

University Of Southern California  
Marshall School Of Business

MOR 573:

## **Ethical and Social Issues in Business**

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**Class-time:** Tu-Th 9:30-10:50am

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### **Course goals and objectives**

Business leaders confront increasingly complex challenges in both the market and non-market dimensions of their activity, and the two are increasingly intertwined. In the market dimension, businesses face increasingly assertive competitors, investors, customers, and suppliers. The non-market challenges are just as daunting: growing pressures from legislators, regulators, social movements, community groups, and unions; an increasingly diverse workforce with new expectations of work; new ethical dilemmas; and all these complicated by the greater global span of business organizations. Your other MBA courses equip you to deal primarily with the market challenges; this course is designed to equip you to play a leadership role relative to the non-market challenges and to their interconnection with the market challenges.

Given this goal, the principle teaching objectives of the course are these: to help you see business issues through the eyes of a broader set of stakeholders; to understand how these diverse interests interact in shaping the role and conduct of business in society; and to give you the conceptual tools, personal skills, and basic domain knowledge you will need to play a constructive leadership role in this demanding and complex arena.

The big questions guiding this course will be: can and should business leaders step beyond their shareholder-wealth-maximizing roles to act as stewards of other stakeholders' interests too? How does our society's basic capitalist structure enable and constrain the corporation's ability satisfy these various interests? How do you as a manager and as compassionate human being want to position yourself relative to these challenges?

This course will be valuable for students interested in a broad range of careers and who hope to take a leadership role in an organization (as distinct from an individual contributor role). It will be valuable for students who are concerned about business's effects on the natural environment and various social groups, or are interested in working in the corporate social responsibility arena.

### **Course outcomes**

To reach these goals and objectives, students will (a) master key conceptual *tools*, (b) develop key *skills*, and (c) familiarize themselves with the application of these skills and tools in understanding diverse *stakeholders* in key problem *domains*.

The key **tools** are:

- \* ethical analysis – egoism versus various ethical obligations to others;
- \* political-economy – various competing theories;
- \* strategic analysis -- expanded to encompass non-market as well as market forces.

The key **skills** include:

- \* thinking clearly about ambiguous, complex problems;

- \* making compelling arguments, oral and written;
- \* balancing advocacy and inquiry;
- \* climbing the ladder of inference.

The key **domain knowledge** encompasses:

- \* various levels of analysis: global/societal, industry, firm, individual;
- \* various stakeholders: investors, government, the natural environment, local communities, suppliers, customers, employees, unions, and activist groups;
- \* and various industry settings.

## Course structure and themes

There are many issues that should to be explored under the heading of “ethical and social issues in business” – far too many to be covered in a single course. But there are some major headings that are clearly essential, and our course will address them in the following order:

- \* Introduction
  - \* Business as a contested social institution
- \* Tools for analyzing market/non-market problems
  - \* Ethical analysis
  - \* Political-Economy
  - \* Strategic analysis
- \* Business’s relations with key stakeholders
  - \* Investors
  - \* Government
  - \* Natural environment
  - \* Customers
  - \* Employees
  - \* Unions
  - \* Community
  - \* Activist organizations
- \* Governance
  - \* Corporate governance
  - \* Personal challenges.

Within this broad outline, the course focuses on cases that reflect the objective importance of the issues as well as recent students’ interests. Since environmental issues rank high on both lists, this year we will emphasize environmental sustainability issues in our choice of cases.

## Class process

During most of the semester, class sessions will alternate between discussion of cases and of assigned readings.

Case discussions will usually begin with short oral presentations by one or two student teams, presenting to the rest of the class as if they were consultants and the rest of the class were the client in the case. (Each team will do two opening consultant team presentations over the course of the semester. The appended guidelines and grading sheets will give you a clear idea my expectations of these.) We then open the discussion to the class as a whole. As a group, we will try to build a complete analysis of the situation and address the problems and issues its presents.

Some class time will be devoted to discussion of readings rather than cases. This will take the form of a facilitated discussion rather than a lecture. Students will be expected to come to these sessions prepared to present and evaluate all the assigned readings.

The following paragraphs describe these two aspects of the course in more detail.

## Case analyses

The detailed Session Descriptions below give more specific “study questions” for the case discussions. However, these study questions are just prompts to get you going, not an agenda for your analysis or for our discussion. It is for you to identify the specific issues posed by the case and to decide how they can be best addressed. Underlying these study questions, the basic challenges for case analysis are always essentially the same:

- 1 Who are the main stakeholders involved here and what are their concerns and interests?
2. Focusing on one stakeholder as your client, what is the “root issue” at stake?
3. What alternative “strategies” should your client consider to resolve this issue, which of these alternatives do you recommend, and why is it superior to the others?
4. How implementation issues should your client anticipate and how do you think they should address them?

I encourage you to meet in teams to prepare these 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.

## Team case presentations

You should think of these presentations as if they were presentations by a group of outside consultants (your team) reporting to the client you have chosen to focus on. (I leave it to you to select the client you would most like to work for.) The class will represent both your client and representatives of other stakeholder groups.

Two or three team members should present the team’s analysis to the class, using Powerpoint slides and whatever other visual aids they find useful. The opening presentations may range from 10-12 minutes. Those who take longer than 12 minutes will be penalized. In order to facilitate grading, each team will give me a copy of their slides, notes, and relevant back-up materials.

I have found that these presentations and the discipline you will learn by doing them are one of the things about this course that students find most valuable. Your career in management depends crucially on the skills these presentations rely on — your ability to reason your way through the maze of considerations to get to the heart of the matter, and your ability to communicate complex ideas effectively.

To ensure maximum value from the work you invest in the preparation of these presentations, I will meet with presenting teams as soon as possible after class for 60 minutes, to discuss their presentations’ strengths and weaknesses, and to brainstorm how these presentations could be strengthened. After the meeting, I will send you and the class further feedback.

**Note:** As concerns the grading of the oral delivery, I will not penalize people for language difficulties when their first language is other than English.

**Note too:** It’s not a good idea to have too many team members participate in a single 12-minute presentation. But each team member should participate in presenting at least once.

**Note finally:** Since these presentations require considerable teamwork, and since teamwork is an important skill in management, students will conduct peer evaluations of their team members after their second team presentation (see Peer Evaluation Form below). These will count towards your final grade.

