MBA AY 2015-2016 Assessment

Phase 1: Assessment Plan

Learning Outcome assessed:

MBA Learning Outcome 2: Practical Problems
Students will apply theory to solve practical problems.

Assessment Method:
Combined performance on questions selected from midterm exam.

Targeted performance, based on rubrics:
80% meet expectations

Evaluation Process:
The outcome was assessed through direct examination. Students were scored on selected questions from Midterm Exam 1 in BUS 6607 (attached, p.4-6).

Multiple Choice Q6, 7, 10, 11: 3.5pts each for a total of 14.0 pts
Short Answer Q1, Q2, Q3: 6.5pts, 5pts, 6pts for total of 17.5 pts
Essay Q1, Q2: 15pts, 17pts for total of 32.0 pts
Total possible score: 63.5 pts

The assessment bins (meets, exceeds, below expectations and novice) are based on the percentage of points the student received out of a possible score of 63.5.

Rubric:
No rubric provided.

Course where learning outcome was assessed:
MBA 6607: Corporate Entrepreneurship and Innovation, section 1

Evaluator(s):
Roger Chen
Phase 2: Results Assessment and Planned Action

Results:

BUS 6607 Exam Results

<table>
<thead>
<tr>
<th>Test Section</th>
<th>Exceeds Expectations</th>
<th>Meets Expectations</th>
<th>Below Expectations</th>
<th>Novice</th>
<th>% Students Meeting or Exceeding Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Choice</td>
<td>13</td>
<td>0</td>
<td>15</td>
<td>3</td>
<td>42%</td>
</tr>
<tr>
<td>Short Answer</td>
<td>3</td>
<td>13</td>
<td>9</td>
<td>6</td>
<td>52%</td>
</tr>
<tr>
<td>Essay</td>
<td>13</td>
<td>15</td>
<td>3</td>
<td>0</td>
<td>90%</td>
</tr>
</tbody>
</table>

MBA LO #2 Exam Performance
MBA 6607, Spring 2016

Students

Exceeds Expectations | Meets Expectations | Below Expectations | Novice

- Multiple Choice
- Short Answer
- Essay
Multiple Choice Performance:

Individual performance on each question can be found in the addendum.
**Suggested Action:**

There is a disparity in student performance between multiple choice and essay questions. A rubric is needed to measure essay questions to ensure that measurement is based on an achievement of outcomes rather than performance in the class.

In the future we should sample across additional sections in order to assess a larger cross section of students.

MBA 6015 may be a more appropriate course in which to assess this outcome.

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**Phase 3: Closing the Loop**

*To be filed the year after the results assessment.*

**Change Assessment**

Discuss how the actions taken in Phase 2 were assessed, and the results of that assessment.
Addendum: Exam questions used for this evaluation

Multiple Choice Result Detail

<table>
<thead>
<tr>
<th>Question</th>
<th>% of Students Answering Correctly</th>
<th>nStudents Answering Correctly</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Currently, company Blue Sky’s man business model is manufacturing and selling product MM. Now, Blue Sky tries to change its business model to a long tail model. With this change to the long tail model, Blue Sky will also most likely adopt which of the following business practice? (a). Proprietary model. (b). Total solution practice. (c). Multi-sided platform model. (d) None of the above</td>
<td>84%</td>
<td>26</td>
</tr>
<tr>
<td>7. Company X has two business lines: (a) selling equipment, (b) maintenance of the equipment that X sells. X plans to adopt U-Haul type of strategy. Top management of X sets equal expectations/performance targets on the profitability (defined by the ratio between net profit and sales) for both product lines. Based on our class discussion, what is your comment on X’s profit performance target policy on both product lines? (a). The company shall not emphasize profit in its performance policy. (b). the company did a good job in emphasizing profits in its performance targets. (c). the company made a mistake in its profit target policy. (d). None of the above</td>
<td>68%</td>
<td>21</td>
</tr>
<tr>
<td>10. According to our discussion in the class, which of the following is true? (a) If a small company finds a newly opened business/market opportunity created by a large competitor, the small company should consider differentiation strategy if it decides to enter the market. (b). When a large competitor attacks a small company (or a company with limited resources) in a market, the small company (or a company with limited resources) shall always abandon the market so as to avoid direct competition with the large competitor. (c). If a small company misses the opportunity of enjoying first mover advantages, this small company shall try to create late and slow mover advantages. (d). If a small company finds a newly opened market opportunity created by a large firm, speed of entering into the new market is important for capturing the new market opportunity if the small company decides to enter the market. (e). both (a) and (d) are correct.</td>
<td>87%</td>
<td>27</td>
</tr>
<tr>
<td>11. According to our class discussion, company XYZ should do which of the following to make it difficult for competitors to copy its strategy? (a). To make each activity within its (XYZ’s) system more independent from each other, thus to increase its flexibility. (b). To make each activity within its system reinforce/support each other. (c). To reduce the number of activities in its internal activity system, thus to reduce complexity. (d). None of the above.</td>
<td>87%</td>
<td>27</td>
</tr>
</tbody>
</table>
B. Fill in Blank Questions (Please make your writing legible or you will lose points)
(unless otherwise indicated, each question is worth 5 points)

