

University Of Southern California
Marshall School Of Business

MOR 499

Business and Environmental Sustainability

Spring 2012

MW 2:00-3:50pm

Instructor: Prof. Paul S. Adler

Office: HOH 716

Home office tel.: 818-981-0115 any time

Email: padler@usc.edu

Office hours: by appointment

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Course goals

Few issues are more urgent for contemporary management than business's impact on the natural environment. In addition to longstanding concerns about the exhaustion of global resources, degradation of the environment, loss of biodiversity, and the effects on human biology, recent evidence suggests that climate change is a growing and urgent problem that must be addressed in the near term to avoid long-term disastrous impacts for human life on this planet.

As environmental issues intensify, we all —both as citizens and as future managers — must develop a better understanding of the related economic, social, political, and regulatory forces, and of how these forces are reshaping the context and conduct of business. Under the pressure of these forces, some firms are developing more sustainable business practices and products, and the result is change in the structures and processes of production and in the nature of competition across a wide variety of industries. Debate continues on whether these changes will suffice to meet the sustainability challenge. And this debate is difficult: different stakeholders often have divergent interests, and competing perspectives and values lead to conflicting policy recommendations.

To prepare you to participate and lead in this domain, this course explores four broad sets of questions that the course will address in turn:

- (1) What is sustainability? Why should we care? How sustainable is our current path of economic development? How urgent is the challenge?
- (2) What are the forces driving change in business conduct? How is business affected by finite resources? social movements? government regulation? institutional factors?
- (3) Under the pressure of these forces, what new strategies and practices can firms adopt — in operations, technologies, product design, marketing, and non-market activities?
- (4) Will these changes in business conduct suffice? What will it take for us to meet the challenge of sustainability? How do we navigate the competing perspectives on the political-economy of sustainability?

Course outcomes

The key outcomes will be:

- (a) building your foundational *knowledge* in key *problem domains* in sustainability:
 - the challenges of sustainability
 - the various forces driving change in business
 - the different responses by business to these forces
 - the competing perspectives the political-economy of sustainability
- (b) developing key *skills*:
 - how to assess and develop strategies that encompass not only the traditional economic considerations but also environmental and social factors;
 - how to think clearly and make compelling arguments about ambiguous, complex problems.

Course materials

- Course reader at Bookstore
- Other readings on Blackboard

Class process

Each of the four main parts of the course is divided into “themes,” and most of these themes are addressed in two successive sessions: a first session focused on a case study and then a second session focused on some related readings. I will assume that you have prepared for these two sessions together, by studying both the case and these related readings prior to the first of the two sessions.

The class sessions that are focused on cases will usually begin with short oral presentations by one or two student teams, presenting as if they were consultants and the rest of the class were the client in the case and representatives of other relevant stakeholder groups. 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 it presents.

The class sessions that are focused on readings will take the form of a facilitated discussion rather than a lecture.

Preparing for class (1): The case

The detailed Session Information section below gives more specific “study questions” for the case discussions. However, these study questions are only 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. I will expect you to consider the case in the light of all the assigned readings, and to come to each class prepared to present and defend your own analysis. You need to write a *Case Note* for each case we discuss (see below, under *Engagement*). I will often “cold call.”

Preparing for class (2): Theme readings

The readings for each theme give you starting points in reflecting on the issues at stake in the case and/or conceptual tools that are relevant to these issues. I will assume that you will come to class having read all the assigned readings. I will not 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 reach a deeper level of comprehension.

Team case consulting reports

At the beginning of the semester, students will form into teams (three people maximum), and each team will do two case consulting reports (CCRs) over the course of the semester. As explained above, you should think of these CCRs as if they were by a group of outside consultants (your team) reporting to your client (the class). Some cases give you flexibility in selecting your client: your team will need to consult with me in making this selection. Detailed guidance on these CCRs is in the Appendix on *Guidelines for Case Analysis*. They will be graded using the criteria shown in the Appendix on *Grading Sheet for Case Analyses*.

I have found that mastering these *Guidelines* is one of most valuable skills I can teach you. Your professional career depends crucially on the skills these reports rely on — your ability to reason your way through the maze of considerations to get to the heart of the matter, your ability to make a convincing case for your preferred course of action, and your ability to communicate these complex arguments effectively.

To ensure maximum value from the work you invest in the preparation of these reports, I will meet for 60 minutes with each presenting team as soon as possible after class, to discuss their report's strengths and weaknesses, and to brainstorm how their report could be strengthened. After the meeting, I will send the team 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.

