



Economics for Managers

Why do established media companies seem so reluctant to “go digital,” even though doing so would save them money? Why will companies sometimes turn away customers, even though they would profit from their service? We encounter puzzles like these every day, and the principles of economics can illuminate these questions.

Understanding concepts of economics—willingness to pay and price, fixed versus variable costs, economies of scale—is critical to guide business strategy. Harvard Business School Online’s Economics for Managers course starts with the fundamentals of supply and demand—where they come from and why they’re central to an understanding of business. You will learn how businesses think about pricing and production and powerful ideas like complements and network effects that firms rely on to generate demand. This course also dives into the functioning of markets, the force of competition, and strategies for differentiation. In the process of exploring these ideas, you will learn how to develop the beginnings of a competitive strategy that will lead to a business thriving over time. Participating in Economics for Managers will allow you to:

- **Analyze** the impact of market changes by constructing supply and demand curves
- **Determine** a revenue-maximizing pricing strategy using the concept of elasticity
- **Evaluate** techniques to learn about or increase demand
- **Perform** a relative cost analysis
- **Examine** the competitive landscape and market outcomes and forces
- **Assess** monopolies, price discrimination, and differentiation

Who is this course for?

Economics for Managers is designed for individuals who are seeking to gain the knowledge and skills to craft a successful strategy by viewing business through the lens of economics.

About the Harvard Business School Faculty



Bharat N. Anand

Vice Provost for Advances in Learning at Harvard University and the Henry R. Byers Professor of Business Administration at Harvard Business School.

Professor Anand is an expert in digital and corporate strategy. He has studied how new technologies affect what we watch, read, and hear, and how companies navigate digital change. His book *The Content Trap: A Strategist’s Guide to Digital Change* was released in 2016.

Quick Facts

- An interactive, immersive, and highly experiential online program
- See the world through the lens of economics
- Gain the knowledge and skills to craft a successful business strategy
- 5 Modules of study over 8 weeks
- Approximately 60 hours of total learning time
- Certificate of Completion from Harvard Business School Online



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Syllabus

Modules		Lessons	Learning Objectives	
Module 1	Customer Demand: Foundations	<ul style="list-style-type: none"> • Willingness to Pay • A Different Visual Representation of WTP • Elasticity 	<ul style="list-style-type: none"> • Model scenarios and analyze the impact of market changes by constructing supply and demand curves for individuals and markets • Determine a revenue-maximizing pricing strategy using the concept of elasticity 	Quiz
Module 2	Strategies for Assessing and Increasing Demand	<ul style="list-style-type: none"> • Direct Approaches for Assessing Demand • Indirect Approaches for Assessing Demand • Conjoint Analysis • Strategies for Increasing Demand 	<ul style="list-style-type: none"> • Evaluate techniques to learn about or increase demand and measure the tradeoffs and suitable applications of each approach 	Quiz
Module 3	Suppliers and Cost	<ul style="list-style-type: none"> • An Introduction to Cost • Fixed versus Variable Cost • Relative Cost Analysis • Supply Curves • Scale Economies 	<ul style="list-style-type: none"> • Predict market structure by examining various costs and cost structures • Evaluate options by performing a relative cost analysis 	Quiz
Module 4	Markets	<ul style="list-style-type: none"> • Market Outcomes • The Concept of Equilibrium • Markets and Fairness • Markets: Applications • The Effects of Interventions • Creating Markets 	<ul style="list-style-type: none"> • Identify value creation and decompose its distribution to illustrate how trade occurs • Examine the competitive landscape by differentiating long- and short-run market outcomes and forces • Apply market principles to analyze industries in which no traditional market functions 	Quiz
Module 5	Competition and Differentiation	<ul style="list-style-type: none"> • Pricing by a Monopolist • Price Discrimination • Simple Strategies for Differentiation 	<ul style="list-style-type: none"> • Assess monopolies, price discrimination, and differentiation 	Quiz