## Discussing the readings

In the class time devoted to discussing readings as distinct from cases, I will assume that you will come to class having read all these assigned readings. I won’t waste your time by simply repeating in class what you have already read; my goal is to add value to your efforts by helping you push to a deeper level of comprehension. I may ask individuals or teams to prepare short presentations to the class of the key points as they understand them. I will also be cold-calling other students in the class to summarize the key points they noted in their own reading, or to comment on potential applications. To be sure you are ready for such discussion, ask yourself:

- What is the basic argument the author makes?
- What are the key concepts and principles informing their analysis?
- How does this argument differ from competing alternative arguments?
- Where do you come out on the focal issue, and why?

## Engagement

Active “engagement” is a key part of learning in this course. Your engagement grade will reflect: (a) your pre-class contributions of “discussion questions” on the readings and cases, and (b) your in-class contributions to discussions. To elaborate on these two components:

(a) I would like you to share your responses to the cases and assigned readings. To this end, I would like you to prepare one discussion question for each set of materials. Your questions will lead help us all reach a deeper understanding of the issues at stake. From Jan 15 through Jan 29, you should submit one discussion question per class **session**: for these sessions, please post your question to our Blackboard Discussion board no later than 8:30pm on the day before the class. For the weeks from Feb 3-5 through April 14-16, you should submit one discussion question on the materials (readings and/or case) covered in the **whole week**, and for these weeks, please post your question to Blackboard no later than 8:30pm on the Monday of that week. I will not be able to read questions submitted after these deadlines.

(b) As in many of your other classes, your active participation in the class discussion is a crucial part of the learning process: your contributions help both you and the rest of the class. Since during class I may call on students at any time, please avoid embarrassment by telling me before class if you are not prepared. And if you are uncomfortable with class participation, please let me know at the beginning of term and I will work with you to help you overcome this barrier. An Appendix describes the grading structure for assessing in-class participation.

## Individual written case analysis assignment

In lieu of a final exam, you will need to prepare one individual, written case analysis **or** do a project (see below). For the individual written case analysis you have a choice of **either of the last two cases of the course**. These assignments must be emailed to me before the class or handed in at the beginning of the class session devoted to the case. Details on my expectations are outlined in the section on “Written case analysis assignment guidelines” below.

**Please note:** this is an individual assignment, and I expect you to respect USC’s corresponding Academic Integrity standards.

**Note also** that if you assigned to do a team presentation on one of these cases, your written assignment must be on the *other*.

## “This I believe”

Originated in the 1950s, National Public Radio recently brought back the “This I Believe” radio series. The course culminates by having you each writing a 500-word essay for the series. This assignment asks you to crisply and compellingly articulate your fundamental beliefs. Obviously, I hope that our time together will inform what you have to say; however, your essay will not about the course *per se*. Rather, it is about you. Submit your essay to NPR. You can either submit it to NPR when you submit it to me or you can wait for some feedback from me and then send it off. Either way, I would like you to share your beliefs with the world. This is due on **April 28**. Here is the link to NPR’s website and your instructions for writing the essay: <http://www.npr.org/thisibelieve/about.html>. You might also find the recently published compilation of essays to be helpful: J. Allison, and D. Gediman, *This I Believe*. New York: Holt Paperbacks, 2007.

## Projects (optional)

As an alternative to the individual written case analysis, students may choose to do a project. You may also do both the project and the final written assignment, and I will use the better of the two grades in calculating your course grade.

For the project, you can work as a team (4 students maximum) or as an individual. You will choose the topic as a function of your personal interests and in consultation with the instructor. There are two generic types of topics: (a) an "ethics and social performance" audit of an **organization** that you are interested in, and (b) an analysis of a social **issue** that you are interested in. Possible topics include: a marketing plan for a social-entrepreneurship venture, Wal-Mart's employment or environmental practices, sweatshops in LA, pollution controls at the LA ports, etc. You may **not** rely exclusively on library research: you must also meet with or at least interview by phone some of the relevant stakeholders.

You are encouraged to select an industry of interest to you, and identify a social/ethical issue relevant to actors within that industry. For example:

- \* automobile: pollution, green manufacturing, alternative transportation
- \* food: agriculture supply chain, farm subsidies, organics
- \* finance: microfinance, social investment funds
- \* energy: alternative energy sources
- \* housing/real estate: urban development

An Appendix gives more information on my expectations concerning these projects.

## Grading

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

First team case presentation	10%
Second team case presentation	30%
Class engagement	15%
"This I believe"	10%
Individual written case analysis <b>or</b> project	35%

## Class attendance

Class attendance is essential to your learning in this course. Each student is allowed three absences, no questions asked and no penalty. All further absences over that limit will reduce the student's course grade, at the rate of one-third a letter grade for every further two absences. Students with an excessive number of absences are therefore at risk of failing the course. Only official university engagements, such as scheduled debating or sports events are exempted. Job interviews, etc., are not excused, so choose your absences carefully.

## Class representative

You will be asked to elect a Class Representative during our third session. The selected student representative will act as a liaison between students and myself, to provide informal feedback and communication, particularly on issues that individual students may not wish to raise personally with the instructor.

## 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;
- avoid leaving the classroom while the class is in progress: biology has its imperatives of course, but our class is a collective conversation of which you are an integral part;

- 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.

## **Use of laptops etc. during class**

Laptop and PDA use is not allowed during class. In this course, it is far important to participate than to take detailed notes or do any on-line real-time research. After each class, I recommend you can take some time to reflect on the discussion and type up whatever notes seem useful.

## **Academic integrity**

The Honor Code was written by Marshall students and is upheld by Marshall students. It is not my place to “enforce” the honor code — it belongs to you, not to me. I have agreed to support the Marshall Honor Committee in its efforts to make the code relevant and meaningful by providing this reminder and endorsement of the code. A copy is posted in every classroom.

The following information on academic integrity, dishonesty, and the grading standard are placed here at the recommendation of the School of Business Administration Faculty and are taken from the *Faculty Handbook*:

“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 have 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)

- Fabrication - any intentional falsification or invention of data or citation in an academic exercise will be considered a violation of academic integrity.
- Plagiarism - the appropriation and subsequent passing off of 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.
- 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.