Engagement

Active engagement is a key part of learning in this course. Your engagement grade will reflect: (a) your pre-class preparation, (b) your in-class contributions to discussions, and (c) your after-class contribution of “take-aways” on what you have read and heard. Grading for these three components is described in more detail in the Appendix: *Grading Engagement*. To summarize the intent:

(a) Before case-discussion classes: Since your ability to learn from case discussions is directly proportional to the quality of your preparation, I request that you draft a one-page summary of your analysis of each case we discuss in the course. Point form is appropriate. These summaries can be submitted by email or in paper form: they are due at the beginning of the class session. See the Appendix for my *Case Notes Template*.

(b) In class: 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 I may cold 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.

At the end of each case discussion, students who actively participated in the discussion should turn in a Participation Card. These cards should list your name, the date, the case discussed that day, and a very brief synopsis of your contributions during that day's discussion. The main purpose of these cards to get you to reflect back on your engagement during the class session, and thereby become more self-aware of this component of your learning. A second purpose is to help me with my own daily evaluations to determine your participation grade for the day.

(c) After class: In a case-oriented, discussion-based class such as this, much of the learning happens after class, as the “dust settles” and the key “take-away” lessons (TAs) become clear. Within 48 hours of each case-discussion session, I would like you post a short note with your TAs (about 15 lines, or longer if you like) on our Blackboard Discussion space. These TA postings might also include responses to other TAs already on the Discussion space, and they may also discuss connections you see between the case and the associated readings. (TAs are also

required for sessions with guest speakers; but there is no need to post TAs for sessions devoted entirely to readings.)

Team research project

Students are required to do a team research project, where the team consists of up to three students who work together to identify a topic and prepare a written and oral of their report.

These reports can take either of two forms:

(1) Consulting report: This type of project might focus on a particular firm confronting a particular environmental issue, or it might consider the strategy of a government entity or an activist group. Projects of this type should be action-oriented and go from analysis to recommendations. The Guidelines we use in the CCRs will serve as guidelines for this type of report too.

(2) Investigative journalist report: In this type of project, the group will assume the role of investigative journalist, providing me and the class a briefing about either a specific firm's actions or a wider sustainability issue. This project would take as its model investigative reports that appear publications such as *Business Week*.

In either of these forms, team projects must include some interaction – preferably face-to-face, but if not, then by phone -- with relevant practitioners (managers at companies and/or NGOs, government officials, etc.), and your report must include clear attributions (citations) to these and all other sources.

More details are in the Appendix on the *Team Research Project Guidelines*.

Grading

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

Component	Weights
1st team case report	15%
2nd team case report	25%
Team research project	35%
Class engagement (equal weight for each of 3 components)	25%
Total	100%

This course requires a lot of teamwork, both for the case consulting reports and the research project. Since teamwork is an important skill in the modern workplace, students will conduct peer evaluations of their team members at both the mid-point and the end of the semester. The appended *Peer Feedback Form* and *Final Peer Evaluation Form* explain how.

The *Feedback* form aims to ensure that your team surfaces and addresses any “team process” issues. After both your first CCR and your Project Rough-cut is delivered (March 26), this form should be completed, sent to each of your team members and to me, and discussed in a team meeting.

The *Evaluation* form is for me and it should be completed twice. It should be completed and emailed to me first in parallel with the *Feedback* form, and it should be done a second time

at the end of the semester. The first of these is to alert me to any possible team issues: the second may have an impact on individual grades.

Class attendance

Class attendance is essential to your learning in this course. Your Engagement scores will reflect your attendance.

Class representative

You will be asked to elect a Class Representative during our second or third session. The 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.

Computers and PDAs

This is a course during which you will not need any communication devices. So please: no telephones or internet use by computers. You classmates and I will appreciate your undivided attention.

Classroom etiquette

An atmosphere of mutual respect and professionalism 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 — no calls, no texting;
- 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.

Academic integrity

The *Marshall Code of Professional and Academic Integrity* 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 Marshall school’s leadership 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

Returning coursework

Returned paperwork, unclaimed by a student, will be discarded after 4 weeks and hence, will not be available should a grade appeal be pursued following receipt of his/her grade.

