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# NEURO STRATEGY

AREA: STRATEGIC  
MANAGEMENT

COURSE Nr 72

SESSIONS: 15  
CREDITS : 3

PROFESSOR: **IANNA CONTARDO**

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## **Professor of Strategy**

Whether it is how to encourage managers to act on climate change in their industry, to devise new approaches to strategic marketing, the extent to which the financial markets work and how knowledge is codified or used in our societies, Ianna Contardo is fascinated by the number of approaches and multiple possibilities available to us in order to better understand world phenomena.

After spending many years in Price Waterhouse, having greatly travelled and learned 5 languages Prof. Contardo decided to pursue a doctoral programme at the Marketing and Strategic Management department of the five star research Institute of Warwick Business School, in the United Kingdom. Her PhD thesis on the Longevity and Success of the Harvard Business School allowed her to investigate three key aspects of organizations:

- ◇ the means of knowledge transfer,
- ◇ the institutional drivers for success and
- ◇ the linguistic possibilities to penetrate business phenomena by reflecting on narratives and discourses.

She trusts the fact that financial markets give a value to companies' strategies, but it's just a belief they hold, and they may be wrong. However, a customer buying something is real feedback. While at Harvard, she met Prof. Gerald Zaltman – author of many articles, books and founder of Olson Zaltman Associates, a research and consulting firm - with whom she has been working on many interesting projects for the last seven years to precisely investigate and implement marketing strategies that really add greater value to customers. These projects involve “penetrating the mind of the market and of consumers” with a patented methodology called *Zaltman Metaphor Elicitation Technique* in order to devise more efficient and adapted marketing, brand and advertising strategies for multinational clients such as Coca Cola Inc., DuPont, Diamond Trading Company, Procter & Gamble, Motorola, Microsoft and many others.

Overall, it is her interest in the new and her ability to question accepted economic and business taken-for-granted norms or conventions that have led numerous leading journals and editors to publish her work. When it comes to teaching, Prof. Contardo encourages students, too, to look at what they're being taught with fresh eyes. “It's crucial to understand the environment in which the business game is played, to know who you are and whom you are playing with or against,” she says. “More importantly, it is always wise to reflect before acting and to develop a constructive critical understanding that will lead you onto the path of this world's richness”.

### **Academic Background**

PhD in Industrial Business, Warwick Business School, University of Warwick, UK  
MBA in Strategy, Innovation and Information Systems, Theseus Institute, Sophia Antipolis, FR  
BS with *magna cum laude* in Economics & Finance, Bentley College, USA

### Academic Experience

Professor of Strategy, Instituto de Empresa, 2001 to present  
Professor of International Business and Business Policy at Schiller International University, 2000-2003  
Professor of HRM at Syracuse University in Madrid, 2000-2003  
Visiting professor at LUISS School of Management in Rome  
Research Assistant, Warwick, UK, 1998 to 2000  
Member of the Academy of Management, EGOS and other societies

### Corporate Experience

Member of the Board of Koolair, since 2000 to date  
Senior Auditor with Price Waterhouse from 1990 to 1994  
Consultant with OZA from 1999

### Selected Publications

Rindova, V., Becerra, M. and Contardo, I. (2004) "Enacting Competitive Wars: Competitive Activity, Language Games, and Market Consequences", paper published in the Special Issue of the **Academy of Management Review**, 4, vol 29. no. 4.  
Contardo, I. (2003) "Reading your Customers' Mind: Using ZMET to Add Products' Value", published in the 3<sup>rd</sup> edition of the **Revista de Empresa**.  
Contardo, I. and Angwin, D. (2002) "The Management Buy-Out Arena: Differential Slip in a Tripartite Alliance?" **Journal of Strategic Change**, vol. 11, no. 1, pp. 7-16.  
Angwin, D. and Contardo, I. (1999) "Don't Let Your MBOs Turn on Themselves." **Long Range Planning: International Journal of Strategic Management**, vol. 32, no. 5, pp. 494-504.  
Contardo, I. and Wensley, R. J. (2004) "The Harvard Business School's Story: Avoiding knowledge by being relevant", paper presented at the second international conference *Organization* at the University of Massachusetts at Amherst, September 17<sup>th</sup> - 19<sup>th</sup>, 1999. Paper published in Issue 11 (2) of **Organization** of March 2004.

## PROFESSOR: ELSA PUNSET

LUCKILY WE WILL BE ACCOMPANIED DURING THIS COURSE BY ELSA PUNSET. HERE IS A SHORT *CURRICULUM* ABOUT HER.

