USC Marshall
School of Business

MOR 555
Designing High-Performance Organizations
Spring 2012
Wednesdays 6:30-9:30 p.m.
Section 16699R JKP 204

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Introduction and Course Objective

Business organizations today face unprecedented challenges. Across virtually every industry, managers are confronted with new conditions of rapid technological change, intense global competition, and growing demands for social responsibility. As traditional sources of competitive advantage are being eroded, *organizational effectiveness* is becoming an increasingly crucial factor in the survival and performance of organizations.

Research and practical experience have demonstrated that organizational effectiveness is maximized when the organization (a) follows a *strategy* that fits the demands of the external environment and (b) adopts an *organization design* that enables it to effectively implement that strategy. Organization design refers to the arrangement of the organization's formal and informal structure as well as its processes, staffing, rewards, and culture. Both strategy and organization design are essential: a great organization without a strategy doesn't know where it's going; but an organization with a great strategy and a poor organization design cannot get there.

Learning Objectives

By the end of the term, you will have learned how to:

- diagnose organizational design problems;
- assess whether an organization's design will support it business strategy, its key tasks, and the demands of the external environment;
- develop compelling arguments for organization redesign proposals;
- align strategy, structure, rewards, people, systems, and culture for peak performance.

Learning in this course

The most valuable learning in this course will occur when you develop an *understanding of conceptual material* and then *apply* concepts effectively to real situations. While we will discuss numerous conceptual frameworks and theories, the subject matter itself is fraught with ambiguity, and using any of these concepts and theories requires considerable sensitivity to the real context. So what you learn in this course will depend on knowledge of theoretical concepts and especially application of those concepts as tools to reach deeper intuition, finer instincts, and better judgment.

Therefore, to help you achieve maximum learning value, the course combines theory and application. There are two resources for the theory component—a *text*, Organizational Theory, Design, and Change, by Gareth R. Jones (6th edition); and *course readings*, mostly available

through USC's electronic library reserves system (ARES). The text will provide wide *breadth* concerning conceptual frameworks used in organizational theory, design and change, while the selected articles will offer *depth* and *contemporary analyses* of topics of particular interest. Cases, current event readings, and guest speakers will provide an opportunity for us to *apply* the theory. Classes will include case analysis, article analysis, discussion of material from text and current events, and speaker presentations.

The heart of the learning process is our class discussions and your case analysis efforts. Moreover, the amount of learning you accomplish will be a direct function of your personal involvement in these activities.

I will endeavor to create a supportive environment for our discussions, and I expect students to contribute to that goal too. My aim is make the class a "learning community," where we can all learn from each other. This requires active participation and respect for each other's contributions.

Required Materials

- Organizational Theory, Design, and Change, by Gareth R. Jones (6th edition), Prentice Hall
- Course Reader, available at the Bookstore
- USC Electronic Library, including ARES ; Marshall Electronic Library
- Access to the Wall Street Journal and current business press

Prerequisites Open only to graduate business majors.

Course Notes Copies of course lecture notes/materials, further details on assignments, and general course announcements will be posted on Blackboard throughout the semester. You should develop the habit of checking the course folder on a daily basis. You can access Blackboard through the "My Marshall" portal http://mymarshall.usc.edu, or directly: https://blackboard.usc.edu. You will need your UNIX password.

Important: E-mails sent to the class originate from the Blackboard system, and will also be archived as Announcements on Blackboard. It is your responsibility to insure that your e-mail address and account settings in Blackboard are correct for you to receive messages. If you need to send me an e-mail, you may do so through the Blackboard system.

Grading Summary

The components of the final course grade will be weighted as follows

Participation	20%
Quizzes (3)	30%
Team case analysis and presentation	20%
Team article analysis and presentation	10%
Final comprehensive case analysis	20%
Total	100%

Final grades represent how you perform in the class relative to other students. Your grade will not be based on a mandated target, but on your performance. Historically, the average grade for this class is about a 3.5 (A-/B+).

Assignments And Grading Detail

Class participation

Because this class is built on in-class discussion and analysis, class attendance and active participation are essential to your learning. Pre-class preparation is crucial. You should complete *all* assignments in advance, and be prepared to describe the central ideas and offer your critical analysis of readings and cases. You are encouraged to prepare for class with your colleagues. However, each member of the class should be fully conversant in the material. ***You can expect me to cold call.***

To kick off case discussions, we will generally begin with student teams presenting their prepared analyses. Following the team presentation, I will cold call several students to take the lead on elaborating various aspects of the analysis. As a group, we will try to build a complete analysis of the situation and address the problems and issues its presents. I will be interested in your ability to reason your way through the maze of considerations to get to the heart of the matter, your ability to communicate complex arguments effectively, and your ability to lay out the logic of a recommendation. Detailed guidance on case analysis is in the Appendix: *Guidelines for Case Analyses and Presentation*.

If you are not present, are late, leave early, or are not sufficiently prepared to make a substantial contribution to the class discussion, you will lose points for class contribution. Each student is allowed one absence, no questions asked and no penalty. However, since you cannot participate if you are not present, all further absences will reduce the student's course grade, at the rate of one-third a letter grade for every further absence. Students with an excessive number of absences are at risk of failing the course.

If an emergency has prevented you from thorough preparation in a particular class, please let me know in advance to spare us both the embarrassment of my calling on you.

Please listen carefully to one another and attempt to build on or constructively critique prior comments. An effective participant:

- Is a good listener
- Is respectful of other class members
- Makes points relevant to the on-going discussion
- Makes comments that add to our understanding of the reading or article
- Is willing to challenge ideas that are being expressed
- Integrates material and draws links between cases, readings, speaker presentations, past classes, other courses, and individual observations.