COURSE SCHEDULE

Week #	Date	Theme	Case
	WHAT IS SUSTAINABILITY AND WHY SHOULD WE CARE?		
1	Jan 9	What is sustainability?	
	Jan 11	Why should we care?	
	FORCES DRIVING CHANGE		
2	Jan 18	Finite resources	Marine Stewardship Council
3	Jan 23, 25	Social movements	Anatomy of a corporate campaign: Rainforest Action Network and Citigroup
4	Jan 30, Feb 1	Government regulation	Fuel economy standards 2007
5	Feb 6, 8	Institutional forces	Sustainable development and socially responsible investing: ABB in 2000
	BUSINESS RESPONSES		
6	Feb 13, 15	Strategy	Patagonia
7	Feb 22	Mid-course review, projects	
8	Feb 27, 29	Operations	Sustainability at Millipore
9	Mar 5, 7	Product design	Cradle-to-Cradle Design at Herman Miller: Moving Toward Environmental Sustainability
10	Mar 19, 21	Marketing	The Clorox Company: Leveraging Green for Growth
11	Mar 26, 28	Navigating policy markets	Suntech Power
12	April 2, 4	Supply chain management	Aspen Skiing Company
13	April 9, 11	Measuring progress	Trucost: Valuing corporate environmental impacts
	PROSPECTS FOR SUSTAINABILITY		
14	April 16, 18	Competing perspectives on the political-economy of sustainability	
15	April 23, 25	Project presentations and wrap-up	
	May 7	Written project reports due	

SESSION INFORMATION

(* signifies material is in the course Reader)

WHAT IS SUSTAINABILITY AND WHY SHOULD WE CARE?

Week 1: Mon Jan 9: What is sustainability?

Before class, go to:

http://www.footprintnetwork.org/en/index.php/GFN/page/personal_footprint/ and calculate your personal carbon footprint. Bring your estimate to class.

And also go to: <http://www.nature.org/greenliving/carboncalculator/index.htm> to get more detail on what sources of your footprint are bigger versus smaller than the average.

Assigned reading:

<http://en.wikipedia.org/wiki/Sustainability>

http://en.wikipedia.org/wiki/Corporate_sustainability

Jan 11. Why should we care?

Assigned readings:

Solow: Sustainability: An economist's perspective, 1991

Review the sustainability indicators in these two readings and bring to class two facts you found particularly disturbing or important:

Worldwatch: Vital Signs 2011– review it online

IPCC – read at least the Summary for Policy Makers:

http://www.ipcc.ch/publications_and_data/ar4/syr/en/spm.html

Study questions:

1. How urgent are our sustainability challenges?
2. What explains the emergence of sustainability as a priority today?

FORCES DRIVING CHANGE IN BUSINESS CONDUCT

Week 2: Jan 18: Finite resources

* Case: Transforming the global fishing industry: The Marine Stewardship Council at Full Sail? (IMD 257-PDF-ENG, rev. 2010)

Study questions:

1. What are the barriers to MSC success?
2. What are past and current stakeholder demands, and what did/does the MSC do to meet/reconcile them?
3. What are the challenges ahead for MSC, and will the MSC be able to meet them?

Assigned readings:

Hardin, The tragedy of the commons (1968).

Ostrom et al., Revisiting the Commons: Local Lessons, Global Challenges (1999)

Optional further reading:

Watch the documentary “The End of the Line” – available on Hulu

The Economist: The Sea, A Survey. January 2009

Greenpeace Briefing: Assessment of the Marine Stewardship Council (MSC) Fisheries Certification Programme, 2009

Week 3: Jan 23, 25: Social movements

* 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. 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?
5. What should we make of RAN's tactics? Is this "democracy in the marketplace"?

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

Gereffi, Gary, Ronie Garcia Johnson & Erika Sasser 2001. The NGO industrial complex. *Foreign Policy* (Jul/Aug), Issue 125): 56 65

Hari, "The wrong kind of green," *The Nation*, March 2010

Optional reading:

Judy Layzer: "Fish Stories: Science, Advocacy, and Policy Change in New England Fishery Management," *Policy Studies Journal*, 34,1, 2006: 59-80

Bryant, Nielsen, and Tangley: *The Last Frontier Forests: Ecosystems and Economies on the Edge*, World Resources Institute, 1997

Week 4: Jan 30, Feb 1: Government regulation

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

Study questions:

1. What objectives should the Big Three pursue? Can they stop the 35 mpg standard? Should they try?
2. What assessment do you make of the influence business exerted here on public environmental policy?

Assigned readings:

* Public policy and the manager: Conceptual framework (HBS 9-794-028)

* Michael E. Porter and Claas van der Linde: "Green and Competitive: Ending the Stalemate," *Harvard Business Review*, September-October 1995.

Wikipedia entry: Regulatory capture

Optional further reading:

Fullerton and Stavins, "How economists see the environment," *Nature* 1998

Palmer, K., W.E. Oates, & P. Portney: "Tightening Environmental Standards: The Benefit-Cost

or the No-Cost Paradigm?" *Journal of Economic Perspectives*, 9(4) 1995:119-132.