## **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 the instructor as early in the semester as possible. DSP is located in STU 301 and is open from 8:30 am to 5:00 pm, Monday through Friday. The phone number of DSP is (213) 740-0776

## COURSE OUTLINE

Date	Theme	Case
<b>INTRODUCTION</b>		
Tues Jan 13	What is a life worth?	Ford Pinto
Thurs Jan 15	The contested place of business in society	
<b>THREE TOOLS</b>		
Tues Jan 20	Ethical analysis	<revisit Ford Pinto case>
Thurs Jan 22	Political-economy	
Tues Jan 27	Political-economy (cont'd)	AIDS in Africa
Thurs Jan 29	Strategic analysis	UBS
<b>DOMAINS/STAKEHOLDERS</b>		
Feb 3, 5	Investors	Sustainable development and socially responsible investing: ABB in 2000
Feb 10, 12	Government	Fuel economy standards 2007
Feb 17, 19	Environment	Wal-Mart's sustainability strategy
Feb 24, 26	Customers	Obesity and McLawsuits
Mar 3, 5	Suppliers	Charles Veillon (A)
Mar 10, 12	Employees	Deloitte & Touche
Mar 24, 26	Unions	La Conexion Familiar
Mar 31, April 2	Community	Canyon Johnson Urban Fund
April 7, 9	Activist organizations	Strategic activism: The Rainforest Action Network
<b>GOVERNANCE</b>		
April 14, 16	Corporate governance	WorldCom
Tues April 21	Standing up	Martha McCaskey
Thurs April 23	<i>No class</i>	
Tues April 28	Standing up (cont'd)	
Thurs April 30	Wrap-up	

## SESSION DESCRIPTIONS

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### INTRODUCTION

#### **Tues Jan 13: What is a life worth?**

Case: Ford Pinto

Study questions:

1. Who has a "stake" in Ford's decision to retain or modify its Pinto fuel tank design?
2. How would each of these stakeholders evaluate Ford's conduct?
3. What lessons should Ford learn from this episode?
4. What lessons do you personally learn from this episode?

#### **Thurs Jan 15: The contested place of business in society**

Assigned readings:

- M. Friedman: "The social responsibility of business is to increase its profits," New York Times Magazine, Sept 13, 1970
- H. Levitt, "The dangers of social responsibility" HBR Sept-Oct 1958
- C. Handy, "What's a business for?" HBR Dec 2002
- Corporate Watch Report 2006: What's wrong with corporate social responsibility?

Study questions:

1. In your view, should corporations attempt to take on social responsibilities beyond those to their investors and the law? How do you respond to the arguments against your position?
2. What conditions external to the corporation would encourage or discourage corporate social responsibility?

Optional background reading:

- T. Donaldson and L.E. Preston, "The Stakeholder Theory of the Corporation: Concepts, Evidence and Implications," Academy of Management Review, 20, 1, 1995
  - K. Sundaram and A. C. Inkpen, "The corporate objective revisited," Organization Science, May-June 2004
  - R. E. Freeman, A. C. Wicks, and B. Parmar, "Stakeholder theory and 'The corporate objective revisited,'" Organization Science, May-June 2004
  - D. Doane, "The myth of CSR," Stanford Social Innovation Review, Fall 2005
  - Michael Bradley and Cindy A. Schipani, Anant K. Sundaram, and James P. Walsh. (1999) "The Purposes and Accountability of the Corporation in Contemporary Society: Corporate Governance at a Crossroads." Law and Contemporary Problems 62: 9-47
  - John Kay and Aubrey Silberston. (1995) "Corporate Governance." National Institute Economic Review 95 (3): 84-97.
  - D. Millon, "Theories of the corporation." Duke Law Review, 1990
  - W. T. Allen, "Our schizophrenic conception of the business corporation" Cardozo Law Review 1992
  - Christian Aid, 2004, "Behind the mask: The real face of corporate social responsibility"
  - D. Vogel, The limits of the market for virtue, Ethical Corporation, 2005
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## THREE TOOLS

### Tues Jan 20: Ethical analysis

Case: Ford Pinto (reread it)

Assigned readings:

- A note on five traditional theories of moral reasoning (UVA-E-0092)
- D.A. Gioia, "Pinto fires and personal ethics," *Journal of Business Ethics*, 11, 1992: 379-389
- Selections from P. Senge et al., *The Fifth Discipline Fieldbook* (1994)

Study questions:

1. What assessment of Ford's behavior would you make from each of the five points of view described in the Note?
2. Is there common ground across all these five points of view?
3. Does this analysis lead you to reconsider any of the answers you gave to Questions 3 and 4 of our first session's Study questions?

(Note: we read the Senge material as background to a class discussion about how we are engaging each other in this course on such controversial issues)

Optional background reading:

- A. Sen, Markets and the role of ethics in capitalism, in *Development as Freedom* (1999)
- A. MacIntyre, *A short history of ethics* (1998)

### Thurs Jan 22: Political-economy

Assigned readings:

- M. Friedman, *Capitalism and Freedom*, Chs. 1,2,10
- E. O. Wright, "Compass points: Towards a socialist alternative," *New Left Review*, Sept-Oct 2006

Study question:

1. What do these various conceptions of the political-economy of capitalism suggest about how we should think about Ford's behavior in the Pinto case?
2. What do these various conceptions suggest about the desirability and feasibility of corporations assuming broader social responsibility?

Optional background reading:

- L.O. Kelso, *The Capitalist Manifesto*, Random House, New York, 1958
- Marx and Engels: *The Communist Manifesto*
- Socialist International, Declaration of principles:  
<http://www.socialistinternational.org/viewArticle.cfm?ArticleID=31>
- Sharing Catholic Social Teaching: Reflections of the U.S. Catholic Bishops:  
<http://www.usccb.org/sdwp/catholicteachingprinciples.shtml>
- R. Long, "Corporations versus the market; or, whip conflation now," *Cato Institute* 2008

### Tues Jan 27: Political-economy (cont'd)

Case: Life, death, and property rights: The pharmaceutical industry faces AIDS in Africa (HBS 702-049)

Assigned readings:

- Alan F. Holmer, "The case for innovation: The role of intellectual property protection," Statement before the Economist's Second Annual Pharmaceuticals Roundtable, Nov 20, 2002
- M. Perelman, "The political economy of intellectual property," *Monthly Review*, 2003

## Study questions:

1. What does the pharmaceutical industry's behavior look like from the various ethical points of view we have discussed?
2. How do the competing perspectives in political-economy interpret this case?
3. What solutions would you argue from as a representative of Doctors without Borders? The South African Health Ministry? A Brazilian pharmaceutical company? The WHO? Pfizer?