In grading class participation, I will look at both the *quantity* and *quality* of your class contributions. With regard to quality, the dimensions that I look for include:

- *Relevance*: Does the comment bear on the subject at hand? Comments that do not link up with what the discussion is focusing on can actually detract from the learning experience.
- *Causal Linkage*: Are the logical antecedents or consequences of a particular argument traced out? Comments that push the implications of a fact or idea as far as possible are generally superior.
- *Responsiveness*: Does the comment react in an important way to what someone else has said?
- *Analysis*: Is the reasoning employed consistent and logical?

- *Evidence*: Have data from the case, from personal experience, from general knowledge been employed to support the assertions made?
- *Importance*: Does the contribution further our understanding of the issues at hand? Is a connection made with other cases and readings we have analyzed?
- *Clarity*: Is the comment succinct and understandable? Does it stick to the subject or does it wander?

Quizzes

Three quizzes will be given to test your knowledge of course theory and concepts. These quizzes will consist of multiple choice questions, and may also include short answers or short essays. The three quizzes will be administered in class during regular class periods. You will be required to bring a #2 pencil to each of these quizzes, and may receive additional instruction concerning other required materials.

NOTE: No make-up quizzes will be given. A student who misses one of the quizzes will be assigned 80% of the average score he or she earns the other two quizzes as a grade for the missed quiz. A student must take at least two of the quizzes and complete all other course requirements to receive a passing grade for the course.

Team assignments

Students will form teams of 4-5 members after the first week of classes, once enrollment settles. These teams will be responsible for one case presentation and one article analysis/presentation, discussed below. I will post preliminary assignments early in the semester.

Team case presentation

Each team will do one opening team presentation of a case during the semester. The team will present its analysis to the class, using PowerPoint slides and whatever other visual aids they find useful. The opening presentations may range from 15-20 minutes. You will provide me with hard copy of your "talking document" –slides, notes, and appendices—at the beginning of your presentation, and email me a backup copy within 24 hours. *Be sure to write the name of the case in the subject line of the email.* (See detailed guidance on these presentations and deliverables is in the Appendix: *Guidelines for Case Analyses).*

Team article analysis and presentation

This team assignment requires you to analyse one of the articles assigned in the course readings. I will select a subset of articles suitable for this assignment post preliminary assignments early in the course.

In class, using no more than 10 PowerPoint slides, you will present your analysis of the article and respond to questions from other students, who will have studied the article. You will have up to10 minutes for your presentation plus a few minutes for Q&A.

You will turn in a copy of your slides (2 per page) with Notes on the day of your presentation, and also email me a backup copy of the slides within 24 hours. (*Important—Please write the name of the article on the subject line of the email.*) The Appendix *Guide to Article Analysis* will provide guidance for this assignment.

Individual case analysis

You will need to prepare one individual, written case analysis on either of the last two cases in our syllabus. The format will be a narrative, but the approach will be the same as for the team presentation. In form, this assignment should follow format described in the Appendix *Written Case Analysis Guidelines*. Word limit is 2000 words, plus up to 6 pages of appendices. I will

provide preliminary assignments of the cases early in the semester. This assignment must be handed in at the beginning of the class session in which the case is discussed, and emailed to me as backup within 24 hours. (*Please write case name in subject line of email.)*

Important: this is an individual assignment, and I expect you to respect USC's Academic Integrity standards and Marshall's Honor Code. You may discuss the cases with your colleagues, but the write-ups must be your own individual work.

Teamwork and peer feedback /evaluation

This course relies heavily on teamwork. In addition to the team assignments, I strongly encourage you to meet in teams to prepare all case discussions. You should try to schedule a regular time for your team to meet prior to each case discussion class to share ideas and formulate a deeper analysis of the case issues. Your learning from this course will be greatly augmented if you do this team preparation.

Students will complete a *peer feedback and a peer evaluation* of their team members after the first group assignment and a second *peer evaluation* at the end of the semester. The appended *Peer Feedback Form* and *Final Peer Evaluation Form* explain how.

The *Peer Feedback* form is for early in the course: it aims to ensure that your team surfaces and addresses any "team process" issues. After your first assignment, either an article analysis/ presentation or case analysis, this form should be completed, provided to each of your team members and discussed in a team meeting.

The *Peer Evaluation* form is for me and it should be completed twice. It should be completed and given to me (hard copy) first at the same time you provide the *Feedback* form to your team members—i.e. after your first group assignment, and it should be done a second time on the day of your final team presentation. The first of these is to alert me to any possible team issues: the second may have an impact on individual grades.

Marshall And Course Guidelines

Add/Drop process

In compliance with USC and Marshall's policies classes are open enrollment (R-clearance) through the first week of class. All classes are closed (switched to D-clearance) at the end of the first week. This policy minimizes the complexity of the registration process for students by standardizing across classes. I can drop you from my class if you don't attend the first two sessions. Please note: If you decide to drop, or if you choose not to attend the first two sessions and are dropped, you risk being not being able to add to another section this semester, since they might reach capacity. You can only add a class after the first week of classes if you receive approval from the instructor.

Return and retention of graded coursework

Students who miss class sessions when assignments are returned are responsible for arranging an appointment to retrieve their materials. To keep things fair for future students, I do not allow students to take their quizzes out of the classroom. You may look over your quizzes in my office at any time. Final exams and all other graded work which affect the course grade will be retained for one year after the end of the course ***if*** the graded work has not been returned to the student; i.e., if I returned a graded paper to you, it is your responsibility to retain it.

Technology policy

Laptop and Internet usage is not permitted during academic or professional sessions unless otherwise stated by the respective professor and/or staff. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY e-devices (cell phones, PDAs, I-Phones, Blackberries, other texting devices, laptops, I-pods) must be completely turned off during class time. Upon request, you must comply and put your device on the table in off mode and FACE DOWN. You might also be asked to deposit your devices in a designated area in the classroom. Videotaping faculty lectures is not permitted, due to copyright infringement regulations. Audiotaping may be permitted if approved by the professor. Use of any recorded material is reserved exclusively for USC Marshall students.