Ambec and Lanoie, "Does it pay to be green?" *Academy of Management Perspectives*, Nov 2008

Ambec et al., "The Porter hypothesis at 20: Can environmental regulation enhance innovation and competitiveness?" 2011

Week 5: Feb 6, 8: Institutional forces

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

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?
4. What assessment do you make of the influence SRI funds were exerting here on business conduct?

Assigned readings:

* When investing and social objectives meet (HBS 106-043)

Social Investment Forum, Report on Socially Responsible Investing Trends in the United States: Executive Summary, Washington DC, 2010

BUSINESS RESPONSES

Week 6: Feb 13, 15: Strategy

* Case: Patagonia (HBS 5-711-081 rev 2011)

Study questions:

1. What is Patagonia's mission and what strategy does it follow in pursuing that mission?
2. What is your assessment of the Product Lifecycle Initiative (Reduce, Repair, Reuse, and Recycle)?
3. How fast can Patagonia grow? How fast should it grow?
4. How would Patagonia be different if the company were publicly held?

Assigned readings:

* Reinhardt, F. L.: "Environmental product differentiation: Implications for corporate strategy," *California Management Review*, 40(4) 1998: 43-73.

McKinsey, "The business of sustainability" Global Survey 2011

Background reading: If you are not already familiar with business strategy, read:

* M. E. Porter, "The five forces that shape competitive strategy," HBR 2008

* M. E. Porter, "What is strategy?" HBR 1996

Week 7: Feb 22: Mid-course review and team projects

This session will be devoted to (a) a review of the course materials so far, and (b) discussing your team project ideas.

Week 8: Feb 27, 29: Operations

* Case: Sustainability at Millipore (HBS 9-610-012)

Study questions:

1. How should Millipore focus its Sustainability Initiative? How should David Newman measure success?
2. Going forward, how should Millipore prioritize projects for the Sustainability Initiative?
3. What factors should Millipore consider in setting its next greenhouse gas reduction target? Recall that key parameters include choosing between absolute and relative reduction, a percentage reduction level, its duration, and the scope of emissions covered.
4. Considering the pros and cons, should Millipore purchase carbon offsets as part of its strategy to meet its greenhouse gas reduction objectives?
5. What changes, if any, would you recommend to Chairman, CEO, and President Martin Madaus to improve the effectiveness and/or efficiency of Millipore's Sustainability Initiative?

Assigned readings:

- * J. Lash and F. Wellington, "Competitive advantage on a warming planet," *Harvard Business Review* 2007
- * A. J. Hoffman and J. G. Woody: Climate change: what's your business strategy? Harvard Business School Press 2008
- L. H. Lovins, "The Business Case for Climate Protection"
- Emily Rochon and Paul Dickinson, "Are Corporate Carbon Intensity Targets Greenwash?" *Ethical Corporation*, March 2009.

Week 9: Mar 5, 7: Product design

* Case: Cradle-to-Cradle Design at Herman Miller: Moving Toward Environmental Sustainability (HBS 607003-PDF-ENG)

Study questions:

1. Should Herman Miller should use PVC or TPU in the Mirra Chair arm pad?
2. What is your assessment of how Herman Miller implemented the C2C protocol?
3. Why did Herman Miller undertake this strategic environmental initiative?

Assigned reading:

- W. McDonough and M. Braungart, "A world of abundance," *Interfaces*, 30, 3, 2000: 55-65
- Explore the website on Clean Chemistry at <http://www.epa.gov/gcc/>
- * Unruh, Gregory C., "The Biosphere Rules," *Harvard Business Review*, 2008

Week 10: Mar 19, 21: Marketing

* Case: The Clorox Company: Leveraging Green for Growth (HBS 9-512-009, rev Aug 2011)

Study questions:

1. Why did Clorox move into greener products?
2. How successful has this been for Clorox? For the environment?
3. What would you recommend to Springer?

Assigned readings:

- Terrachoice Environmental Marketing Inc.: "The six sins of greenwashing," 2007
- Ottman, Stafford, and Hartman, "Avoiding Green Marketing Myopia" *Environment*, 48, 5, June 2006, pages 22—36.

Optional further reading:

Network for business sustainability: Socially conscious consumerism: A systematic review of the body of knowledge (2009)

Week 11: March 26, 26: Navigating policy markets

* Case: Suntech Power (HBS 9-710-013, rev. 2011)

Study questions:

1. What are the factors that make solar more or less attractive as an industry?
2. How is the industry changing?
3. How has Suntech adapted to this changing context?
4. What are Suntech's prospects? Would you buy stock in this company?

