

# Course Introduction

PRACTICAL CLASS #1

Spring 2025





# Agenda

1. Introductions
2. Course Structure & Grading
3. Topics Review
4. Exercises - Group Time

**Moodle password: PM2425**



# About Me

- Nova SBE BSc Management ('23)
- Nova SBE MSc Business Analytics ('25)
- Experience in Data Science in nova SBE Data Science Knowledge Center
- Experience in Audit in PWC Luxembourg
- Teaching Assistant at Nova SBE
- Joining a Private Equity on March

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# About You

1. What's your name ?
2. Where are you from?
3. Is there any specific subject you would like to learn in this course?

# Course Structure

This course will cover the following:

- What is and defines a company?
- Revenues and costs
- Business models and strategy
- HR and Compliance
- New Company Designs

# Grading

- Exam: 40% (6th of June)
- Midterm Exam: 25% (8th of March)
- Group Work: 35%

## Group Work

Report 1: Company Overview (4th of April)

Report 2: Strategy (2<sup>nd</sup> of the May)

Report Delivery accounts 75% of the grade and the  
Q&A accounts 25%

## + Bonus!

### Class Attendance

+1 value if you have (at least) 80% attendance

### Class Participation

+0.5 values based on quality of participation in practical classes



# Company

## What is?

- Is a person or group of people working together to sell products or services
- Most of the times it aims to provide a solution to a problem in exchange for money



# Why do people create companies?

- Limited Liability protection
- Tax advantages and financial benefits (lower tax rates, deductions)
- Easier access to funding
- Credibility

**However**, creating a company comes with high initial costs:

- Company registration Fee
- You may need a lawyer
- Many countries require businesses to hire an accountant



# Why do most businesses fail?

- Companies ignore market trends, customer preferences and technology changes
- Poor leadership. A company needs a clear strategy and motivated workers
- Don't manage their finance well
- Companies have a short-term focus instead of a long-term vision
- Fraud can also lead companies to fail

# Kodak Fail



- Kodak was once the dominant player in the film photography industry
- They invented the first digital camera in 1975
- Although the company leadership was reluctant to fully embrace digital technology because they feared it would cannibalize their highly profitable film business
- They didn't develop more the digital cameras at that time
- Kodak's delayed entry into the digital market resulted in them being overtaken by competitors, who were able to innovate faster and offer products that met consumer demand.
- In 2012 Kodak filed for bankruptcy protection





# The Boundaries



# The boundaries, or limits, of a firm define the range of activities it devotes itself to.

- Horizontal boundaries
- Vertical boundaries
- Corporate boundaries



# The boundaries, or limits, of a firm define the range of activities it devotes itself to.

## Horizontal boundaries

Is the firm's decision to expand or diversify its offerings within the same industry or across similar industries



# The boundaries, or limits, of a firm define the range of activities it devotes itself to.

## Vertical boundaries

Refers to the firm's decision regarding how much of the supply chain it controls, from raw materials to finished products.





# The boundaries, or limits, of a firm define the range of activities it devotes itself to.

## Corporate boundaries

Are the distinct business and industries in which the firm operates

The Amazon logo, featuring the word "amazon" in a bold, black, sans-serif font, with a curved orange arrow underneath it pointing from the letter 'a' to the letter 'z'.The Amazon Prime logo, featuring the word "prime" in a bold, blue, sans-serif font, with a curved blue arrow underneath it pointing from the letter 'p' to the letter 'e'.



# Summary

## TYPES OF COMPANY BOUNDARIES

- Resources are scarce, and that forces companies to set their own boundaries
- Horizontal boundaries refer to how big the firm is, and how many customers it caters to
- Vertical boundaries refer to the set of activities it performs or purchases to deliver its value
- Corporate boundaries refer to the set of businesses the companies compete







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# CUSTOMER DEVELOPMENT MODEL

## What is:

- It is an interactive and flexible process of questioning the assumptions that support a startup by systematically testing them in the marketplace

## Objective:

- Understand customer and their preferences

Focus on understanding the customer, their problem, preferences and buyer behavior

# The Customer Development Model



Customer discovery



Customer validation



Customer creation



Company building

The business grows from a startup to a mature company. This means growing the mainstream customer base product base.



Validate that customers are willing to pay for the product and that it is profitable in the long run

It is about marketing. The company chooses the target market and it starts generating demand

# Group Time!

Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
69589	56597	69675	62409	62764	56918	62309
69749	66901	69631	62304	69780	69595	66861
69730	69661	69599	69421	68648	66857	56783
69774	69740	69577	69590	69588	56978	69645
				69758	69755	66856



# Exercise

Each group will have a company that once dominated their industries but later struggled or failed. Do a short research, and answer the following questions for each company:

- 1. What problem did the companies aim to solve with their products at the time?
- 2. What were the boundaries of the company? Explain your answer (Horizontal, Vertical, or Corporate boundaries)
- 3. Why did the company fail or decline? Weak leadership? Short term focus? Other option

Group 1	Nokia
Group 2	WeWork
Group 3	Yahoo
Group 4	Evergrand
Group 5	Toys 'R Us
Group 6	BlackBerry
Group 7	WorldCom