Assignment submission deadlines

Assignments must be turned in on the due date/time specified and in the manner specified (hard copy/online/etc). Any assignment turned in late, even if by only a few minutes, will receive a grade deduction. Deduction will depend upon period of lateness. For fairness, late penalties will be applied at a rate of 1/3 letter grade per day or part thereof—e.g. being 2 days late would drop an 'A' paper to a 'B+', a 'B' to a 'C+', etc. Group presentations MUST be given on the date assigned in order for credit to be received. You must complete all required assignments to pass this course.

Formatting of assignments All assignments must be typed on plain white 8 ½ x 11" paper in 11 or 12-point font with one-inch margins around the page. All assignments must include a cover page with assignment title, course title and number, section number, and, for team projects, each team member's name with e-mail address. All text material (not tables or references) must be double-spaced. All pages, including slides, must be numbered. Papers should be fastened with a staple in the upper left corner—no folders please. Creative formatting may result in penalty.

Power Point slides submitted as hard copy MUST be legible. Usually (but not always) 2 slides per page will work. Also, there must be sufficient white space for comments.

Any appendices must support and be referenced in the body of your report.

Classroom etiquette

An atmosphere of mutual respect is in order. So please...

- arrive at class on time: late arrivals are disruptive to your fellow classmates and to the conduct of the class;
- turn off your cell phones before you enter the classroom;
- do not engage in side conversations during class;
- do not pack up and leave towards the end of the class until it is clear the class is over.

Students with disabilities

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m. – 5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776.

Academic integrity

The following information on academic integrity, dishonesty, and the grading standard are placed here at the recommendation of the Marshall School of Business Faculty and are taken from the Faculty Handbook. Additional statements about student conduct and academic integrity may be found in the SCampus Handbook, online at http://www.usc.edu/go/scampus and from the Office of Student Judicial Affairs and Community Standards, found online at http://www.usc.edu/student-affairs/SJACS/ .

"The University, as an instrument of learning, is predicated on the existence of an environment of integrity. As members of the academic community, faculty, students, and administrative officials share the responsibility for maintaining this environment. Faculty has the primary responsibility for establishing and maintaining an atmosphere and attitude of academic integrity such that the enterprise may flourish in an open and honest way. Students share this responsibility for maintaining standards of academic performance and classroom behavior conducive to the learning process. Administrative officials are responsible for the establishment and maintenance of procedures to support and enforce those academic standards. Thus, the entire University community bears the responsibility for maintaining an environment of integrity and for taking appropriate action to sanction individuals involved in any violation. When there is a clear indication that such individuals are unwilling or unable to support these standards, they should not be allowed to remain in the University." (Faculty Handbook, 1994: 20)

Academic dishonesty includes: (Faculty Handbook, 1994: 21-22)

1. Examination behavior - any use of external assistance during an examination shall be considered academically dishonest unless expressly permitted by the teacher.
2. Fabrication - any intentional falsification or invention of data or citation in an academic exercise will be considered a violation of academic integrity.
3. Plagiarism - the appropriation and subsequent passing off another's ideas or words as one's own. If the words or ideas of another are used, acknowledgment of the original source must be made through recognized referencing practices.
4. Other Types of Academic Dishonesty - submitting a paper written by or obtained from another, using a paper or essay in more than one class without the teacher's express permission, obtaining a copy of an examination in advance without the knowledge and consent of the teacher, changing academic records outside of normal procedures and/or petitions, using another person to complete homework assignments or take-home exams without the knowledge or consent of the teacher.

The use of unauthorized material, communication with fellow students during an examination, attempting to benefit from the work of another student, and similar behavior that defeats the intent of an examination or other class work is unacceptable to the University. It is often difficult to distinguish between a culpable act and inadvertent behavior resulting from the nervous tensions accompanying examinations. Where a clear violation has occurred, however, the instructor may disqualify the student's work as unacceptable and assign a failing mark on the paper.

Emergency preparedness/Course continuity

In case of emergency, and travel to campus is difficult, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies. Instructors should be prepared to assign students a "Plan B" project that can be completed at a distance. For additional information about maintaining your classes in an emergency please access: http://cst.usc.edu/services/emergencyprep.html

Please activate your course in Blackboard with access to the course syllabus. Whether or not you use Blackboard regularly, these preparations will be crucial in an emergency. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.

About Your Professor

Judith Blumenthal has published, taught, and consulted in the areas of strategic management, organizational development, retail and services management, strategic alliances, and corporate

governance. She has also served as a senior corporate executive. Dr. Blumenthal was Associate Dean of the Marshall School of Business (January 1996 through March 2000) and USC's Chief Alumni Officer (April 2000 through June 2006).

She currently serves on the Board of Directors of Guess? Inc. as well as not-for-profit boards-- the Board of Directors of the California Council on Economic Education and the Advisory Board of USC Radio. She has also served on the District Board of Directors of the Council for Advancement and Support of Education (CASE), the Community Advisors for the Natural History Museum of Los Angeles County, and the USC Alumni Association Board of Directors.

She received her bachelor's degree in English from Hunter College of the University of New York, and her M.B.A. and Ph.D., Business Administration, from USC.

