

GBUS 2050
BLUE OCEAN STRATEGY INNOVATION & EXECUTION (2-credit)

School of Business and Management
The Hong Kong University of Science & Technology
Fall 2025

Course Professor:	Mitya NEW
Email:	chrisnew@ust.hk
Class time:	16:00 – 17:50
No. of classes	13
Dates:	Sep 11 – Nov 28 (<i>no classes Sep 4 & Oct 16</i>)
Venue:	Rm 6602, Academic Building LSK 1003 (Dec 4)
Office Hours:	By appointment
Course Web Page:	http://canvas.ust.hk
Teaching Assistant:	Andrea Lam (bmandrea@ust.hk)

COURSE DESCRIPTION

This course introduces students to Blue Ocean Strategy, one of the most original ways of developing innovative strategy to appear in business thinking in recent years. This approach to strategy innovation distinguishes between the conventional cutthroat way most companies compete based on price and product features, known as the red ocean, and a new way of competing that emphasizes finding new markets that are free of competition – blue oceans. The course equips students with a set of highly practical tools that can be used in any organization both to develop strategic innovation and then to implement this change successfully. For GBUS students only.

COURSE OVERVIEW

This is a 2-credit course which will introduce you to Blue Ocean Strategy, one of the most original ways of developing innovative strategy to appear in business thinking in recent years. Blue Ocean Strategy was developed by W. Chan Kim and Renee Mauborgne, both professors of strategy and management at the INSEAD business school. Their approach to strategy innovation is widely recognized as a significant step forward in strategic thinking and has been adopted by many companies to help them develop innovative strategy. A large number of business schools also now offer Blue Ocean strategy courses.

The book, Blue Ocean Strategy has now been translated into 43 languages and is an international bestseller. This approach to strategy innovation distinguishes between the conventional cutthroat way most companies compete on the basis of price and product features, known as the red ocean, and a new way of competing that emphasizes finding new markets that are free of competition – blue oceans.

This course will also look at the challenge of how to execute a new strategy in an organization. This is highly relevant since the introduction of a new blue ocean strategy idea will often meet resistance in companies. How to navigate and overcome this resistance in organizations is critical to the success of any Blue Ocean idea.

CEOs worldwide consistently rank the failure to execute strategy successfully as one of the greatest weaknesses of companies. The course will equip you with a set of highly practical tools that can be used in any organization both to develop strategic innovation and then to implement this change successfully.

In this course we will use a series of Harvard case studies to apply both Blue Ocean strategy thinking as well as the strategic execution approach. The case studies will be included in the reading for the course. Many of the cases are supported by short video clips which help understand the case and will be shown in class. You will work in teams to apply the learning and practical tools you acquire in the course.

The course is divided into four sections:

- A. Understanding the concept and tools of Blue Ocean Strategy
- B. Bringing it all together – navigating from a Red Ocean to a Blue Ocean
- C. Avoiding the traps to effective Blue Ocean strategy innovation and execution
- D. Team Analysis & Presentations of Blue Ocean Strategy & Execution case studies

INTENDED COURSE LEARNING OUTCOMES

1. Analyze and gain insights from case studies from well-known global companies that illustrate the Blue Ocean approach in a stimulating way
2. Develop a practical set of tools for building and implementing innovative strategies
3. Develop a highly relevant approach to lead significant change in teams or organizations
4. Apply the tools learned in the course to real-world scenarios and become familiar with their use and application

ASSESSMENT AND GRADING

1. The components of the grade will be:

Ongoing Assessment:

Participation (25%)

- Participation will be assessed by the Professor both on quantity and quality. This will cover questions and comments made during class. If the course is held online the questions and comments raised via Zoom Chat will also be included for evaluation.

- Participation will also be evaluated on the questions raised by students in class on the Team presentations by co-students.
- Participation will also be assessed on students achieving a consistent 90% or above score on pre-class reading quizzes.

Mid-course Examination Exercise:

Applying Blue Ocean tools (25%)

- Assessed team in-class analysis and presentation.
- Teams work in breakouts, submit and present in class
- The assessment of team performance will be by the Professor and will focus on the success of the team in answering the questions for the case study correctly as well as the understanding the team displays of the concepts of Blue Ocean Strategy.