Required reading:

Skim, and bring to class three facts you found most interesting in: US Energy Information Administration: Annual Energy Outlook 2011

Optional further reading:

Harrington, Rohan: Note on Energy (Stanford E302-PDF-ENG)

Week 12: April 2, 4: Supply chain management

* Case: Aspen Skiing Company (A) (HBS 9-611-002, rev 2011)

Study questions:

1. Is Aspen Skiing Company serious about reducing its environmental impacts? On what basis do you assess this?
2. If you took over as Aspen Skiing Company's next director of sustainability, what would your priorities be? How would you manage differently from Auden Schendler?
3. How should Aspen Skiing Company respond to the request to join the Kleercut boycott?

Assigned reading:

Oreskes and Conway, "Global warming deniers and their proven strategy of doubt," Yale Environment 360, 2010

Wikipedia entry: Precautionary principle

Week 13: April 9, 11: Measuring progress

* Case: Trucost: Valuing corporate environmental impacts (HBS 9-612-025 rev. 2011)

Study questions:

1. Considering the industry analysis and recommendations provided in the Rate the Raters reports, as well as the situation described in the case, what should Jamie Salo do to improve the profitability of Trucost's North American operations?
2. Some claim that environmental ratings are an example of a "credence good" because buyers never really know their quality even after they purchase them. Do you agree? How should this shape Trucost's approach to the market?
3. All ratings and ranking systems have strengths and weaknesses. What are the two most important strengths and weaknesses of the Newsweek Green Rankings?

Assigned reading:

SustainAbility, "Rate the Raters, Phase 1: Look Back and Current State," 2010

SustainAbility, "Rate the Raters, Phase 2: Taking Inventory of the Ratings Universe," 2010

SustainAbility, "Rate the Raters, Phase 3: Uncovering Best Practices," 2011.

Newsweek Green Rankings: The 100 Greenest Companies in America

PROSPECTS FOR SUSTAINABILITY

Week 14: April 16, 18: Competing perspectives on the political-economy of sustainability

Assigned readings:

M. Friedman, M. (1970) "The Social Responsibility of Business is to Increase its Profits." New York Times Magazine, 1970.

* A. B. Lovins, L. H. Lovins, P. Hawken, "A road map for natural capitalism," *Harvard Business Review* 2007

D. Vogel: "Limits of the market for virtue," 2005

H. Magdoff and J. B. Foster, "What every environmentalist needs to know about capitalism" (2010)

Study questions:

1. Take each of these articles as exemplars of a distinct perspective on people, the economy, and society. From the point of view of each perspective, taking them in turn:
 - a. What is the root issue that makes it difficult for our country to meet the challenge of assuring environmental sustainability?
 - b. What is the best way forward for our country?
 - c. Where do they agree and disagree with each of the other three perspectives?
2. Which perspective comes closest to your personal views? Why?

Optional further readings:

W. Domhoff: Who rules America?

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

Week 15: April 23, 25: Project presentations, wrap-up

May 7 (4pm): Project final written report due

Guidelines For Case Analysis¹

Think of your case analyses as consultant reports. Imagine that you have been given a chance to study the focal organization and to come up with a diagnosis and a set of recommendations. A few issues are immediately posed:

- * You will need to explicitly identify a specific client, since your action recommendations will need to be ones that this client can implement.
- * In this course, you have some latitude in choosing your client: even if the case is written from the point of view of a given firm or person, you might choose to take as your client one of the other stakeholders. However, in choosing your client, make sure the case and associated readings provide you with enough material. Please consult with me beforehand so we agree on your choice of client.
- * The issues to be resolved may not be obvious; but this is also true of many real-world situations. The Study Questions in the session descriptions are offered only to get your thinking going — they are not an agenda for your analysis.

You will make this presentation to the class, but you should think of the class as if we were the client and his/her leadership team. (Do keep in mind, however, that representatives of other stakeholder groups may attend!) Given this context, and given the time constraints on your presentation, you should not waste time repeating the case facts that would be known to this audience. (In real engagements, you might review these case facts to establish common ground and to buttress your credibility; but in class, that won't be necessary.)

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 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 for resolving this root issue. Imagine that your client is forced 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 the **root issue** facing the client. Think of this as performing Toyota’s “Five Whys.”²

¹ These Guidelines reflect the accumulated insights of many colleagues with whom I have taught with over the years. They are also close in spirit to the problem-solving process recommended by American pragmatist philosophy, John Dewey.