MOR 555 DESIGNING HIGH-PERFORMANCE ORGANIZATIONS
PROJECTED CLASS SCHEDULE SPRING 2012—As of January 8, 2012
****You are responsible for any changes announced in class or on Blackboard****

Wk	Date	**TOPICS AND ASSIGNMENTS**	**READINGS** *Text, ARES, Course Packet*	**CASES** *In Course Packet*
Module I: Basic Concepts—The Organization and Its Environment				
1	1/11	-Course Introduction -Fundamentals of Organizational Design and Effectiveness -Internal and External Stakeholders	- Syllabus -Text: Chapter 1,2	
2	1/18	-Organizing in a Changing Global Environment	-Text: Chapter 3	-Proctor & Gamble in 2005 (A)
Module II: Organizational Design				
3	1/25	-Basic Challenges of Organizational Design	-Text: Chapter 4 -ARES: Lawler, *Designing change capable organizations*	-Cisco Business Councils (2007)
4	2/1	-Organizational Structure: Authority and Control	-Text: Chapter 5 -ARES: Adler, *Building better bureaucracies*	-Automation Consulting
5	2/8	-Organizational Structure: Specialization and Coordination **Quiz #1** (Ch. 1-5 and readings)	-Text: Chapter 6 - ARES: Burgelman and Doz, *The power of strategic integration*	-Nike Women's Fitness Business
6	2/15	-Organizational Culture	-Text: Chapter 7 -ARES: Adler and Heckscher, *Collaborative Community* -ARES: O'Reilly and Tushman, *Organizational Ambidexterity in Action*	-Stone Finch
7	2/22	-Reward Systems **Guest Speaker** **Luca Bolla** **Equity Investor,** **Former CEO, Barilla**	-ARES: *Kerr, On the folly of rewarding A while hoping for B* -ARES: Lawler, *Pay systems must support quality* -Course Packet: Pfeffer and Sutton, *Do financial incentives drive company performance?*(In Hard Facts, Dangerous Half-Truths, and Total Nonsense)	-Arck Systems
8	2/29	-Organizational Design and Strategy in a Changing Global Environment	-Text: Chapter 8 -Course Packet**:** Tushman and O'Reilly, *Managerial problem solving: A congruence approach* (In Tushman and O'Reilly, Winning through innovation)	-Corporate Solutions at Jones Lang La Salle
9	3/7	-Organizational Design, Competencies, and Technology **Quiz #2** (Ch. 6-9 and readings)	-Text: Chapter 9 -Course Packet: Adler, *Time and motion regained*	-Virginia Mason Medical Center
3/12—3/17 Spring Recess				
Module III: Organizational Change				
10	3/21	-Types and Forms of Organizational Change	-Text: Chapter 10 -ARES: Stuckey and White, *When and when not to vertically integrate*	-Organization and Strategy at Millennium (A)
11	3/28	-Organizational Transformations **Guest Speaker** **Tiffany McDowell, Deloitte**	-Text: Chapter 11 -ARES: Getz, *Liberating Leadership: How the initiative freeing radical organizational form has been successfully adopted*	-American Cancer Society
12	4/4	-Decision Making, Learning, Knowledge Management, and Information Technology	-Text: Chapter 12 -ARES: Sole and Edmondson, *Situated knowledge and learning in dispersed teams*	-Global Knowledge Management at Danone
13	4/11	-Conflict, Power, and Politics **Quiz #3** (Ch. 10-14 and readings)	-Text: Chapter 14 -Course Packet: Govindarajan and Trimble, *Stop the innovation wars*	-TerraCog Global Positioning Systems
14	4/18	-Innovation, Intrapreneurship, and Creativity **Individual papers due for some**	-Text: Chapter 13 -ARES: Lawrence et al., *The underlying structure of continuous change*	-Mod IV
15	4/25	-Course Wrap-up Organizational Design and Change **Individual papers due for rest of class**	-ARES: Worley and Lawler, *Designing organizations that are built to change*	-National Geographic Society

1. All readings and cases are to be thoroughly prepared in advance of class.
2. Additional readings may be added during the semester. They may be available electronically or require purchase at the Bookstore.
3. Additional guest speakers will be added during the semester, which may cause schedule adjustments.

Appendices
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Appendix A
Course Packet—Table of Contents

READINGS

- Pfeffer and Sutton, *Do financial incentives drive company performance?* (In Hard Facts, Dangerous Half-Truths, and Total Nonsense) (HBSP # 2565BC)
- Tushman and O'Reilly, *Managerial problem solving: A congruence approach* (In Tushman and O'Reilly, Winning through innovation) (HBSP #2430BC)
- Govindarajan and Trimble, *Stop the innovation wars*.(HBSP #R1007F)
- Adler, P. *Time-and-motion regained.* (HBSP #93101)

CASES

- Procter & Gamble: Organization 2005 (A) (707-519)
- Cisco Business Councils (2007): Unifying a Functional Enterprise with an Internal governance System (409-062)
- Automation Consulting Services (190-053)
- Nike's Global Women's Fitness Business: Driving Strategic Integration (SM-152)
- Stone Finch, Inc.: Young Division, Old Division (3214)
- Arck Systems (911-056)
- Corporate Solutions at Jones Lang LaSalle (2001) (409-111)
- Virginia Mason Medical Center (606-044)
- Organization and Strategy at Millennium (A) (710-415)
- American Cancer Society: Access to Care (109-015)
- Global Knowledge Management at Danone (A) (608-107)
- TerraCog Global Positioning Systems (2184)
- Mod IV Product Development Team (491-030)
- National Geographic Society (311-002)

Appendix B
ARES—Table of Contents
(As of 1/9/12)