Final Team Assessment

Blue Ocean Strategy & Execution case presentations (25%)

- Students will be free to select from a range of Blue Ocean case studies.
- Students will form teams and work together ahead of class to prepare presentations in answer to specific questions on the case study they have selected.
- The presentations will be presented in class in two classes at the end of the course. The number of students per team will depend on the enrolment for the course. The final decision will be made by the professor.
- The assessment of team performance will be by the Professor and will focus on the success of the team in answering the questions for the case study correctly as well as the understanding the team displays of the concepts of Blue Ocean Strategy as well as Leading Change as presented in the course and the readings.
- The Blue Ocean Case Study presentations are expected to take 20-25 minutes. Following the presentation the presentation team must answer questions from other students in class.

Individual Assessment

Multiple Choice (25%)

- All Students will complete a comprehensive multiple choice examination in the final class of the course.

MAPPING OF COURSE ILOs ASSESSMENTS TASKS

Assessment Tasks	Mapped ILOs	Explanation
Participation	IL01, IL03	This task assesses students' ability to analyze real-world Blue Ocean cases (ILO1) and contribute to discussions and provide peer feedback that will support the learning experience. (ILO3).

Mid-course Examination Exercise	ILO1, ILO2, ILO4	This task assesses students' ability to analyze Blue Ocean strategic cases (ILO1), apply course innovation tools (ILO2), and solve problems collaboratively in a team environment. (ILO4).
Final Team Assessment	ILO1, ILO2, ILO3, ILO4	This task assesses students' ability to apply full course strategy tools (ILO1) and work with team members to innovate a Blue Ocean idea (ILO2, ILO3), (ILO4).
Individual Assessment	ILO1, ILO2, ILO4	This task assesses students' understanding of course concepts (ILO1), strategic tools (ILO2), and their application in real-world scenarios (ILO4).

GRADING RUBRICS FOR THE MID-COURSE EXAMINATION AND THE FINAL TEAM ASSESSMENT

Criteria	Excellent	Proficient	Developing	Needs Improvement
Successfully understand and address the assessment question	Deep, insightful analysis; well-researched with strong evidence.	Clear analysis with good research; minor gaps.	Surface-level analysis; limited research.	Lacks critical analysis; insufficient research.
Developing new & original ideas beyond content outlined in class	Unique solutions; exceptional originality.	Demonstrates creativity; some novel ideas.	Minimal innovation; relies on conventional approaches.	Lacks originality; repetitive or derivative.
Clarity and style of presentation in class	Excellent teamwork; balanced contributions.	Good collaboration; occasional imbalances.	Uneven participation; some disengagement.	Poor teamwork; dominant or passive members.
Demonstrating deep understanding of the Blue Ocean concepts	Meets all deadlines; follows guidelines perfectly.	Minor delays or deviations.	Multiple delays or guideline issues.	Missed deadlines; ignores requirements.

FINAL GRADE DESCRIPTORS

Grades	Short Description	Elaboration on subject grading description
A	Excellent Performance	Demonstrates a comprehensive grasp of subject matter, expertise in problem-solving, and significant creativity in thinking. Exhibits a high capacity for scholarship and collaboration, going beyond core requirements to achieve learning goals.
B	Good Performance	Shows good knowledge and understanding of the main subject matter, competence in problem-solving, and the ability to analyse and evaluate issues. Displays high motivation to learn and the ability to work effectively with others.
C	Satisfactory Performance	Possesses adequate knowledge of core subject matter, competence in dealing with familiar problems, and some capacity for analysis and critical thinking. Shows persistence and effort to achieve broadly defined learning goals.
D	Marginal Pass	Has threshold knowledge of core subject matter, potential to achieve key professional skills, and the ability to make basic judgments. Benefits from the course and has the potential to develop in the discipline.
F	Fail	Demonstrates insufficient understanding of the subject matter and lacks the necessary problem-solving skills. Shows limited ability to think critically or analytically and exhibits minimal effort towards achieving learning goals.

COURSE AI POLICY

All use of AI during the preparation or completion of Assessment Exercises is fully restricted.

COMMUNICATION AND FEEDBACK

Assessment marks for interim and final presentation will be communicated within two weeks of submission. Feedback on assignments will include strengths and areas for improvement. Students who have further questions about the feedback, including marks, should consult the instructor within five working days after the feedback is received.

RESUBMISSION POLICY

Unless otherwise specified, there will be no resubmission for the assessment tasks.

REQUIRED TEXTS AND MATERIALS

All required readings and materials can be accessed via Canvas.

ACADEMIC INTEGRITY

Students are expected to adhere to the university's academic integrity policy. Students are expected to uphold HKUST's Academic Honor Code and to maintain the highest standards of academic integrity. The University has zero tolerance of academic misconduct. Please refer to [Academic Integrity | HKUST – Academic Registry](#) for the University's definition of plagiarism and ways to avoid cheating and plagiarism.