## Optional background reading:

- S. Taurel, "The Worldwide Campaign against Pharmaceutical Innovation." American Enterprise Institute, March 19, 2003
- Doctors Without Borders, "Equitable access: Scaling up HIV/AIDS treatment in developing countries," Dec. 2002
- P. David: The evolution of intellectual property institutions and the panda's thumb, 2003
- M.A. Heller and R.S. Eisenberg, "Can patents deter innovation? The anti-commons in biomedical research," Science 1998

**Thurs Jan 29: Strategic analysis**

Case: UBS and climate change: Warming up to global action? (HBS 707-511)

## Assigned readings:

- Global climate change and emissions trading (HBS 707-015)
- Strategies beyond the market (HBS 707-469)

## Assignment questions:

1. Which of the four options should Suter support and why?
2. If UBS decides to adopt any of the four options, do you recommend reducing the company's own energy consumption, or should UBS buy carbon offsets? If you recommend the latter, is your recommendation to invest in CERs, ERUs, or VERs?
3. What will it take for humanity to avoid a climate catastrophe?

## Optional background readings:

- M.E. Porter and M.R. Kramer, Strategy and society: The link between competitive advantage and corporate social responsibility, Harvard Business Review, Dec. 2006
- D. Cullenward and D. G. Victor, "Making carbon markets work," Scientific American, Sept 24, 2007
- Bill Baue, "Emissions trading commodifies carbon, but does it really solve climate change?" 2007
- Public policy and the manager: Conceptual framework (HBS 9-794-028)
- G. Hardin, "The tragedy of the commons," Science. 162: 1243-124
- I. Angus, "The myth of the tragedy of the commons," Socialist Voice August 2008

**DOMAINS/STAKEHOLDERS****Tues Feb 3: Investors**

## Assigned readings:

- When investing and social objectives meet (HBS 106-043)
- Social Investment Forum, 2005 Report on Socially Responsible Investing Trends in the United States, Washington DC, Jan 2006
- J. Entine, "The myth of social investing," Organization and Environment, 16, 3, 2003

## Study questions:

1. How far do you think socially responsible investing can or should go in remedying the world's ills?

Optional background reading:

- Peter Camejo, ed., *The SRI Advantage: Why Socially Responsible Investing Has Outperformed Financially*. New Society Publishers, 2002.

### **Thurs Feb 5: Investors (cont'd)**

Case: Sustainable development and socially responsible investing: ABB in 2000 (HBS 701-082)

Assigned reading:

- The Fiduciary relationship: A legal perspective (HBS 304-064)

Study questions:

1. The Introduction to the case identifies three issues that Stromblad is struggling with. What are the competing views in contention in these three debates?
2. What position would you recommend to Stromblad on these three issues?
3. What criteria do you think managers of SRI funds should use in evaluating firms like ABB?

### **Tues Feb 10: Government**

Assigned readings:

- Spend some time cruising around the Opensecrets.org website:  
<http://www.opensecrets.org/index.php>
- W. Domhoff: Who rules America?  
[http://sociology.ucsc.edu/whorulesamerica/power/who\\_has\\_the\\_power.html](http://sociology.ucsc.edu/whorulesamerica/power/who_has_the_power.html)
- W. Domhoff: Alternative theoretical views,  
[http://sociology.ucsc.edu/whorulesamerica/theory/alternative\\_theories.html](http://sociology.ucsc.edu/whorulesamerica/theory/alternative_theories.html)
- T. Shannan, "In defense of lobbying," 1998

Study questions:

1. Does business have too much power over public policy in the USA today?

Optional background reading:

- American Democracy in an Age of Rising Inequality, by American Political Science Association Task Force, 2004
- M. B. Valverde, *Interest groups in American politics: Conceptual elements and key literature*, CIDE, 1997
- *Influencing power: reviewing the conduct and content of corporate lobbying* (Sustainability, WWF)

### **Thurs Feb 12: Government (cont'd)**

Case: Fuel economy standards 2007 (Stanford P-58)

Assigned reading:

- Note on lobbying (HBS 707-471)

Study questions:

1. What objectives should the Big Three pursue? Can they stop the 35 mpg standard? Should they try?
2. What specifically should the automakers seek to preserve from the Senate bill?
3. Formulate a nonmarket strategy for the Big Three to influence Congress and the subsequent implementation of any legislation that might be passed.
4. What should Toyota do?

Optional background reading:

- C.E. Coon, "Why the Government's CAFE Standards for Fuel Efficiency Should Be Repealed, not Increased," Heritage, 2001
- National Research Council, Effectiveness and Impact of Corporate Average Fuel Economy (CAFE) Standards, 2002

### **Tues Feb 17: Environment**

Assigned readings:

- J. Howard, J. Nash, J. Ehrenfeld, "Standard or smokescreen? Implementation of a voluntary environmental code," California Management Review, Winter 2000
- Terrachoice Environmental Marketing Inc.: The six sins of greenwashing, 2007
- J. Shanahan, The conservative as environmentalist, Heritage, 1991
- J.B. Foster, Global ecology and the common good, Monthly Review, 1995
- B. Elgin, "Little green lies," Business Week Oct 29, 2007

Study questions:

1. How can we best assure respect for the environment? What, realistically, should be the role of business self-regulation versus government regulation?

Optional background readings:

- M.J. Epstein: Improving environmental management with full environmental cost accounting, Environmental Quality Management Aug 1996
- Geyer and Jackson, "Supply loops and their constraints: the industrial ecology of recycling and reuse" California Management Review, Winter 2004

### **Thurs Feb 19: Environment (cont'd)**

Case: Wal-Mart's sustainability strategy (Stanford OIT-71)

Study questions:

1. Given the fact that Wal-Mart's customers generally are unwilling to pay a premium for environmentally friendly products, how is the company deriving business value from its sustainability strategy, or if not, how can it ensure that it does in the future?
2. Imagine that you are Andy Ruben or Tyler Elm, evaluating the progress of the electronics, seafood, and textiles networks. Which networks have been most successful? What explains the success or lack of it in these networks?
3. How is Wal-Mart motivating its suppliers to continuously reduce the environmental impacts of their products and process, and to share information about how they do that? How can the company stimulate the development of disruptive, breakthrough innovations?
4. As evidenced by Ex 12, Wal-Mart's sustainability strategy has generally been very profitable. However, two initiatives described in the case benefit society and the environment while apparently reduced Wal-Mart's profits. Identify those two initiatives and imagine that you are their internal champion. How do you propose to justify pursuing those initiatives?
5. What position should environmental activists take in relation to Wal-Mart now, at the time of the case?

### **Tues Feb 24: Customers**

Assigned readings:

- G.T. Woodward, summary of CBO report: The economics of US tort liability: A Primer (summary), 2003
- P.H. Rubin, Tort reform saves lives, American Enterprise Institute, 2005
- D. Zegart, The right wing's drive for 'tort reform,' The Nation, Oct 7, 2004
- J.C. Lane, The myth of the frivolous law suit, [www.corpreform.com](http://www.corpreform.com)

Study questions:

1. How can consumers best be protected from possible harms caused by the products they buy? What should be the role of law suits in this process? How else can consumers' make their concerns heard loudly enough?