Adler, P. and Heckscher, C.	**(Unpublished article--used with permission of author)** Collaborative community
Adler, Paul	**Academy of Management Executive** Building better bureaucracies
Burgelman, R. and Doz, Y.	**MIT Sloan Management Review** The power of strategic integration
Getz, I.	**California Management Review** Liberating leadership:How the initiative-freeing radical organizational form has been successfully adopted
Kerr, S.	**Academy of Management Executive** On the folly of rewarding A while hoping for B
Lawler, E.	**Center for Effective Organizations Publication (USC)** Pay systems must support quality
Lawler, E.	**Center for Effective Organizations Publication (USC)** Designing change capable organizations
Lawrence, T., Dyck, B.,Maitlis, S., and Mauws, M.	**MIT Sloan Management Review** The underlying structure of continuous change
O'Reilly, C. and Tushman, M.	**California Management Review** Organizational ambidexterity in action: How managers explore and exploit
Sole, D. and Edmondson, A.	**British Journal of Management** Situated knowledge and learning in dispersed teams
Stuckey, J. and White, D.	**Sloan Management Review** When and when not to vertically integrate
Worley, C. and Lawler, E.	**MIT Sloan Management Review** Designing organizations that are built to change

Appendix C
Case Assignment Questions

Procter & Gamble: Organization 2005 (A)

1. Why did the US organizational structure shift from product grouping in the 1950s to a matrix in the 1980s? Why did the European organizational structure shift from geographic grouping in the 1950s to category management in the 1980s? Why were the two structures integrated into a global cube in the 1990s?
2. What are the key distinguishing features of Organization in 2005? Why did P&G adopt this structure?
3. Should Lafley make a strong commitment to keeping Organization 2005 or should he plan to dismantle the structure?

Cisco Business Councils (2007): Unifying a Functional Enterprise with an Internal Governance System

1. Why did Cisco centralize marketing and R&D in 2001?
2. What were the tradeoffs and biggest downsides of the reorganization?
3. Why did Chambers create business councils? And why only a handful of councils? What challenges did Cisco likely face in establishing the business councils? How did Cisco anticipate and deal with some of those challenges? Finally, what issues do you think remain unresolved?
4. If you were Chambers, how would you redesign the business councils to make them more effective? Be specific as to the councils' governance structure, resources, and incentive systems. What skill sets do employees working on the council need? Make sure to justify your choice for each dimension.

Automation Consulting Services

How should the ACS founders deal with the problems they have identified? Be as specific as possible in making recommendations for each of the four offices. *(one assignment question only)*

Nike's Global Women's Fitness Business: Driving Strategic Integration

1. Prior to the Change the Game proposal for global women's fitness, how would you describe Nike's strategy in the women's market? What important lessons had been learned through these efforts to help shape the Change the Game proposal?
2. Describe the new strategy for global women's fitness proposed by the Change the Game team.
3. What were the greatest internal and external barriers facing the team in implementing the new strategy? In what ways did they manage these challenges well? What other recommendations would you make?
4. How will Nike's latest reorganization potentially help the global women's fitness team moving forward? What potential risks should the group seek to manage?

Stone Finch, Inc.: Young Division, Old Division

1. What is your assessment of Jim Billings' performance as president of Stone finch? What do you think of his leadership style?
2. What is your assessment of the entrepreneurial subsidiary concept? How can companies manage the contradictions of managing existing products and innovation simultaneously?
3. What are the major problems that Jim Billings currently faces? How serious are these problems? How quickly should Billings act? And why?
4. What should Jim Billings do?

Arck Systems

1. Plot the pay-to-performance relationship of Arck and Lux Software's compensation plans. What are the key drivers of the difference in the pay to performance relationship between the two plans?
2. A number of elements in the two companies' compensations plans are different. Which of these differences should most concern Bryan Mynor? Explain.
3. Why do you think the two companies' compensations plans are so different?
4. Should Mynor propose scaling back Lux Software's commission accelerators? Are there other changes to Lux Software's compensation plan that he should consider?

Corporate Solutions at Jones Lang LaSalle (2001)

1. Why did JLL reorganize in late 2000?
2. What was the rationale for creating the Corporate Solutions Group?
3. If you were Peter Barge, how would you go about convincing Bank of America that you were serious about account management?
4. Should the account management function be a cost center or profit center?
5. Should Peter Barge recruit an internal or external candidate to be Bank of America's account manager?
6. Propose a clear action plan on next steps Peter Barge should take to win the ongoing Bank of America business

Virginia Mason Medical Center

1. What is Gary Kaplan trying to achieve at Virginia Mason?
2. How does the Toyota Production System fit into his strategy?
3. What is your view of the "people are not cars" debate?
4. Is Kaplan's approach transferable other U.S. hospitals?

Organization and Strategy at Millennium (A)

1. How would you characterize Millennium's strategy from the beginning until 2005? What do you think about it?
2. Given that Millennium is now pursuing a strategy of a vertically-integrated biopharmaceutical company, and you have just been put in charge, what are the critical factors or imperatives for the success of this strategy? (For example, how important is coordination between upstream and downstream activities?)
3. As CEO, and given these strategic imperatives, what organizational changes would you make to execute the strategy? Please be concrete and identify your top 3 priorities.

American Cancer Society: Access to Care

1. Describe the organization that Dr. Seffrin inherited in 1992. What major changes did he make in his first years as CEO?
2. What does the histogram on page 1 of the case tell you?
3. Describe the new Access to Care strategy. Why has Dr. Seffrin chosen this strategy?
4. What risks does the new Access to Care strategy create for ACS?
5. What has Dr. Seffrin done to manage these risks and assure the implementation of the new strategy?

Global Knowledge Management at Danone (A)

1. What are the most important knowledge-management challenges faced by Danone? What does the company need to do well to succeed?
2. What is your assessment of the Networking Attitude initiative?
3. What should Franck Mougin and Benedikt Benenati do next? Which of the three options they are considering (go wider, go deeper, go richer) do you recommend? Why?
4. How does CEO Franck Riboud's approach to leading Danone affect your recommendation?