Bachelor and Master Degrees in Philosophy from the Oxford University in the UK. Fulbright Scholarship to study composition at the Manhattan School of Music in New York and sound engineering at the New School. She returns in Spain, then works with the radio station SER and completes her Master in Journalism at the University *Autónoma* in Madrid. Works as editor in the area on education for the publishing house of the *Grupo Anaya* and then takes a managing position with the *Fundación Autor*, in the *Sociedad General de Autores y Editores (SGAE)*. Presently she is the external coordinator of the Reports on Social and Emotional Education in the World, a project launched by the *Fundación Marcelino Botín*.

She can be contacted at her web page: [www.elsapunset.com](http://www.elsapunset.com)  
Author of "Brújula para navegantes emocionales", Aguilar 2008.

## COURSE INTRODUCTION

This is a course that seeks to take our thinking processes and thus our behavior to a different level by being reflexive about our deeply rooted assumptions. It is only by becoming aware of how our brains react that we can aspire to modify our patterns of perceiving the world and thus learn differently.

Given this premise the course is devised as a STRATEGY to revisit some recent discoveries in neurology and cognitive psychology. From those understandings we then look at how business can be rethought and specifically at how some of the business assumptions are constructed around misleading paradigms given the very nature of human behavior.

Unfortunately there is no easy goal to this course. Rather it is a highly philosophical investigation into the mind with the aim to acquire the ability to change our conventional ways of approaching strategic problems. Usually it is because of a lack of understanding of how people's emotions are closely interwoven with reasoning that we miss out on many human phenomena. And it is not just emotions but the way we construct reality through the mind that is going to interest us at large.

As a positive consequence, this course is meant to all people who intend to pursue personal learning with no professional restrictions. It is on the other hand an open challenge and thus could be useless for students who look to specialize in certain areas rather than approach business from this philosophically strategic lens.

## METHODOLOGY

Given the nature of the topic, this course is based on seminars. Discussions will be the main approach, although some classes are made of lectures that draw on presentation. The material is fundamental and constitutes the basis for the discussions. There are some heavy readings and some topics that are more difficult than others. This is why preparation is extremely important and includes thorough reading, personal research and participation during the class sessions.

## PROGRAM

### **PART 1: DECISION MAKING**

What do we know nowadays about the brain that can help us in our professional experience? Our goal is to investigate possible links between the brain, emotions and decision making as well as to examine the impact on the whole process of knowing ourselves better.

#### SESSION 1

In this session we will first break the ice, review the syllabus together which is our formal contract, and touch upon the key themes of the course in "Neuro-Strategy".

We will also distribute some practical exercises allowing us to start already the journey.

READING: article by Larry Page "On How to Change the World" in *Fortune Magazine*

READING: Briefing Neuroeconomics in the *Economist*, p.70 of the issue July 26<sup>th</sup>-August 1<sup>st</sup> - 2008

EXERCISE: p. 210 in *Becoming a Resonant Leader*

#### SESSION 2

Conference I: Neuro-Strategy a Journey into the Mind to better grasp the Meaningfulness of Business

READING: Chapter 3 "The Neuroanatomy of Leadership" in *Primal Leadership*

READING: Chapter 3 "Listening to Your Wake Up Calls" in *Becoming a Resonant Leader*

EXERCISE: p. 48-51, 53-54, 58, 60-62, 64-66 in *Becoming a Resonant Leader*.

#### SESSION 3

Conference II: Presentation by Elsa Punset on the Brain from the Inside

READING: Chapter 9 "From Brain Differences to Individual Differences" in *Big Brain*

VIDEO: Watching the story of *Awakenings* by Oliver Sacks

#### SESSION 4

How we decide and the meaning of being human

Conference III: Presentation by Elsa Punset on Decision Making

READING: Book of Tavis and Aronson *Mistakes were made but not by me*

- ❑ Practical examples of decision making with the need and challenges of CHANGE.
- ❑ Tools that involve emotions and that help gain essential insights into who we are.

## SESSION 5

### GROUP ASSESSMENT WORTH 20% OF FINAL GRADE

Sense Making in Organizations: The Disintegration of Role Structures

READING: Karl Weick "The Collapse of Sensemaking in Organizations: The Mann Gulch Disaster", *Administrative Science Quarterly*, Dec. 1993

1. Why is the Mann Gulch the story of a race?
2. What has this story got to do with organization theory?
3. What principles for organizations or individuals can we draw from Dodge's order "DROP YOUR TOOLS".?
4. What is the kind of vulnerability in organizations Weick talks about?
5. What does he suggest can be done about it?
6. What would you do about it?