Optional background reading:

- Congressional Budget Office: The economics of US tort liability: A primer, Oct 2003
- M. E. Drumwright and P. E. Murphy, "How advertising practitioners view ethics," Journal of Advertising, Summer 2004

### **Thurs Feb 26: Customers (cont'd)**

Case: Obesity and McLawsuits (Stanford P-49)

Assigned readings:

- Go to Centers for Disease Control and Prevention website: search for materials on obesity and childhood obesity
- G. Ruskin and J. Schor. Junk food nation, The Nation, Aug 29, 2005

Study questions:

1. Given current US tort law, assess the likelihood of a plaintiff prevailing against McDonald's on an obesity lawsuit. (Find information about the law of torts through some web research: Wikipedia is a good place to start.)
2. What market and nonmarket strategies should McDonald's use to address the obesity issues?
3. What strategies should advocate of public and children's health pursue in relation to McDonald's?

### **Tues Mar 3: Suppliers**

Assigned readings:

- J. Miller, "Why economists are wrong about sweatshops and the antisweatshop movement," Challenge, Jan-Feb 2003
- Inequality and globalization (HBS 705-040)
- J. Bhagwati, "Why the critics of globalization are mistaken," De Economist, 2007

Study questions:

1. Does the globalization of supply chains help the poor? Under what conditions?

Optional background reading:

- I. Maitland, "The great non-debate over international sweatshops" British Academy of Management Proceedings, 1997
- Locke, R., Kochan, M., Romis, M., and Qin, F., "Beyond corporate codes of conduct: Work organization and labour standards at Nike's suppliers," International Labour Review, 2007
- Watkins, "Trade, globalization and poverty reduction: Why the rules of the game matter," presentation at the Carnegie Endowment for International Peace Seminar on world trade and poverty, July 2002
- W.K. Tabb, Progressive globalism: Challenging the audacity of capital," Monthly Review, Feb 1999
- E. Aisbett, "Why are the critics so convinced that globalization is bad for the poor?" NBER, 2004
- J.E. Stiglitz, The overselling of globalization, in *Globalization: What's New*, edited by Michael M. Weinstein, Columbia University Press, 2005, pp. 228-261.

### **Thurs Mar 5: Suppliers (cont'd)**

Case: Charles Veillon (A) (HBS 307-002)

Study questions:

1. Did Zwahlen terminate relations with existing carpet suppliers too quickly?
2. To what extent if any is the use of child labor and other supplier practices the responsibility of Zwahlen and his company?
3. As Zwahlen, what if any further action would you take regarding child labor and supplier work practices?
4. If Zwahlen decides to take further action, would you recommend that Veillon act unilaterally or that it collaborate with others? If the latter, what kind of collaboration would you recommend?
5. And most urgently, should Jacques Zwahlen accept the invitation to appear on French television?

### **Tues Mar 10: Employees**

Assigned exercise: Implicit Association Test.

Assigned readings:

- N. Lopez, Free markets, free choices, Pacific Research Institute, 1999
- S.J. Rose and H.I. Hartmann, Still a man's labor market, Institute for Women's Policy Research, 2004
- B. Welle, M.E. Heilman, "Formal and informal discrimination against women at work: The role of gender stereotypes," Kennedy School of Govt, 2005

Study questions:

1. Is the gender "wage gap" in the USA today a problem or is it the natural result of free choices? What, if anything, should be done about it?

Optional background reading:

- F. Dobbin, A. Kalev, and E. Kelly, Diversity management in corporate America, Contexts Fall 2007
- J. Pfeffer, "Producing sustainable competitive advantage through effective management of people," Academy of Management Executive, 19, 4, 2005
- William A. Darity, Jr., and Patrick L. Mason, "Evidence on discrimination in employment: Codes of color, codes of gender," J. Economic Perspectives, Spring 1998
- James J. Heckman, "Detecting Discrimination," J. Economic Perspectives, Spring 1998
- J. Acker, Hierarchies, jobs, bodies: A theory of gendered organizations, Gender and Society, June 1990
- D. Meyerson and J.K. Fletcher, A modest manifesto for shattering the glass ceiling, HBR Jan-Feb 200

### **Thurs Mar 12: Employees (cont'd)**

Case: Deloitte & Touche: Changing the workplace (B) (HBS 9-300-013)

Study questions:

1. What were the factors accounting for Deloitte & Touche's poor track record with women's careers?
2. What explains the progress they have made?
3. What should Copeland do now?
4. What should women at Deloitte & Touche do now?

### **Tues Mar 24: Unions**

Assigned readings:

- AFL-CO Issue brief: The silent war: The assault on workers' freedom to choose a union and bargain collectively in the United States, 2005

- P. Levine, The libertarian critique of labor unions, Philosophy and Public Policy Quarterly, 2001

Study questions:

1. Is there a constructive role for unions in the USA today?

Optional background reading:

- M. Levitt, Confessions of a union buster (Crown, 1993)
- D.A. Ballam, 2000, "Employment-at-will" The impending death of a doctrine," American Business Law Journal, 37, 4, 653 ff
- K. Bronfenbrenner, "The Effect of Plant Closings and the Threat of Plant Closings on Worker Rights to Organize" Supplement to Plant Closings and Workers Rights: A Report to the Council of Ministers by the Secretariat of the Commission for Labor Cooperation, Dallas, TX, Bernan Press: June, 1997.
- Barry Hirsch, "What do unions do for economic performance?" Journal of Labor Research (Summer 2004)

### **Thurs Mar 26: Unions (cont'd)**

Case: Sprint: La Conexion Familiar (A) (Ivey 9A97C001)

Study questions:

1. What is the problem that Sprint faces?
2. What should Sprint management do? What implications will this decision have on the future of its long distance service market?
3. How important is the Communications Workers of America's potential reaction to any decision Sprint makes?