TerraCog Global Positioning Systems

1. How have departmental and individual objectives led to the current situation?
2. What is the current decision-making process?
3. What are the strategic and organizational implications for each of the company's options?
4. What should Emma Richardson do?

Mod IV Product Development Team

1. How has Mod IV ended up where it is now?
2. What should Linda Whitman do now?

National Geographic Society

1. What challenges does the changing mix of media and platforms present for National Geographic? How well positioned is the organization for responding to digital convergence? In particular, what is your evaluation of the Global Media Group?
2. What is your evaluation of National Geographic's new mission? What are its advantages and disadvantages?
3. What is your assessment of the proposed shift toward attracting "members"?
4. What are the strengths and weaknesses of the proposed e-commerce position? To whom should it report?

Appendix D
Guidelines for Case Analysis and Presentation

Think of your case analyses as consultant reports. For each case, imagine that you have been given a chance to study an organization and come up with a diagnosis and a set of recommendations. As with many real-world situations, the issues to be resolved may not be obvious. Study questions have been provided, but these are offered only to get your thinking going — they are not an agenda for your analysis or for our discussion. It is for you to identify the specific issues posed by the case, decide how they can be best addressed, and come to each class prepared to present and defend your own analysis.

Most of these cases present a well-rounded picture of a business situation: they are not merely illustrations designed to exercise or test your knowledge of a given article or chapter of the textbook. As a result, the concepts needed to analyze the case and to formulate an appropriate action plan are not narrowly bounded by the textbook or specific readings. In many cases, you will find it useful to invoke concepts from earlier in the course, from other courses, or from your own experience.

For cases that you will present to the class, prepare your report as if were to be presented the client organization's leadership team. Our class will assume that role.

Note: Please do *not* go outside the materials I have provided, since that will undermine the quality of the class discussion.

How to Approach a Case: Key Questions

For each case, clearly identify the "client." For whom are you performing the analysis and making recommendations? This is the person who will need to implement your recommendations,

The basic questions for all cases are essentially the same:

1. What is the most critical challenge the client and the organization need to address? Why is it important to address this challenge?
2. What makes addressing this challenge difficult?
3. What is your *analysis* of the underlying, or "root" issues responsible for the situation that make it difficult to address? (This is where the major part of your analysis will focus!)
4. What alternatives does the organization have in tackling these issues, and which alternative makes most sense?
5. What specific action plan would you recommend?

How to Approach a Case: The Process

The following approach to case analysis has proven helpful.

a. Rapidly read the case to get a sense of layout and a general understanding of background and issues. During this initial reading, try to form preliminary hypotheses. Initial impressions can be revised, but this groundwork will provide structure and direction for more in-depth reading.
b. Carefully re-read the case,--
    i. Take notes that organize information and separate the "wheat from the chaff."
    ii. Test and refine your hypotheses as you read, modifying or rejecting them as new information surfaces.
    iii. Clarify what the key challenges really are. These are the challenges your recommendations will address. They may or may not have been obvious on first reading.
    iv. Develop analysis questions to help illuminate the situation on which action needs to be taken. What do you need to understand that is not apparent in the case?

c. Perform qualitative and quantitative analyses, as appropriate. If important data are not available in the case, precise descriptions of what data are missing often trigger ideas for making creative use of the information that is available, or for developing well-informed assumptions about necessary but missing information. Be sure to distinguish between factual data from the case, opinions of actors in the case, and assumptions you make. REMEMBER: Your objective is to get beyond the level of problem symptoms to analyze underlying issues and causes.
d. Identify and evaluate *reasonable* alternative courses of action, based on appropriate criteria. You will explicitly consider and reject various alternatives: Some may not be effective in addressing the issues you identified, others may cause more problems than they solve or cost more than they are worth, others may not be feasible or acceptable to management (solutions should be compatible with the values and preferences of management and those who will implement them). In formulating alternatives, avoid cop-outs such as: "Hire a new president who can solve the problem," "Conduct market research," or "Hire a management consultant to solve the problem."
e. Decide on a course of action to recommend. ***Your solutions must address the challenges you have identified and follow logically from your analysis***. Remember: Goals are not recommendations for action. Don't say, "Improve the culture," unless you can offer a plan to accomplish it.
f. Recommend a plan by which the desired action may be achieved or implemented within the constraints encountered in the situation. This is a good final "acid" test. If you solution is not "do-able," it is not a good solution.

Presentations to the Class
(This section draws heavily on the work of Professor Paul Adler)

Presentations to the class should include the following elements:

First, one of the most challenging parts of the assignment: you need a single **summary** slide on which you succinctly state:
(a) the challenge facing the client organization,
(b) the root issue that makes it difficult to meet this challenge successfully, and
(c) your key recommendation.

Imagine that your client has to cut short the meeting due to an emergency: you will want one slide on which to summarize your "take away" message – this is it. Such a summary is very hard to do; but it will force you to distill your analysis, and that will help you prioritize and shape the rest of the presentation.

Second, you should lay out an overview of your presentation — the **agenda**. This slide should tell us what topics you will address in what order. It will be much more impactful if simultaneously you can summarize in a short phrase the key lesson of each of these parts of the presentation. In this way, it can lay out in skeleton form the substantive logic of your argument.

Third comes the body of the report. Here you should start by identifying the key **challenge** facing the client. The challenge is the problem to be resolved, so it is important that you state the challenge in a way that your client will immediately recognize as an accurate statement of the problem at hand. Your statement of the challenge creates a "shared context" with your audience. It is sometimes pretty obvious, and you may have addressed it sufficiently in your summary slide; but sometimes it is less obvious and warrants a slide to itself.