² As explained on Wikipedia: The problem (or what I am calling the challenge) is that my car won't start. Ask:

The root issue is the factor that makes it difficult for the organization to resolve its challenge successfully. Think of your task here as akin to a physician's: the patient (client) comes in with a whole set of "presenting symptoms" (i.e. challenges) — it's your job to identify the underlying disease (i.e. root issue). For a consultant 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 resolving this root 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 is 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 — here 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 address that vulnerability.

Finally, note that in cases such as these ones we study in this course, there are typically multiple internal and external **stakeholders** in your client's decision-making, and these stakeholders have different interests, rights, and concerns. Stakeholders are any groups affected by the issue. Some stakeholders may not be obvious at first sight — they may be far afield, "downstream" or "upstream." You need to ask yourself: 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 economic and political relations to these stakeholders? Somewhere in the course of your presentation, you will need to consider these stakeholders. You should fold that discussion into your presentation wherever it adds most value for your client: this may turn out to be in your characterization of the challenge; it may be in defending your characterization of the root issue; it may be in identifying and assessing your options; or it may be in planning your implementation plan. But it should contribute something to your analysis somewhere.

After defining the Challenge and Root issue, you need next to identify the **Strategic Options** — a small number (usually 3 or 4) plausible candidates for addressing the root issue facing the client organization and thereby helping it meet its challenge. These options represent alternative *compass headings* — overall directions they could follow to solve their problem. As such, they are stated in relatively abstract terms, in contrast to the implementation plan which will specify a detailed *itinerary* (see below). Your strategic options should therefore not be

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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)
 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)

laundry lists of things worth doing: they should define alternative general directions the client could take. To be maximally useful to the client, these options should be (a) plausible but (b) fundamentally different, indeed mutually exclusive – just as one cannot simultaneously pursue two different compass headings. In practice, you would want to make sure that your list of options 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.)

Having articulated these options, your next task is to justify your recommendation of one of the over the others with reasoning that could convince a skeptical 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 the strategy option you recommend is more likely to achieve success. The best way to do this is as follows:

- * First you need to identify a common set of **criteria** against which to evaluate the options. 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.³ You 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.

- * Then you should take each criterion one at a time, and show how your options compare on that criterion. Having identified each option's **pros and cons** on this criterion, you should be able to **score** the options relative to each other for this criterion (usually a scale of 1-4 suffices).

- * To sum up these scores in a convincing way, you then need to propose a set of **weights** for these criteria according to their relative importance in the priorities of the organization, and explain why these weights are the most appropriate.

- * Multiplying scores by weights, you can create a **weighted score** for each option and rank-order the options from best to worst. **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 intuitive, qualitative language the rationale for your conclusion, and the numbers will only serve to make more explicit your reasoning.

- * Finally, you should **test the sensitivity** of the resulting option-ranking to plausible alternative estimates of the weights. (I recommend you focus on alternative weights rather than alternative scores, because in principle it should be easier to get consensus on the scores, and the real disagreements are more likely to be expressed in different views on the relative weights of different criteria.) Here is where the benefits of a formal, quantitative decision-analysis reveal themselves: first, it can show whether your preferred option really “dominates” the alternatives, or if reasonable people using reasonable but different weights would reach different

³ 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 if the calculations are themselves very complex; 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 not by calculation, but by reasoned appeal to intuition, 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.

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 to ask: what would proponents of the other options (the ones you are *not* recommending) argue if they were making their best case? What weights would they want to use? Then you can discuss the relative plausibility of these weights compared to your preferred weights. This analysis should be summarized on a slide — but I recommend you find a way of presenting your results qualitatively, i.e. without recourse to quantified data: here too, numbers rarely convince anyone, so you should use them only (a) to clarify your own thinking and (b) to buttress the credibility of your qualitative reasoning: leave the quantitative analysis itself in an Appendix slide.

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 them to implement your recommended strategy. Depending on the case, you may not have enough data to develop this part of your presentation in any great detail, but ideally this is what would appear in this section:

- * First, you should identify the likely **hurdles** — the factors within the control of the organization — 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** — the factors outside the client’s control — 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. 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, it is often helpful to work with some plausible assumptions and show us what the plan would look like. At a minimum, you will have provided the client with a template (straw-man) that they can build on.

Note too: your implementation plan probably has many facets. It is 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 reporting structure, you might include 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.

Your goal is to deliver to your client as much “value” as possible – that is, deep insights that they will not have had themselves. So this project is about “peeling the onion” to go deeper into the underlying causes and thereby offer action recommendations that are more likely to have more substantially positive effects.

To achieve this goal, your analysis will need to proceed in a highly iterative way. You will typically find that you need to revisit and revise your characterizations of the challenge and the root issue when you get into the strategic options and implementation. Plan on several iterations, since each time you work through it, chances are good you will uncover more issues.