### **Tues Mar 31: Community**

Assigned readings:

- Michael E. Porter. "New strategies for inner-city economic development," Economic Development Quarterly, 11, 1, 1997
- M. Goozner, The Porter Prescription, The American Prospect, Nov 30, 2002

Study questions:

1. What should be done to help American inner-city areas? What is the appropriate role of business?

Optional background reading:

- Timothy Bates: Response: Michael Porter's conservative urban agenda will not revitalize America's inner cities: what will? Economic Development Quarterly, 11, 1, 1997
- Bennett Harrison and Amy K. Glasmeier: Response: why business alone won't redevelop the inner city: a friendly critique of Michael Porter's approach to urban revitalization. Economic Development Quarterly, 11, 1, 1997
- D. Stoesz, The American welfare state at twilight, Journal of Social Policy, 31, 3, 2002

### **Thurs April 2: Community (cont'd)**

Case: Canyon Johnson Urban Fund (HBS 706-442)

Study questions:

1. What are Canyon Johnson Urban Fund's internal rates of return for the Sunset and the Hollywood projects? CJUF believes it can obtain debt financing at a 5% interest rate for a term of 25 years. In your valuation of Hollywood and Highland, disregard the fund's option for partial ownership of the hotel. A tip on this: on p. 5 we read that the apartments at Sunset/Vine are priced at \$2.56 per sq ft, but the retail space goes for \$50 per sq ft. That seems disproportionate until you realize that the apartments are priced on a per month basis and the retail space on a per year basis.

2. Which project should Turner choose?
3. What can local community groups do to help revitalize this area?

### **Tues April 7: Activist organizations**

Assigned readings:

- D. Spar, L. T. La Mur, "The power of activism: Assessing the impact of NGOs on global business" California Management Review Spring 2003
- D. Hogberg, "The Rainforest Action Network," Capital Research Center, May 2005

Study questions:

1. What role do activist organizations like RAN play in our society? Do they advance the causes they advertise?

Optional background reading:

- Franz Nuscheler, NGO Scene in the Twilight Zone: Is the Honeymoon over? D+C Development and Cooperation (No. 6, November/December 2001, p. 8 - 13)

### **Thurs April 9: Activist organizations (cont'd)**

Case: Anatomy of a corporate campaign: Rainforest Action Network and Citigroup (A, B)  
(Stanford P-42A, P-42B)

Study questions:

1. Was it strategically wise for RAN to launch a campaign on project finance? Can RAN realistically expect to affect project finance, which is provided by banks around the world?
2. Was Citigroup a good or bad target for RAN? Why not focus on project contractors themselves?
3. What should we make of RAN's tactics? Is this "democracy in the marketplace"?
3. At the end of the B case, what should Citigroup do?
4. If Citibank agrees to negotiate an agreement with RAN, what should RAN agree to? What should it not agree to?

## **GOVERNANCE**

### **Tues April 14: Corporate governance**

Assigned readings:

- Corporate reform in the United States (HBS 304-091)
- T. A. Kochan, "Restoring trust in American corporations: Addressing the root cause," Journal of Management and Governance, 7, 2003
- A. Reynolds, Sarbanes-Oxley in retrospect, Cato Institute
- E. Spitzer, "Business ethics, regulation, and the "ownership society," National Press Club, Jan 31, 2005

Study questions:

1. What will it take to restore trust in American corporations? Is that the right goal?

Optional background readings:

- L. K. Trevino, G. R. Weaver, D. G. Gibson, B. L. Toffler, "Managing ethics and legal compliance: What works and what hurts," California Management Review, Winter 1999
- S. Jacoby, "Corporate governance and society," Challenge July-Aug 2005
- Michael Bradley and Cindy A. Schipani, Anant K. Sundaram, and James P. Walsh. (1999) "The Purposes and Accountability of the Corporation in Contemporary Society: Corporate Governance at a Crossroads." Law and Contemporary Problems 62: 9-47
- KPMG: Integrity Survey 2005-2006



- John Kay and Aubrey Silberston. (1995) "Corporate Governance." National Institute Economic Review 95 (3): 84-97.
- J. S. Demski, "Corporate conflicts of interest," J. Ec. Perspectives, Spring 2003
- R. W. Clement, "Just how unethical is American business?" Business Horizons 49, 2006
- C.S. Lerner and M. A. Yahya, "'Left behind' after Sarbanes-Oxley," Regulation, Fall 2007

### **Thurs April 16: Corporate governance (cont'd)**

Case: Restoring trust at WorldCom (HBS 404-138)

Assigned readings:

Study questions:

1. What are the three or four central objectives that Bradeen hopes to achieve with the proposals on "Restoring trust"?
2. Will these proposals be effective in preventing another WorldCom or will they devolve into a mere checklist?
3. Are Bradeen's recommendations aimed at avoiding major misconduct or improving firm performance?
4. Which of the five board models is ideal from the point of view of Capellas, the newly appointed CEO? From the point of view of a prospective board member? Which will be encouraged by Bradeen's proposals?
5. Would you sign the Undertaking and Pledge as Capellas did? As the CEO of any public company? As a prospective director? As an employee?

### **Tues April 21: Standing up**

Case: Martha McCaskey (HBS 403-114)

Assigned readings:

- An introduction to patents and trade secrets (HBS 9-295-062)
- Note on human behavior: Character and situation (HBS 9-404-091)
- David Luban, Alan Strudler, and David Wasserman: "Moral Responsibility in the Age of Bureaucracy." Michigan Law Review, Aug 1992

Study questions:

1. What should Martha do?

### **Thurs April 23: no class**

### **Tues April 28: Standing up (cont'd)**

Assignment due April 27: "This I believe"

### **Thurs April 30: Wrap-up**

## Guidelines For Team Case Presentations

[Note: Essentially the same guidelines apply to your projects and to your written case analysis assignment.]

Think of your presentations as consultant reports. Imagine that you have been given a chance to study the organization and to come up with a diagnosis and a set of recommendations. So let's first set the stage:

- \* Do make sure you identify a specific client, since your action recommendations will need to be ones that this client can implement. In some case studies, it is not obvious who the relevant client really is, and you may have some degree of choice in selecting the client.
- \* The issues to be resolved may not be obvious; but this is also true of many real-world situations. The case questions in the session descriptions are offered only to get your thinking going — they are not an agenda for your analysis.
- \* Your presentation is to the class, but you should think of the class as if we were the client and his/her leadership team... and representatives of other stakeholder groups that may attend. Therefore you should not waste time repeating the case facts that would be known to these folks. (In real engagements, you might review these case facts to establish common ground and your credibility; but in class, that won't be necessary.)

Now to the substance of your report. Your presentations 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 tell us what (a) the challenge facing the organization, (b) the root issue that makes it difficult to successfully meeting this challenge (see discussion of "root issue" below), and (c) the basic idea behind your recommendation. Imagine that your client has to cut short the meeting due to an emergency, and you only have one slide on which to summarize your "**take away**" message — this is it. (Note: this is really hard to do! But it will force you to distill your analysis down to its core, 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 not simply tell us what areas you will address in what order: it will be much more impactful if you can summarize in a short phrase the key lesson of each of these parts of the presentation. It should lay out the substantive logic of your argument.