1. Company TPI tries to migrate from selling a basic product to selling customer solutions. TPI can benefit MOST DIRECTLY from the ideas of which ONE of the following models to maximize its profit: Pyramid, transaction scale, multiplier models, local leadership, or the company can benefit equally (or benefit none) from these models? (6.5 points)
Choice 1: TPI can benefit MOST DIRECTLY from ______________model,
Reason____________________________________ (70 words or less)
Or
Choice 2: TIP can benefit EQUALLY from these models______(check here)
Reason_______________________________________________70 words or less)

2. According to our class discussion, which conceptual framework can help us predict/analyze the losses or reductions of the profitability of a value chain market? ___________________________ (7 words or less).

4. David is very passionate about hairstyling and is very interested in operating his own hair salon business. But the “industry structure” of hair salon market is not attractive: little economies of scale, easy to enter, labor intensive (hard work), customers can easily switch vendors, etc.
What should David do to enter this industry, thus to mitigate the weakness of the industry structure and to create some competitive advantages for him? Suggest one strategy. Your answer needs to apply our learning on firm strategy to deal with industry structure covered in the industry/market analysis class. You also need to name the specific learning point or exam we discussed in that class in your answer(6 points)

C. Essay Question (Please make your writing legible or you will lose points)
1. Company M recently developed a great product, Star-Fly. The product is very successful and generated great awareness among many people. But due to the nature of the business (short product life cycle), the physical part of Star-Fly product will only have two years’ time to be sold to customers, after the two years, company M will no longer be able to generate revenue by selling the physical Star-Fly product, and the physical part of the Star-Fly product will stop function after two years. Also, due to technical reasons, it will be very difficult (not economically viable) to develop new versions of Star-fly after the two years
Given this situation, which business model (we discussed in the class) will allow M to leverage Star-Fly’s huge success now and help M generate some revenues after Star-Fly’s physical products stop generating revenue two years later. (15 points).
“EMS” Inc. and “TYCo” compete in several business areas. Their product/business line information is as follows:

<table>
<thead>
<tr>
<th>Business/Product of “EMS” Inc. (in thousand)</th>
<th>B1</th>
<th>B2</th>
<th>B3</th>
<th>B4</th>
<th>B5</th>
<th>Total Corporate Net Sales (in thousand $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product lines</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market shares in each market</td>
<td>48%</td>
<td>40.2%</td>
<td>12%</td>
<td>13%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Net Sales in each market</td>
<td>$654.5</td>
<td>$1800</td>
<td>$349.8</td>
<td>$434.23</td>
<td>$1199.1</td>
<td>$4437.63</td>
</tr>
</tbody>
</table>

(a). “EMS” is considering whether or not it is possible to use aggressive low price strategy to deal with its key competitor, TYCo. Specifically, EMS is wondering if it can find a product market where it can aggressively lower its price (at or even slightly below its cost level) in the market to compete with TYCo. EMS hopes that this low price strategy will have minimum financial impact on itself and can potentially create serious financial damage or problem for TYCo. Can “EMS” find such a product market where it can lower its prices and achieve the above goals? If no, why? If yes, which product market and why (please provide evidences)

The net profit margin ratios at this point (i.e. the percentage of net sales that becomes net profit) in different business lines are as follows: B1: 25%, B2: 20%, B3: 65%, B4: 20%, B5: 7%. The net profit margin ratios in each product line are the same for both companies).

(b). Conceptually, does this question help us think about how to manage a company’s “low profit” businesses (e.g., a company’s small, insignificant business lines)? If no, why? If yes, why? Also, How does your answer differ from BCG’s general strategy of dealing with “dog” business?

Assumption in this question: these markets/businesses do not face other dramatic changes. You do not need to consider other competitors’ reactions and other factors in this scenario.

(Maximum length of answers to both (a) and (b): 0.75 page). (total: 17 points)