As a result of the need for this iterative process, you will not be able to neatly divide up the work of preparing your report among your team members. Whereas in other classes you can often delegate specific parts of a project to specific team members, here you and your team members will need to work collaboratively, in face-to-face discussion. You will be able to divide up the work of laying out the Powerpoint slides, but the content will need to be developed collaboratively. Organize yourselves accordingly.

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

* I will hold you to a **15 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.

* In analyzing the case, please rely **only** on data included in **the syllabus materials** (case, readings). This will put your team and the rest of the class on an equal footing. You may, however, use whatever conceptual or analytic tools you choose, wherever they come from.

* It is often interesting to see what actually happened after the case time-frame (e.g. what the company did and how it worked out): you will have up to **5 extra minutes** for your presentation if you want to summarize the results of research you have done on that. But remember: the body of your presentation (the first 15 minutes) needs to be convincing to your client (the class) knowing only what we know in the case time-frame. What actually happened is unknown to them at that time.

* 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 slides.)

* You will probably find it useful to prepare some **Appendix** slides. These might explain some of the details of your analysis, or show your analysis of some issues that are interesting but not quite important enough to include in your 15-minute presentation itself. It is good to have these ready in case they are useful in responding to questions.

* At the start of class, you need to provide me with **handouts** of your Slides, including Appendices. You should include in this handout your **Notes** pages. I (and in real life, your client) will be reviewing your Slides after the presentation, and I will need to be able to understand the intent/meaning of the slide. Do **not** simply copy your speech text into this space – use bullet points: the Notes pages should give the bare minimum I need to follow the logic of your reasoning. Please **number** your slides: this will greatly facilitate our discussion.

Grading Sheet for Case Analyses

(for *Case consulting reports* and for *Consulting-type research projects*)

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 used your stakeholder analysis effectively to inform your analysis and recommendations?

Have you identified a root issue underlying the key challenge that confronts the client organization?

- * Have you clearly identified a key challenge?
- * Have you identified an actionable root issue that underlies that challenge?
- * 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 laid out a timed sequence of actions that maximizes the likelihood of success and explained why you recommend this sequence and timing?
- * Have you tried to assess the overall costs of the plan and to compare them to its benefits?

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?

Peer Feedback Form

After your first team deliverable (your first CCR and you're your Project Rough-cut on March 26), you need to give each of your team member's feedback and then discuss all this feedback in your team.

The simplest way to proceed is to fill out the form below, email it to each of your team members (and cc it to me please) and discuss it in a team meeting:

	<i>I like the way you...</i>	<i>I wish you...</i>
<team member name:>		
<team member name:>		
<team member name:>		

Final Peer Evaluation Form

This form must be completed and submitted to me twice for each team that you work with: a first time to alert me to any possible issues, and at the end of the term to alert me to the need to adjust individual grades up or down.

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

F: Seriously deficient

C: Weak

B. Good

A. Excellent

Please use the Comments section 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:

Comments:

Grading engagement

Class engagement has three components: pre-class preparation, in-class contribution to discussion, and post-class postings on Blackboard. Here is how I will grade them:

Pre-class preparation

For each class session devoted to a case discussion, you need to prepare a one-page summary of your answers to the basic questions for each case discussion session. See the Appendix: *Case Notes Template*. In filling this out, point form is appropriate. These summaries can be submitted by email or in paper form: they are due at the beginning of the class session. They will be graded on a pass/no-credit basis, and I will give you feedback with a plus, check or minus to signal my assessment of their quality and thoroughness. Late submissions will not be graded.

In-Class Contribution

Your in-class engagement constitutes a crucial learning mechanism, and therefore forms a significant portion of your final grade. At the end of each class session, I will ask you to jot down on a note-card and in very summary form your main contributions to the discussion that day: this gives you a chance to reflect on your in-class engagement, and these note-cards will jog my memory when I evaluate this aspect of your performance.

I will use the following “anchors” as a way of evaluating your contribution to our discussions. I will also give you an opportunity to evaluate yourself using the same criteria both mid-way and at the end of the semester:

- A: *Excellent*** - Contributions reflected exceptional preparation and an enthusiastic commitment to our learning experience. Had always read the assigned material and had thought about it carefully. Embraced the opportunity to learn in our time together, brought out the best in others, and was open to subsequent conversations. Brought up questions that need to be further explored. Added considerably to the quality of the course experience for others.
- B: *Good*** - Contributions reflected an adequate preparation for class and commitment to our learning experience. Comments helped the discussion move forward, but did not open new topics or pose difficult issues. Had read the material before class and given it some thought. Took advantage of the learning opportunities presented here. Added something to the quality of the course experience.
- C: *Barely satisfactory*** – Attempted to contribute occasionally, but contributions often reflected either weak preparation or an apathetic orientation to the learning opportunities presented here. Comments did not build on or relate to flow of class discussion. Had read the material, but without much effort to engage it. On balance, added nothing to the experience of the class.