Having identified the challenge, your next task is to "peel the onion" another few layers **to identify and analyze the root issue** facing the client. Think of this as performing Toyota's "Five Whys."[1] The root issue is the factor that makes it

[1] As explained on Wikipedia: The problem (or what I am calling the challenge) is that my car won't start. Ask:
1. *Why?* - The battery is dead. (first why)
2. *Why?* - The alternator is not functioning. (second why)
3. *Why?* - The alternator belt has broken. (third why)

difficult for the organization to resolve its challenge successfully. Think of your task as akin to a physician's: the patient (client) comes in with a whole set of "presenting symptoms" (challenges) — it's your job to identify the underlying disease (root issue). As with a doctor, a good root issue analysis yields insight that is actionable: actionability is crucial, since the rest of your presentation is going to focus on addressing this issue.

Note that organizations usually face multiple challenges, and for any one of these, there may be more than one root issue. But you simply don't have time to address more than one challenge and one root issue in a short presentation. The burden is on you to "add value" – as much value as possible – for client by identifying the *most critical challenge and the highest-leverage root issue*.

Identifying a root issue is often difficult – but it is immensely valuable for your client. In real life, it's often much more valuable to your colleagues and clients to identify the right question than to find the right answer. Your diagnosis of this root issue should be argued, not just asserted, using the relevant facts of the case and whatever analytic tools seem necessary. Some of the supporting analysis may need to go into an Appendix.

Note too that sometimes the client has a strong opinion as to the nature of their real problem, and that this opinion may be expressed in the case, but you may think their analysis is not accurate. In this situation, you have to convince them that the real problem lies elsewhere. And sometimes the case describes a situation without explicitly identifying any specific challenges at all, perhaps because the client organization is doing very well — in which case, your task will be to identify the deep source of their success and a key source of vulnerability in the future, and what they could do about that.

Next, you need formulate a **strategic recommendation** that can address the root issue facing the client organization and thereby help it meet its challenge. You should make a clear distinction between this strategic recommendation and an implementation plan: the strategic recommendation specifies a general *compass heading* — the general direction they should follow to solve their problem — whereas the implementation plan specifies a detailed *itinerary* (see below). Your strategic recommendation should therefore not be a laundry list of things worth doing: it should define the basic direction of action that resolves the root issue.

The analysis leading up to this strategic recommendation must convince the client. The key to convincing the client is to recognize that there are lots of points of view in the client organization (and in the class) on how to solve their problem: Your job is to convince us that your analysis is more plausible than the alternatives and that your recommended strategy is more likely to achieve success. The best way to do this is as follows:

- To begin, you should identify two or three fundamentally different, **mutually exclusive, plausible options** for tackling the client's problems. Laying out these very contrasting strategies is an excellent way to clarify for the client the range of options that might reasonably be considered. In practice, you would want to make sure that your list of alternatives includes the ones likely to be under discussion within the client organization: by explicitly addressing these options, you will be helping your client reach a reasoned consensus. (To repeat: you are looking for mutually exclusive alternatives here, not variants of the same basic idea.)
- Analyze the **pros and cons of each alternative** using a common set of **criteria**. A broad range of strategic and operational factors are potentially relevant, but it is up to you to come up with a small set of key criteria. [2] You

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4. *Why?* - The alternator belt was well beyond its useful service life and has never been replaced. (fourth why)
5. *Why?* - I have not been maintaining my car according to the recommended service schedule. (fifth why, a root cause)

[2] Note: this course focuses on strategic issues that are by nature deeply ambiguous: our main task is to resolve this ambiguity. These issues are therefore rather different from those you encounter in many other courses, where the essential task is not to resolve ambiguity but to resolve uncertainty and complexity. Where issues are uncertain and complex, we can often resolve them through calculation, even calculations that are themselves very complex;

should justify this choice of criteria: you can often do that by referring to the priorities implied by the organization's basic mission and business strategy.

- Explain why you believe your preferred alternative is superior to the others. One technique is to weight the relative importance of your criteria, score each alternative on each criterion, and calculate an overall score for each alternative. Test your results considering weights and scores for plausible alternatives.

The details of this deep analysis can go in an appendix. You will likely show the class only the key conclusions.

Now, having described and justified the main "compass heading" you are recommending, you can move to **implementation planning**, where you provide your client with a detailed "itinerary" that will enable implementation of your recommended strategy. Depending on the case, you may not have enough data to develop this part of your presentation in great detail, but ideally this is what would appear in this section:

- First, you should identify the likely **hurdles** that would face your client in pursuing your proposed strategy — and suggest some **counter-measures** your client could use overcome these hurdles.
- Second, you should also identify the **risks** confronting your strategy — then show the **counter-measures** that could mitigate these risks, and if they can't be mitigated, how the client should proceed if these risks do materialize.
- Synthesizing this analysis of hurdles and risks and their respective counter-measures, you can propose a **sequenced and timed implementation plan**, answering the questions: what are the key steps to be done today, next week, next month, next quarter, and next year – and who should be responsible for these activities. This plan will be far more useful if you support it with some reasoning – i.e. explain why you recommend this sequencing and timing rather than another.
- Finally, to convince the client that your recommendation is practical, you should consider the overall "bottom-line" – the **costs** as well as the **benefits** of your plan of action. If don't have enough information to ground all the details of your implementation plan in the case data, make plausible assumptions and show us what the plan would look like. The implementation plan often brings to the surface new issues, so you will need iterate back to your issue analysis and strategic analysis.

Wrap up with a single **conclusion** slide that reminds the client of your main message.

As concerns the **oral presentation** itself, here are some guidelines:

Presentations will be held to a 20 minute time-limit. This may sound draconian, but it is not unlike many real-life situations where the time accorded you to make your case is typically very short. More importantly, this time limit forces you in your preparation to get to and keep the focus on the most critical issues—to push your analysis of the case issues to successively deeper levels until you identify the core issues. Presentations can analyze a maximum of four alternative solutions, and only one implementation plan. Choose a reasoned plan that can serve as a starting point for discussion.