Third comes the body of the report. Here you need to start by identifying the **root issue(s)** facing the client. The first step is usually a stakeholder analysis. Who are the parties affected here? What rights or interests or concerns of theirs are involved? What is the nature of the client organization's relation to these other stakeholders? Stakeholders are any people affected by the issue: sometimes, some stakeholders may not be obvious at first sight -- they may be people far "downstream" or "upstream."

After this first step, your second is to make a reasoned argument about the nature of the issue facing the client. The goal here is to define the issue in a way that's actionable for the client. Think of your work as akin to that of a physician: the patient (client) comes in with a whole set of "presenting symptoms" and it's your job to identify the underlying disease. The organization usually faces multiple issues, and so identifying a single root issue underlying them all is not often easy; but it's a huge advantage if you can do this, since then you can focus your presentation and your recommendation will be solution to this single root issue with multiple ramifications. You simply don't have time to address more than one root issue in a short presentation.

In some cases, there are many issues reflecting several different root issues; but in the space of a 12-minute presentation you can only hope to seriously address one of them. You may need to explain this to the client -- acknowledge that you think they face a number of distinct issues and explain that you are focusing on what you think may be the most important one. But I will challenge you to make sure that you have not overlooked some deeper root that underlies a broader range of their issues.

Sometimes the client has a strong opinion as to the nature of their real problem, but you think their analysis is not accurate – in which case, you have to convince them that the real problem lies elsewhere. And sometimes the case describes a situation without explicitly identifying any specific issues 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.

In sum, identifying a root issue is often difficult. But in real life, it's much more important and difficult 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.

Next, you need formulate a **strategic recommendation** that can address the root issue facing the client organization. I recommend you make a clear distinction between this strategic recommendation and an implementation plan: the strategic recommendation specifies a general *compass heading* you are proposing to your client — 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 approach that can solve the basic problems facing the client.

The analysis supporting this strategy recommendation must convince the client that your strategic recommendation will indeed solve the basic problem. Remember: there are lots of points of view in the client organization (and in the class) on how to solve its issues, and your job is to convince us that your analysis is the most plausible and that your recommended strategy is the most likely to achieve success. The best way to do this is as follows:

- \* To begin, you should identify between two or three fundamentally different, **mutually exclusive, plausible alternatives to your strategic recommendation** 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. (To repeat: you are looking for mutually exclusive alternatives here, not variants of the same basic idea).

- \* Then you need to analyze the **pros and cons of each alternative**. The best way of making this pros/cons assessment convincing is to identify a common set of criteria against which to evaluate the alternatives. 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. You should justify this choice of criteria: you can often do that by reference to the priorities implied by the organization's basic mission and business strategy.

- \* Third, you need to explain why you believe the pros/cons balance of your preferred alternative is superior to the pros/cons balance of the others. To this end, it is often useful to develop a (rough-cut) formal **decision analysis**, where you use the common evaluation criteria (discussed in the previous paragraph), weight their relative importance (to reflect the priorities of the organization – you need to justify this weighting somehow!), score each alternative on each criterion (justifying your assessments), then calculate an overall score for each alternative. NOTE: putting numbers to these weights and scores is a great way to clarify your thinking, but the numbers will not convince your client: you need to explain in more qualitative language the rationale for your conclusion, and the numbers will just serve to illustrate and make more concrete your reasoning.

- \* Finally, you should **test the sensitivity** of the resulting ranking to plausible alternative estimates of the weights and scores. Here is where the benefits of a formal, quantitative decision-analysis reveal themselves: first, it can show whether your preferred approach really "dominates" the alternatives, or if reasonable people using reasonable but different weights and scores would reach different conclusions. Second, if your solution is not "robust" against such disagreements, close scrutiny of the analysis will help you differentiate between the "real issues" — where disagreement would change the final conclusion — and the "non-issues" — where disagreement doesn't matter to the final ranking. An easy way to do this is often to ask: what would proponents of the other alternatives (the ones you are **not** recommending) argue if they were making their best case? What weights and scores would they want to use? Then you can see whether these weights or scores are plausible: that gives you a better sense of the "robustness" of your recommendation, or if further analysis (by you or the client) would

be needed. This analysis should be summarized on a slide without any data: here too, numbers rarely convince anyone, so you should use them just (a) to clarify your own thinking and (b) to buttress the credibility of your qualitative reasoning: leave the quantitative analysis itself an Appendix.

Now, having described and justified the main “compass heading” you are recommending, you must try to anticipate likely implementation difficulties. Your **implementation plan** should deal with the strategy’s associated hurdles, risks, timing, costs and benefits. Depending on the case, you may not have enough data to develop this part of your presentation, 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 explain how your client could overcome these hurdles.
- \* You should also identify the **risks** confronting your strategy and how they can be mitigated, 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 how to mitigate them, your implementation plan should recommend the **timing** of its key steps: what needs 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. Reports often forget this elementary consideration! It’s a nice way to wrap up the presentation.
- \* Note: you may not have enough information to ground all the details of your implementation plan in the case data. In that eventuality, just make some plausible assumptions and show us what it looks like. At a minimum, you will have provided the client with a template (straw-man) that they can build on.
- \* Note too: It’s not unusual that your work on the implementation plan brings to the surface new strategic issues that you hadn’t considered. In preparing your presentation, you may well find that you need to iterate back to your issue-analysis and strategic-analysis and redo your presentation.
- \* Note finally: your implementation plan probably has many facets. It’s very useful if, alongside an overview of its main components, you dig deeper into one facet that seems to you to be particularly important. If the plan of action involves, for example, a new structure, a new compensation scheme, and a new training program, you might include a chart detailing a proposed agenda for the training program or a detailed organization chart for the new structure. In this way, you can make more concrete the implications of your plan, and show that you have anticipated some of the detailed action planning that it will require. Here too, even if you don’t have enough data to defend the specifics, at least you will be showing the client the kinds of things they should be working on.

\*\*\*

I will hold you to a **12 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 “peel the onion” — to push your analysis of the case issues progressively deeper until you identify a single root cause. You probably won’t have time to lay out alternative possible implementation plans: just present one reasoned plan, and it can at least serve as a starting point for discussion.