After-class postings to Blackboard: “Take-aways”

Shortly after each class session that is devoted to a case discussion (preferably within a few hours, while your memory is fresh), you should take some time to distill the key take-away lessons (TAs). Starting with the week of Jan 23, students should post a short TA note (10-15 lines, or longer if you want) on our Blackboard Discussion space, at the latest within 36 hours of the class. These might also include responses to other postings already on the Discussion space. I will grade these TAs on a Pass/No-Credit basis.

Criteria you can use to guide your TA effort include:

Coverage – The best TAs synthesize the key ideas that emerged during the discussion and from the readings. Weaker TAs focus on just a subset.

Insight – Weak TAs list the topics we addressed; the best TAs pinpoint the lessons learned about those topics. The best TAs also suggest new questions that are raised by these lessons.

Connections – The best TAs link the lessons of this discussion to others earlier in the course. Weaker TAs don't make such connections.

Point of View – The best TAs reveal how the discussion has enriched your own thinking. Weaker TAs lack that personal engagement, or simply reiterate a pre-formed personal opinion.

Case Notes Template

My name:
The case:
Who is your client?
What is the critical challenge the client faces?
Who are the main stakeholders involved here and what are their concerns and interests? What are the issues raised by this constellation of concerns and interests?
What is the root issue the client must resolve in order to deal with this challenge?
What plausible, mutually exclusive, strategic options should the client consider for resolving this root issue?
Which of these options do you recommend, and why is it superior to the others?
What implementation issues should your client anticipate and how should they address them?

Team Research Project Guidelines

Due dates

- Jan 30: Project proposal (by email)
- Feb 22: Situation assessment: presentation to class
- March 26: Rough-cut report *and* mid-course peer evaluation (by email):
- April 23, 25: Final presentation in class
- May 7 (noon): Final written report *and* final peer evaluation (by email)

Project topic

These reports can take either of two forms:

(1) Consulting report: This type of project might focus on a particular firm confronting a particular environmental issue, or it might consider the strategy of a government entity or an activist group. Projects of this type should be action-oriented and go from analysis to recommendations. The Guidelines we use in the CCRs will serve as guidelines for this type of report too.

(2) Investigative journalist report: In this type of project, the group will assume the role of investigative journalist, providing me and the class a briefing about either a specific firm's actions or a wider sustainability issue. This project would take as its model investigative reports that appear in publications such as *Business Week*, *WSJ*, or *NYT*.

Papers can be written with the cooperation of the focal organization, but this is not required. Students should bear in mind that if a paper is written with the cooperation of an organization, the organization's desires for confidentiality may be in conflict with the course's requirement that students present their reports in class.

"Live people" research component

All team projects must include some interaction with people actually involved in the case/issue you are studying — managers at companies and/or NGOs, government officials, etc. Ideally, this would be face-to-face interviews; at a minimum, you should do phone interviews. Your report must include clear attributions (citations) to these and all other sources.

Project proposal (Jan 30)

The project proposal should be a 1 or 2 page document, and should include (at least) the following items:

- The team members' names.
- Your client and the main question(s) your project will investigate.
- Why your team chose to focus on this issue.
- Your research plan, including some of the sources you expect to rely on, including how you will meet the "live people" research requirement described above.

Situation assessment (Feb 22)

Today you will present to the class your proposal and your situation assessment. Your presentation will review what you have found so far and the research that remains to be done.

Rough-cut report (March 26)

By now, you should have most of the data collected and analyses completed. This rough-

cut of your final presentation slides will help pinpoint any areas where more data or analysis is needed.

Final presentation in class (April 23, 25)

Each team will get 15 minutes to present to the class and then some further time to respond to questions. Apart from the oral presentation, each team should also provide me with a handout copy of the Slides, Notes, and Appendices.

Final project written report (May 7, 4pm)

This report will be a more detailed account of the results presented in your oral presentation and slides. It should be prose rather than bullet points, about 7-10 pages single-spaced plus supporting Appendices. Take the space you need to make a compelling argument... but no more than you need.

Grading the team research project

The grade for the research project will be based 50% on the class presentation and 50% on the final written report.

Your individual grade will be your team grade, adjusted up or down as a function of the final peer assessment.