DECLARATION

The Course Instructor and GBUS Program Office reserves the final right to revise the syllabus as needed.

DETAILED COURSE & CLASS SYLLABUS

A. Understanding the concept and tools of Blue Ocean Strategy

Class 1: What is strategy? What is strategy innovation?

- What is Strategy?
 - Michael Porter Five Forces
- What is Strategy Innovation?
 - Disruptive innovation
 - Design Thinking
 - Co-creation strategic approach

Reading:

- *“The Enduring Importance of Michael Porter’s Work on Competition & Strategy”, Joan Magretta, HBP, 2012*
- *“Why Design Thinking Works”, Jeanne Liedtka, HBR, Sep 2018*

Class 2: What is Blue Ocean Strategy?

- What is Blue Ocean Strategy?
- Building Strategy Canvases & Value Curves

Reading:

- *“The Evolution of the Circus Industry (A)”, INSEAD 2002, &*
- *“Even a Clown can do it: Cirque du Soleil Recreates Live Entertainment (B)”, INSEAD 2002)*

Class 3: Tools for Blue Ocean Strategy

- Finding Blue Ocean opportunities – Six Paths Framework
- Reaching beyond existing demand – finding Non-Customers
- Blue Ocean Case Study – Gillette Razor Blades
- Breakout Group exercise - Applying Tools to well-known company examples

Reading:

- “How a US consumer products company unlocked the three tiers of Non-customers”, INSEAD, 2009

Class 4: Practising Basic Blue Ocean Strategy tools

- Breakout Group exercise – in-class preparation of Blue Ocean analysis

Reading:

- “Crafting Winning Strategies in a Mature Market: the US wine industry in 2001”, INSEAD 2009)

Class 5: Learning Advanced Blue Ocean Strategy tools

- Understanding Strategic Sequence

Class 6: **Mid-course Examination Exercise:** - Blue Ocean team exercise (in-class)

- Apply Blue Ocean tools to the Blue Ocean case – case study
 - Non-customers
 - Six Path Framework
 - Sustaining the Blue Ocean

Reading:

- Case study to be released in class.

B: Bringing it all together – Navigating from a Red Ocean to a Blue Ocean:

Class 7: Blue Ocean Market Creation Exercise:

- Innovate in the Korea Travel Industry
- Work in teams to apply full Blue Ocean analysis to identifying how to engineer a shift in the red ocean Korea Travel Industry and find a new Blue Ocean.
- Three video clips:
 - Pre-breakout group.
 - Post-breakout and pre-presentation
 - Post presentation

Reading:

- “Blue Ocean Hackathon: Market Creation in a Highly Competitive Industry,” INSEAD, 2018

C: Avoiding the traps to effective Blue Ocean strategy innovation and execution

Class 8: Technology vs Value Innovation

- Breakout groups in class each working with different mini-cases from QR code in reading
 - Each breakout answers five questions in mini-case allocated and presents back to plenary class
 1. Ford Edsel
 2. Irridium
 3. Magic Leap
 4. Transferwise
 5. Pixar
 6. Microsoft Kinect
 7. Impossible Foods

Reading:

- *“Searching for Value: Value Innovation vs Technology Innovation,” INSEAD 2021*

Class 9: The risk of Blue Ocean Execution Failure

- Breakout groups working with three-part case (including videos) to understand execution risk failure
- Each Breakout group has 4 questions to answer and present back to plenary
 1. What was the buyer utility for the Tata Nano car innovation? Complete a buyer utility map to illustrate this accurately. Then complete the Strategy Canvas for the low-end mobility industry in India showing value curves for motorcycles, small and compact cars and Tata Nano.
 2. How did Tata address Strategic Pricing and Target Costing? Complete the Strategic Pricing – Price Corridor for the privately-owned mobility industry mapping out the price points of the different offerings. How did Tata approach the challenges it faced in Target Costing?
 3. How did Tata approach the Stakeholder proposition? How successfully were stakeholder needs addressed?
 4. What suggestions do you have for Tata to recreate a Blue Ocean innovation with the Nano? Illustrate your ideas using Blue Ocean thinking and tools.