**READING:** Chapter 6 "Seven Seconds in the Bronx: the delicate art of mind reading" in *Blink*, pp.189-244.

## SESSION 6

Conference IV: Introducing ZMET (Zaltman Metaphor Elicitation Technique) Method and Uses

READING:

- a. Preface & Chapters 1 and 2 of "*How customers think: essential insights into the mind of the market*", by Zaltman, 2003
- b. Wathieu *et al.* "Rooting Marketing Strategy in Human Universals", in *The Global Market: Developing a strategy to manage across borders*, edited by John Quelch and Rohit Deshpandé, San-Francisco, CA, Jossey-Bass, 2004.

Hope you enjoy this.

[http://conversationstarter.hbsp.com/2008/07/why\\_i\\_underwent\\_pschoanalysis.html](http://conversationstarter.hbsp.com/2008/07/why_i_underwent_pschoanalysis.html)

READING: Chapter 5 "Kenna's Dilemma: the right and wrong way to ask people what they want" in *Blink*, pp.147-167.

EXERCISE: p. 3-10 in *Becoming a Resonant Leader*

## SESSION 7

### PRACTICING ZMET

In this session we will practice the ZMET technique with the exploration of how we can get to "convince" people. To be CONVINCED and to CONVINCVE is an important part of HOW we decide AS WELL AS of how we LEAD. With ZMET we seek to unravel the emotions involved in the process while also exemplifying the usefulness of the tool for strategists and marketers.

*For this each of you will select between 2 to 4 pictures in total that represent your thoughts and feelings about WHAT IT MEANS TO BE CONVINCED for you.*

During the class hour we will explore together the meaning of these pictures and how we can make sense of the mental models that guide the process. By reflecting upon what it means to you to be convinced and the process that may be involved we will seek to make inferences on the challenges to convince others which is synonymous of *changing their minds*.

The objective is to investigate strategically how we could use this information to better manage human relations at the deepest level of engaging in the long and complex process of:

1. Being convinced ourselves
2. and Helping others to engage with us

EXERCISE: p. 11-23 in *Becoming a Resonant Leader*

## SESSION 8

Conference V: When Conviction is not enough for Change and Paradoxes come in the way

READING: Chapter 6 of "*Change: Principles of problem formation and problem resolution*", by Watzlawick *et al.*, 1974

1. What are the key logical assumptions referring to paradoxes?
2. What are the main arguments of each chapter?
3. Provide at least one example that relates to the discussed paradoxes and that relates to your experience

EXERCISE: p. 210 AGAIN in *Becoming a Resonant Leader*

## PART 2: LEADERSHIP

Social relationships and management of the external process of decision making. A step further into Emotional Intelligence, Primal Leadership and Conflict Resolution.

### SESSION 9

Conference VI: Presentation by Elsa Punset on The Art of Conflict Resolution, Into the Mind of Leadership

### SESSION 10 and SESSION 11

GROUP ASSESSMENT WORTH 30% OF FINAL GRADE

Group Presentations on the Role of Leadership in Teams

READING: Chapter 7 "Igniting Resonance: Creating effectiveness in Teams, Organizations and Communities" in *Becoming a Resonant Leader*

EXERCISE: p. 183, 185-187, presented by group 188, presented by group 190-192, presented by group 200-202 and 203 Step 3, in *Becoming a Resonant Leader*

Compare your group preparation of the 1<sup>st</sup> assignment with HOW you can improve on the 2<sup>nd</sup> one after these exercises

### SESSION 12

GROUP ASSESSMENT WORTH 20% OF FINAL GRADE

Emotional Intelligence and Creation of Structures for Spontaneity

READING: Rock & Schwartz "The Neuroscience of Leadership", *Strategy + Business* by Booz & Company, Summer 2006.

Then Log-In to [www.strategy-business.com](http://www.strategy-business.com), go to the Neuroscience of Leadership and listen to the 1h recording of the webinar that explains the PowerPoint presentation by Schwartz and Rock.

1. describe the article's key findings with the premises that you consider most relevant
2. Reflect on the most important aspects of the article that seem relevant to you and your group in the context of organizations
3. Describe one situation where change was necessary in which you or one of you were involved and discuss it according to the framework devised on the basis of the previous 2 questions
4. Discuss the difference in learning styles provided in the example on war simulation described in chapter 4 of *Blink* and relate to the topic of structures for spontaneity in the context of organizations. Finally link it to the last paragraph of this article.

**READING:** Chapter 4 "Paul van Riper's Big Victory: creating structure for spontaneity" of *Blink*, pp.99-146 [skip if necessary Part 4 *A Crisis in the ER*].

### SESSION 13

PERSONAL ASSESSMENT WORTH 10% OF FINAL GRADE

Strategy and Leaders in Style: Apple Computer 2002

READING: HBR Article John Kotter "Leading Change: Why transformation efforts fail", January 2007;

READING: HBR Article Strategy & Innovation "The Good, the Troubled and the Unpredictable", 2005.

