you will not only learn about the power of design thinking to help you with creative problem solving, you will also learn about its power to foster innovative thinking among individuals practicing the process.

STRATEGIC FINANCIAL DECISION MAKING
Ilya Strebulaev
The David S. Lobel Professor of Private Equity Professor of Finance
In this course we will learn a number of tools and insights from the field of finance and apply them to financial and investment decision-making. We will discuss the applied valuation principles used in corporate finance and apply these insights to valuing and funding large-scale projects. We will also apply these tools to innovative projects and discuss venture capital and financing innovation.

OPERATIONS AND RESPONSE TIME MANAGEMENT
Seungjin Whang
Jagdeep and Roshni Singh Professor of Operations, Information and Technology
This course offers an overview of operations. In the first session we give an introduction to operations by offering several key topics and techniques in operations. The second session discusses agile operations by using the example of Tamagoya. Tamagoya is in the business of producing and delivering bento (Japanese lunchbox) in the city of Tokyo. They apply an advanced technique called dual response to deliver on time while experiencing 0.06% of excess stock and zero stock out. The third and last session discusses response time management in service operations. Building on the case of the Paramount restaurant, we walk through bottleneck analysis.

THE INNOVATION PROCESS: PIVOT OR PERSEVERE
Stefanos Zenios
The Investment Group of Santa Barbara Professor of Entrepreneurship and Professor of Operations, Information & Technology; Dhirubhai Ambani Faculty Fellow in Entrepreneurship for 2018-2019
Innovation is not an event, it is a process. And a well-designed innovation process has four elements:
1. Clear hypotheses about a customer problem, a solution, and a business model of how value will be created and captured.
2. Experiments to test key elements of these hypotheses using prototypes of increasingly higher resolution.
3. Pivot, persevere, or abandon decision moments in which the hypotheses are refined based on the data collected from the experiments.
4. An organizational design that enables learning, experimentation, and iteration.
The pivot or persevere moment is a critical juncture in the innovation process that is filled with tension and ambiguity. It is a moment that challenges leaders to put together a system that enables organizations to make difficult decisions and rally behind them. We will begin our first session with two vignettes in which two entrepreneurs discuss a key pivot or persevere decision in the evolution of their ventures. These vignettes will put you, the participants, in the shoes of these entrepreneurial leaders, and will help you explore the different elements of a systems that enable entrepreneurial organizations to pivot.