Written report to accompany case presentation

- Present your written report in the form of **"Talking Documents,"** composed of the PowerPoint slides, with accompanying PowerPoint Notes, plus whatever appendices are necessary for backup information and analysis.

- Where the slides are not self-explanatory, bullet point **Notes** are important. It can help to imagine that your presentation materials circulate after your meeting with the client, and you'd like people who didn't make the meeting

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in contrast, where issues are ambiguous, the meaning of our goals and the significance of the facts at hand are in dispute, and calculations therefore do not convince. The way forward here is by reasoned appeal to intuition, not calculation, so as to resolve these different meanings and developing a shared understanding. That makes it imperative that the number of evaluation criteria be kept small enough to preserve the power of intuition. For most of us, intuition fails when there are more than three or four criteria in play.

to be able to follow your reasoning. Your client (and your instructor!) will be reviewing your slides after the presentation, and may appreciate some notes as a reminder of the intent/meaning of the slide. (Do ***not*** simply copy your speech text into this space: the Notes pages should give us the bare minimum we need to follow the logic of your reasoning. Notes should not be your voice-over script and should not be a prose report in disguise; they should simply add, in bullet point form, whatever extra information the reader would need to understand the point of the slide.)

- Include **Appendices** that show any backup analysis you performed or data you analyzed, such as details of your decision analysis, or financial analysis. These may show some issues that are interesting but not quite important enough to include in your 15-20-minute presentation itself. It is good to have these ready in case they are useful in responding to questions.

- Provide me with hard copy of your "talking document" (slides, notes, and appendices) at the beginning of your presentation, and email me a backup copy within 24 hours. *Be sure to write the name of the case in the subject line.*

- If some of your slides are complex, consider bringing enough hard copies for class members to read.

- Please **number** your slides. This will greatly facilitate our discussion.

Appendix E
Guidelines for Individual Written Case Analysis Assignment

Integrity: This is an individual assignment, and I expect you to respect USC's corresponding Academic Integrity standards.

Content: My expectations concerning the content to be addressed in this assignment are the same as my expectations for the presentations. In its form, however, your paper should be "prose" rather than a "talking document."
It should be framed as a consulting report to a leader in the client organization. Be explicit about the identity of the client. Do not repeat case data. Assume that I am familiar with the case as the client would be.
The "case questions" in the Session Descriptions are just ideas to get you going, not an outline of your written analysis.

Grading: You are not graded on whether your recommendation is "right" or "wrong," but on whether your reasoning is clear and compelling. I will also be grading your writing. Clear writing is as important to your career as clear oral expression. Make sure your writing is technically correct — spelling, grammar, sentence structure, and paragraphing — and that the logic flows clearly and compellingly. Re-write it a couple of times.

Name: Please put your name on the **back of the last page**.

Word limit: The word limit is 2,000 words plus a maximum of six pages of exhibits. Please note that these are **maximum** limits**.** You should try to make your paper as concise and coherent as possible. Please show the word count at the end of paper.

Exhibits: Exhibits should be used to support your argument with information that can be presented in a table or chart (such as financial analysis, action timelines, etc.) or that would be too detailed for the body of the paper. They should not be simply an extension of the text. Do not repeat case data.

Proofreading: Please proofread your paper. It should be of the same quality that you would provide to the management of a business with which you were dealing professionally. (Note: handwritten corrections for typographical errors are acceptable in these assignments.)

Appendix F
Guide to Article Analysis

The following set of questions is provided to guide your analysis of the readings assigned this semester. Please use this guide to structure your article analyses, both for the article you will present and as preparation for discussion of all other articles as well.

1. What is the purpose or objective of this article? (To challenge or debunk a well-accepted view; to contribute to a body of theoretical work; to explain a puzzling exception; to update theory in response to current phenomena; etc.)
2. What is the article's basic argument/thesis? Its major findings/ conclusions?
3. What is the nature of evidence presented in support of the argument/ thesis? (Impressionistic, theoretical, empirical, etc.) Are the conclusions well supported?
4. Are there important assumptions, assertions, values, or biases that the author expects us to accept without support? Are these explicit or implicit?
5. How does this article contribute to your overall understanding of the subject? How does it relate to other articles you have read and to your own knowledge and experience?
6. How useful is the article for practicing managers?
7. Does the article leave you with any remaining problems or concerns?

Appendix G
Peer Feedback Form

After your first team presentation, you need to give each of your team members feedback and then discuss all this feedback in your team.
The simplest way to proceed is to fill out the form below, give it to each of your team members and discuss it in a team meeting:

	I like the way you…	*I wish you…*
<team member name:>		
<team member name:>		
<team member name:>		
<team member name:>		
<team member name:>		

Appendix H
Peer Evaluation Form

This form must be completed and submitted to me twice: after the first presentation to alert me to any possible issues, and at the end of week 13, to alert me to the need to adjust individual grades up or down. Please consider overall contribution of team members (to the two team projects and to team case preparation), taking into account the following:

Preparation: Rate the extent to which the member completed the necessary assignments, had read the related material, and was ready to contribute to the team.
Input: Rate the extent to which the member provided valuable input of ideas towards the team's work.
Diligence: Rate the extent to which the member took on the necessary roles to complete the team's work, their timeliness in completing and distributing work, and the quality of the work performed.
Facilitation: Rate the extent to which the member helped the team maintain a positive climate and work together effectively.

Please allocate 100 points across all the members of your team *apart from yourself* to reflect your assessment of their individual contributions to the team effort. I will treat your assessments as confidential.

Course number:_____ Section number:_____

Your name: _____

Group #: _____

Team-member name:	Contribution %:	Comments
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
Total:	100%	

General Comments: _____

_____

_____

_____