P.C.: Apple Computer 2002 (HBS: 9-702-469)

1. Evaluate the industry structure over time and its implications for positioning
2. Historically, what were Apple's major competitive advantages?
3. Analyze the structure of the PC industry over the last 10 years and determine how the dynamics of the PC industry have changed
4. What were Apple's strategies (commercial, business, corporate...) since 1990?
5. Has Steve Jobs solved the "problem"? How should he do it today with an *a posteriori* view of the facts?

## SESSION 14

Strategy, People and Brands: Apple Computer 2005

READING: Fortune Magazine articles "What Makes Apple Golden", pp. 40-44; "The Trouble with Steve", pp.54-63 + 72-73.

READING: HBR Article Bower and Gilbert "How Managers' Everyday Decisions Create or Destroy your Company's Strategy", February 2007.

P.C.: Apple Computer 2005 (HBS: 9-705-469)

1. Analyze the structure of the PC industry over the last 10 years and determine how the dynamics of the PC industry have changed
2. What were Apple's strategies (commercial, business, corporate...) since 1990?
3. Has Steve Jobs finally solved Apple's long-standing problems? Is the iPod different?

## SESSION 15

Final Summary of course with general discussion of pros and cons.

For this session each student will be asked to fill in an anonymous form.

## STUDENT WORK AND ASSIGNMENTS

### 1) Participation

Classes are conducted using the DISCUSSION method. The material reflects the theory in-practice and therefore needs particular care. Every student is meant to actively prepare each session by even just reading the Power Point presentation, asking oneself questions, and investigating the relevant literature.

For certain sessions there are questions for you that facilitate your preparation. These are not the only ones that may be raised as they are meant merely as a way to structure the discussion. Your participation will be evaluated on the basis of the contribution that you make in analyzing the material within the framework of the concepts we are studying. This means also communicating properly and thoughtfully your ideas, making OTHERS participate while also remaining open to comments. My criteria to evaluate your participation is on quality, rather than quantity of your contributions even if CONSTANT attention throughout the sessions is necessary to achieve at least a pass grade.

### 2) Group Article Analysis

A second element of performance towards your grade is the article analysis. For this assignment you will be expected to write in your groups a report on TWO ARTICLES as specified in the sessions. This report is due in class and should be a maximum of 5 pages: The document (12 pt. Times Roman font, 2.5cm margins all around), plus appendices (if absolutely necessary: only include tables, pictures, etc. that are very important for your argument).

The report should show an in-depth understanding of the theory and basically cover the specific questions that are given for each session in the syllabus (these questions are mainly for your guidance – key is that you identify what is most important and then dedicate your scarce writing space to explain these crucial issues).

Please do not repeat so much article facts but focus on gaining a deeper understanding of causal relationships and derive appropriate conclusions. If you really want to excel go deeper in referencing other seminal work that may contribute to our understanding of the issues at stake. In addition, each student should be prepared to present the key findings of his or her report informally during our class session if called upon (obviously, not every student will have to present, but your preparation for this assignment is essential if you are indeed called up).

I expect an academic work where your strategic thinking will be evaluated in terms of the implications that it will have for practical situations and examples that you may bring about.

### 3) Group Presentations

Here I will observe your ability to communicate your findings about what it means to prepare a team assessment of your vision in a reflexive way.

What matters most, however, is your ability to comply with the minimum requirements of the exercises and the ability obviously to bring about some novelty while also infusing enthusiasm in your audience.

### 4) Individual report on Apple Case

The last element of performance towards your grade is the analysis of the LEADERSHIP STYLE exhibited by Steve Jobs in the case of Apple Computers and the accompanying article. For this assignment you are expected to write an INDIVIDUAL report.

This report is due in class on SESSION 14. It should be a maximum of 2 pages: The document (12 pt. Times Roman font, 2.5cm margins all around), plus appendices (if absolutely necessary: only include tables, pictures, etc. that are very important for your argument).

The report should draw mainly on the material covered in the second part of the course, even if it may include aspects covered in the first. The objective is to create a NARRATIVE that explains *organizational success* at Apple from a Neuro-Strategic point of view.

You may use extensive literature of your own interest and I highly recommend CREATIVITY to distinguish your text from that of others while "playing within the rules of the game".

## GRADING

Class Participation	20%
Two Group Reports on Article	20% and 30% for a total of 50%
Group Presentations	20%
Individual Report on Apple Case	10%

This is the scale by which you will be finally assigned your letter grades according to the percentage points over 10 you will have at the very end of the computation of the 4 counting variables described above.

A+	9,4-10
A	9-9,3
A-	8,7-8,9
B+	8,4-8,6
B	8-8,3
B-	7,7-7,9
C+	7-7,6
C	6,5-6,9