Reading:

- *“Tata Nano: How The People’s Car failed to reshape the Auto Industry and create new growth”, INSEAD, 2017*

Class 10: Restoring a Blue Ocean

- Blue Ocean Case - Breakout groups working with case (includes videos)

Reading:

- *"The Marvel Way: Restoring a Blue Ocean", INSEAD 2016*

B. Team Analysis & Presentations of Blue Ocean Strategy & Execution case studies

Class 11: **Individual Assessment**

- Multiple Choice in-class completion and submission

Class 12 & 13: **Final Team Assessment - Blue Ocean Strategy & Execution case presentations**

- Assessed exercise including pre-class team analysis and submission of Blue Ocean case studies.
- Individual selection of Blue Ocean case at end of Class 9.
- Separate questions will be set for each case study.
- Work in teams to complete analysis and present in class.
- Presentation in class with questions from other students

Blue Ocean Case options:

1. Andre Rieu
"A Maestro without borders," INSEAD 2017
2. Wikipedia
"Making a bold strategic move that discourages imitation," INSEAD 2011
3. Apple
"How Apple's Corporate Strategy drove high growth", INSEAD 2012
4. Compte Nickel
"Driving Sustainable Growth and Empowering Society: Nickel's Blue Ocean Beyond Disruption," INSEAD 2023
5. Zappos.com
"Bring the Shoe Store to your home" INSEAD 2013
6. Comic Relief
"Reinventing Fundraising Charity: The enduring success of Red Nose Day," INSEAD 2018
7. Park 24
"Reinventing the parking industry in Japan" INSEAD 2018

COURSE READING

Required Reading:

- “The Enduring Importance of Michael Porter’s Work on Competition & Strategy”, Joan Magretta, HBP, 2012
- “Why Design Thinking Works”, Jeanne Liedtka, HBR, Sep 2018
- “The Evolution of the Circus Industry (A)”, INSEAD 2002
- “Even a Clown can do it: Cirque du Soleil Recreates Live Entertainment (B)”, INSEAD 2002
- “Salesforce.com: Creating a Blue Ocean in the B2B space”, INSEAD 2013
- “How a US consumer products company unlocked the three tiers of Non-customers”, INSEAD, 2009
- “Crafting Winning Strategies in a Mature Market: the US wine industry in 2001”, INSEAD 2009
- “Blue Ocean Hackathon: Market Creation in a Highly Competitive Industry,” INSEAD, 2018
- “Tata Nano: How The People’s Car failed to reshape the Auto Industry and create new growth”, INSEAD 2016
- “The Marvel Way: Restoring a Blue Ocean”, INSEAD 2016
- “Searching for Value: Value Innovation vs Technology Innovation, INSEAD 2021”
- “A Maestro without borders,” INSEAD 2017
- “Making a bold strategic move that discourages imitation,” INSEAD 2011
- “Driving Sustainable Growth and Empowering Society: Nickel’s Blue Ocean Beyond Disruption” INSEAD 2023
- “Reinventing Fundraising Charity: The enduring success of Red Nose Day,” INSEAD 2018
- “Zappos.com - Bring the Shoe Store to your home” INSEAD 2013
- “How Apple’s Corporate Strategy drove high growth”, INSEAD 2012
- “Reinventing the parking industry in Japan” INSEAD 2018

Recommended Reading:

- “Blue Ocean Strategy” by W.Chan Kim and Renee Mauborgne is highly recommended reading for the course. There is also a shorter Harvard Business Review 2004 article – Blue Ocean Strategy by W.Chan Kim and Renee Mauborgne – which can also be read as an alternative.

CLASS SCHEDULING

Date	Time	Class	Venue	Activity
Sep 4	No Class this week			
Sep 11	16:00-17:50	1	Rm 6602, Academic Building	What is Strategy? What is Strategy Innovation?
Sep 18	16:00-17:50	2		What is Blue Ocean Strategy?
Sep 25	16:00-17:50	3		Tools for Blue Ocean Strategy
Oct 2	16:00-17:50	4		Practising use of Blue Ocean Strategy Tools
Oct 9	16:00-17:50	5		Advanced Blue Ocean Strategy Tools
Oct 16	No Class this week			
Oct 23	16:00-17:50	6	Rm 6602, Academic Building	Mid-Course Examination Exercise: Blue Ocean Team Exercise (in-class)
Oct 30	16:00-17:50	7		Blue Ocean Market Creation Exercise – Korea travel industry
Nov 6	16:00-17:50	8		Technology vs Value Innovation
Nov 13	16:00-17:50	9		Blue Ocean Execution Failure
Nov 20	16:00-17:50	10		Restoring a Blue Ocean
Nov 27	16:00-17:50	11		Individual Assessment: MCQ (in class)
Dec 4	14:00-15:50	12	LSK 1003	Final Team Assessment: Team Blue Ocean Analysis & Presentations (in class)
	16:00-17:50	13		