It is important to be able to present your proposal in a logically compelling and rhetorically convincing fashion. You should work to ensure that your presentation develops its arguments in a logical sequence. Your presentation materials (slides) should be clear — neither too wordy nor too sparse. (Consult the standard references on how to lay out visually intelligible and pleasing presentation charts.)

**You need to provide me and the rest of the class with handouts** that reproduce your Slides, including Appendices, at 2 per portrait page or 4 per landscape page. That will greatly facilitate our discussion.

## Project Guidelines

If you choose to do a project, you can work as a team (4 students maximum) or as an individual. You will choose the topic as a function of your personal interests and in consultation with the instructor. There are two generic types of topics: (a) an “ethics and social performance” audit of an **organization** that you are interested in, and (b) an analysis of a social **issue** that you are interested in. Possible topics include: a marketing plan for a social-entrepreneurship venture, Wal-Mart’s employment or environmental practices, sweatshops in LA, pollution controls at the LA ports, etc. You may **not** rely exclusively on library research: you **must** also meet with or at least interview by phone a range of the relevant stakeholders.

You are encouraged to select an industry of interest to you, and identify a social/ethical issue relevant to actors within that industry. For example:

- \* automobile: pollution, green manufacturing, alternative transportation
- \* food: agriculture supply chain, farm subsidies, organics
- \* finance: microfinance, social investment funds
- \* energy: alternative energy sources
- \* housing/real estate: urban development

You will need to select a specific client who is the intended audience of your project report. You can choose your client from a number of possibilities:

- \* a firm’s CEO or board
- \* an activist organization’s leader or board
- \* a relevant industry regulator
- \* a relevant legislative committee.

In the course of the project research, you will need to:

- \* identify a client;
- \* identify the stakeholders and their rights, interests, and concerns;
- \* identify and analyze the related political-economic, ethical, and strategic issues;
- \* identify an actionable “root issue” facing the client;
- \* identify and analyze the available options for the client;
- \* propose and defend a resolution for your client both at a broad strategic level; and
- \* discuss the key implementation issues the client is likely to face and propose an approach to them.

## Project milestones

In order to ensure that the projects are successful, I will meet with each project team at least twice over the course of the semester to review your progress and give you feedback. The meetings will take place in the weeks of Feb 9 and April 6. I will grade these intermediate steps as part of the final project grade. I am available to meet more frequently if that seems useful.

\* **Week of Feb 9: Preliminary analysis:** client identified, preliminary assessment of the issues, tentative strategic recommendation: 15% of project grade

\* **Week of April 6: Rough cut of final presentation:** 40% of project grade

\* **April 30: final report due:** 45% of project grade

Each team has two final deliverables: your “Talking Document” and a “Memo.” Your **Talking Document** is composed of:

- Powerpoint Slides: you all know a lot about how to compose good slides (remember the Goldilocks rules: not too much content, nor too little)
- Notes Pages: where the Slide bullet points are not self-explanatory, Notes are important. These 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 points being made on the Slide.

- Appendices that show backup analysis or data required to support your analysis and recommendation. (Not a data dump!)

Your **Memo**: in about 4-5 pages single-spaced, you should lay out the key points of your argument. Write it as if it were going to your client and as if they had not seen your presentation. You can refer to the Talking Document appendices for the data underlying your assertions. But apart from that, the memo should be able to stand alone: i.e. reading it should be a good substitute for being at the presentation meeting.

## Written Case Analysis Assignment Guidelines

\* **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 3,000 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.)

## Case Analysis Grading Form

(for team case presentations and individual written case analysis assignments)

Each component is worth 0-4 points

### **Have you identified the relevant stakeholders and their concerns and interests?**

- \* Have you identified the relevant stakeholders?
- \* Have you identified the rights, interests, and concerns of these stakeholders?

### **Have you identified a root issue confronting the client organization?**

- \* Have you identified an actionable root issue that underlies the “presenting symptoms” facing the client?
- \* Have you made a compelling case that this is indeed the root issue?

### **Have you argued compellingly for your preferred strategy for tackling the root issue?**

- \* Have you identified some plausible, mutually exclusive, alternative “compass headings”?
- \* Have you analyzed these alternatives’ pros and cons?
- \* Have you justified the evaluation criteria you use in this pros/cons analysis and the relative importance (weights) you assign to each?
- \* Have you justified the evaluation (scores) of each alternative on each of the evaluation criteria?
- \* Have you done a sensitivity test on this analysis to see if reasonable people would reach different results using plausibly different scores or weights? Have you used this analysis to pinpoint where the key underlying disagreements might lie?

### **Does your proposed implementation plan pass the “reality test”?**

- \* Have you identified the key risks in pursuing your strategy?
- \* Have you explained how the client should mitigate these risks?
- \* Have you identified the internal and external hurdles facing your strategy?
- \* Have you laid out a plan for overcoming these hurdles?
- \* Have you tried to assess the overall costs of the plan and to compare them to its benefits?
- \* Have you laid out a timed sequence of actions that maximizes the likelihood of success and explained why you recommend this sequence and timing?

### **Is your argument well presented?**

- \* Does the argument flow in logical way?

*for oral presentations (Note: In grading the oral delivery part of the presentation, I will not penalize people for language difficulties when their first language is other than English:*

- \* Is the oral presentation engaging?
- \* Are audio-visual materials used to good effect?

*for written case analyses:*

- \* is the writing technically correct (spelling, grammar, paragraphs)?
- \* do the exhibits support the argument effectively?

### **Total Grade (out of max 20 points):**

(Due to Marshall’s grade curve policy, score-to-grade conversions are only approximate: 20-19=A, 18-17=A-, 16-15=A-/B+, 14-13=B+, 12-11=B)



## Peer Evaluation Form

(for team case analyses and optional projects)

Please use the following scale to rate your team members and yourself:

F: Seriously deficient

C: Weak

B. Good

A. Excellent

Please use the back of the form to provide any supporting narrative that would help illustrate notable strengths or weaknesses and that would justify an unusually high or low evaluation.

### Team member (TM) name (you are team member #1):

TM1: <your name>      TM2:                      TM3:                      TM4:

### Evaluations:

**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. Ratings for each team member:

TM1:                      TM2:                      TM3:                      TM4:

**Input:** Rate the extent to which the member provided valuable input of ideas towards the team's work. Ratings for each team member:

TM1:                      TM2:                      TM3:                      TM4:

**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. Ratings for each team member:

TM1:                      TM2:                      TM3:                      TM4:

**Facilitation:** Rate the extent to which the member helped the team maintain a positive climate and work together effectively. Ratings for each team member:

TM1:                      TM2:                      TM3:                      TM4: