

## Course Reader Information

**Please note:** The order of material published in the reader does not correspond to the order of topics presented in class. Please take note of the schedule of topics on page 12 of this document and be prepared to accommodate any necessary changes once the class begins.

**Digital and print copies of the reader for this course is available online at [www.xanedu.com](http://www.xanedu.com).**

\*\*\*\*\*

To purchase the required Reader (a.k.a., CoursePack) for this course:

1. Go to: <http://coursepacks.xanedu.com/?PackId=563698>
2. If you have previously registered for another CoursePack, log in. If not, click the Student Registration link. Complete the registration page and click Submit.
3. Confirm your CoursePack selection and click Continue.
4. Complete your billing information, confirm and click Submit.
5. After completing the purchase pages, you will be taken to your CoursePack.
6. If you have problems, contact XanEdu Customer Service at 1-800-218-5971 (option 4) or email [cust.serv@xanedu.com](mailto:cust.serv@xanedu.com).
7. Each individual student must purchase his/her own access to the CoursePack.

## GSBA 520: Business Fundamentals for Non-Business Professionals

**Faculty Coordinator:** Dr. Merle Hopkins  
Professor of Clinical Accounting, Leventhal School of Accounting  
**Office:** ACC B4a  
**Phone:** (213) 740-4857  
**Email:** mwh@marshall.usc.edu  
**Office Hours:** By appointment to better accommodate your schedule

### COURSE DESCRIPTION

This course is designed to introduce the concepts, tools, and principles of business management to current graduate students who want to be better prepared to assume management positions in their respective fields. Created for students who do not have a background or grounding in business, the course covers the following subject areas:

- Business Strategy
- Managerial Accounting
- Business Marketing
- Business Finance
- Operations
- High Performance Organizations

*Business Fundamentals for Non-Business Professionals* is an integrative and interdisciplinary course taught by a team of Marshall faculty members. The course takes a *general management* perspective. This course is more than a mere integration of the functional specialties within a firm. It has been designed to develop among participants the “general management point of view.” As future managers in their respective businesses, students will be responsible for making decisions that effect long run business performance; decisions that will require the general manager’s knowledge of business economics, financial and accounting principles, business strategy and people management. The key strategic business decisions of concern in this course involve determining and shaping organizational purpose to evolving opportunities, creating competitive advantages, choosing competitive strategies, securing and defending sustainable market positions, and allocating critical resources over relatively long periods of time in pursuit of specific goals and objectives.

This course helps students develop an understanding of business fundamentals that require both analytical skills and an integrative point of view. You will develop these skills through:

- In-depth analysis of industries and competitors
- Prediction of competitive behavior
- Techniques for analyzing how firms can develop and sustain competitive advantages over time – including quantitative and qualitative analysis

## EDUCATIONAL OBJECTIVES

Overall, this course is designed to provide the following general learning objectives:

- Gain a basic knowledge of business strategy, managerial accounting, finance, marketing and management of organizations
- Understand the complex nature of business decision-making and the interaction between the disciplines
- Gain an appreciation of the complexity of the global business environment

Additionally, each subject matter portion of the course will have related learning objectives. These will include:

### Business Strategy

- Global Objectives
  - Understand theories and methods for analyzing and developing strategy.
  - Develop the ability to critically evaluate cases: to analyze case facts using appropriate tools/frameworks, to identify key underlying issues, and to formulate congruent recommendations (and to explain to us how/why you've done it).
- Detailed Objectives
  - Develop critical thinking skills related to strategy.
  - Master a set of tools/frameworks/concepts, such as: “generic” business strategies, environmental analysis, five forces, strategic groups, value chain, resources—capabilities—competitive advantage, threats to sustainability.
  - Recognize the various interconnections that exist within organizations.
  - Learn to anticipate sources that undermine long term competitive advantage.

### Financial & Managerial Accounting

- Provide an understanding of fundamental financial and management accounting concepts (financial accounting)
  - Financial statements and their interrelationships
  - Financial statements reflect the accrual basis of accounting
  - Inventory methods, investment portfolios, cost & equity methods
  - Depreciation methods
- Introduce key decision-making skills related to cost-volume-profit relationships and capital budgeting (managerial accounting)
  - Management use of cost-volume-profit relationships when making decisions
  - Activity-based costing and improvement opportunities
  - Key issues in budgeting as part of the planning process

### Business Marketing

- Introduce the substantive and procedural aspects of marketing management, critical analytical thinking and effective communication
  - Marketing strategy formulation
  - Elements of the marketing mix & decision making in this area
  - Presentations to defend recommendations and critically examining and discussing the recommendations of others

## Business Finance

- Present an overview of the modern theory and practice of financial management and develop a framework to analyze the fundamental financial decisions
  - Discounted cash flow analysis
  - Valuation of stocks, bonds and individual budgeting projects
  - Risk and return, portfolio diversification, Capital Asset Pricing Model
  - Issues in financing decisions – capital markets, financing sources, debt & dividend policy, options
  - Capital budgeting basics in a decision-making environment

## Operations

- Present the key issues, concepts, and problems of operations and introduce ideas in process analysis and improvement that will be useful in analyzing and solving problems
  - Business process management & improvement
  - Customer service: internal & external
  - Supply chain management

## High Performance Organizations

- Understand the behavior and performance of people in formal organizations
  - Individual level including leadership
  - Group level including the design and development of high performance teams
  - Organizational level including understanding of strategic organizational effectiveness and design principles that lead to high performance in organizations

## **COURSE FORMAT AND THE CASE DISCUSSION METHOD**

In order to achieve the objectives of the course, we will devote the majority of our class time to the analysis and discussion of selected management, competitive strategy, and business policy cases. Occasional lectures will be given to elaborate on key theoretical models and frameworks or to reinforce crucial concepts. These lectures, however, will be subordinate to the case analysis. Cases provide a natural "test-bed" for theory and provide vivid examples that aid memory of concepts. While nothing can surpass first hand personal industry and managerial experience as a basis for analysis and decision-making, case analysis is an indispensable proxy for the kind of knowledge that can only be gained through years of experience and research. A mix of old and new business cases has been selected on a range of companies from a variety of industry settings. Each case is intended to teach us something specific, yet each can teach many things. We will not attempt to exhaust each case of all its learning experiences, but rather build up a "war chest" of analytical tools, skills and insights, progressively over all the selected cases.

There are other reasons for employing the case discussion method of instruction. First, it allows you to develop skills at problem definition in addition to problem solving. Cases typically do not have an obvious set of tasks whose performance will lead to mastery. Rather, they force you to sift through a mass of information, some of it irrelevant or contradictory, in order to identify the important or strategic issues. Second, the case method gives you a chance to deal with ambiguity. Most cases do not have obvious "right" answers. Managers must be able to function in situations where the right answer is not known, without falling into the trap of assuming that any answer is as

good as another. Some analyses and proposed strategies are clearly wrong, and some are clearly better than others. A popular phrase in case analysis classes is "**There are no right answers, but there are wrong answers.**" Case discussion techniques provide a chance to learn the *meaning* of analytical rigor in situations other than open-and-shut problems.

These rationales are offered because the case method is unfamiliar to most of you and frequently causes initial confusion. There will be many times when we, as your instructors, will not reveal our own opinions about a particular issue, and there will be cases which will not end up neatly packaged with an "answer." You may discover that your preparation "misses" key points of a case, especially at first. This is a normal part of the learning experience.

While we will direct class discussions, the quality of your learning experience will be directly determined by: (1) your degree of preparation, active listening, and participation, and (2) your classmates' preparation, listening, and participation. Some will not agree with you, and you may be asked to defend your argument or change your mind. So long as criticism is directed at arguments and not at individuals, is relevant to the issues at hand and coherently argued, it is very much welcomed.

### **Case Preparation**

Because this course relies heavily on case material, extensive **before class** preparation and **in class** participation are required to ensure the class' success. (1) **Preparation for a case discussion** should begin with a rapid reading of the assigned case and other materials. (2) Then, it is worthwhile to review the discussion questions provided for clues as to what issues require special attention. (3) The next step is normally to re-read the case carefully, taking notes which sort information, facts, and observations under a number of relevant headings. Try to formulate theories or hypotheses about what is going on as you read ("the company loses money on small orders"), modifying or rejecting them as new information surfaces ("Table 2 shows that shipping costs per unit are higher for small orders, but only for long-distance shipments"). Push yourself to reach definitive conclusions before you come to class. (4) You should perform quantitative analyses, "crunching" whatever numbers are available. It is also very important to provide quantitative support wherever possible, particularly when exploring various hypotheses as to the nature and importance of certain phenomena. (If the requisite data are not available in the case, a precise description of what data are missing often triggers ideas for making creative use of the information that is available.) It is usually worthwhile to identify trends in the firm or industry, preferably with a quantitative measurement. Some of these trends, often very important ones, will not be flagged in the text of the case. (5) Finally, preparation will include notes that can be used to guide your interventions in class discussions.

You will probably want to, and are strongly encouraged to, form **study groups** that will meet regularly to share insights and ideas about the assigned cases. While this is, of course, voluntary, past experience has shown that satisfactory performance in this course, and a good grade, depend on it.

## EVALUATION / Grading

This is a graded course. Each module is weighted as indicated in the table below, and each faculty member will determine the grading method for his or her module by considering class participation, individual and/or group assignments, etc. There will also be a final group presentation that incorporates the various concepts and skills from the course. The final grade will be determined on the basis of the student's cumulative score in all the modules plus the final presentation.

Course grades will be determined by students' relative performance on the following course components/modules:

Business Strategy	16.65%
Financial and Managerial Accounting	20.0%
Business Marketing	20.0%
Business Finance	13.35%
Operations	13.35%
High Performance Organizations	16.65%

### **Attendance Policy**

Class attendance is absolutely essential. Very few class meetings are devoted to each subject area covered in the course. Also, a significant portion of learning in this class involves case studies and in-class discussion. Absences will reduce the student's participation grade, no questions asked, no excuses of any kind accepted. Students with an excessive number of absences are at risk of failing the course. Habitual lateness and leaving class early, for whatever reason, will be noted as evidence of low course commitment and penalized.

### **Class Contribution / Participation**

Your overall commitment and attitude toward this course and your daily active *verbal* participation in case discussions will be closely monitored. In grading class participation, we will look at both the quantity and quality of your class contributions/interventions. Class participation is obviously a function of preparation, skills, attitude, and a willingness to actively commit yourself in front of your instructor and colleagues. A classroom is a cost-free environment for experimenting and learning to "play the game." Make use of it. Shyness is no excuse.

With regard to quality, the dimensions that we look for include:

*Relevance* -- does the comment bear on the subject at hand? Comments that do not link up with what the discussion is focusing on can actually detract from the learning experience.

*Causal Linkage* -- are the logical antecedents or consequences of a particular argument traced out? Comments that push the implications of a fact or idea as far as possible are generally superior.

*Responsiveness* -- does the comment react in an important way to what someone else has said?

*Analysis* -- is the reasoning employed consistent and logical?

*Evidence* -- have data from the case, from personal experience, from general knowledge been employed to support the assertions made?

*Importance* -- does the contribution further our understanding of the issues at hand? Is a connection made with other cases we have analyzed?

*Clarity* -- is the comment succinct and understandable? Does it stick to the subject or does it wander?

It is expected that you will make brief notes or outlines -- identify critical problems, "crank-all-the-numbers," do the financials, generate alternative recommended courses of action, and generate ideas about how to implement them. You should rely on these notes when contributing to the class discussion.

All students will be formally called on, *at random*, to take the lead in various aspects of class discussions at least once or twice during the semester. If the student called upon is not present, is late, or is not sufficiently prepared to make a substantial contribution to the class discussion, he/she will lose points for class contribution. If the student makes helpful comments, he/she will accumulate points for class contribution. Since it is unlikely that there will be enough opportunities to call on each student more than once or twice, be warned that failure to be thoroughly prepared, on all occasions, can be devastating to your overall grade.

Each student will receive a score for participation at the end of each case discussion session. The simple recitation of facts from the case will receive some credit toward the student's class contribution score. Comments that do more than simply recite case facts, however, will receive substantially more credit. For instance, comments that provide synthesis or raise counterintuitive points, will add much more to a student's class contribution score. Students who make no contributions will receive no credit. Comments that contain factual misstatements, demonstrate lack of adequate preparation, or are distracting because they come too late in the discussion, will be penalized. Attempts to dominate class discussion rarely result in consistent and significant contributions.

### **Unannounced Quizzes**

Short unannounced quizzes may be given at any time during the course to test the level of student preparation for case discussions. Multiple choice and short answer questions may be given at the beginning of classes where a case is assigned for class discussion. No make-up opportunities will be given to students who are absent or late. Student performance on these pop-quizzes will be used to determine a student's participation grade.

### **Return of Assignments**

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

## COURSE MATERIAL

**Specific readings for each class session are noted in the syllabus for each component.** The majority of assigned readings and cases for this course will be provided in the course reader available through the USC Bookstore. When necessary, your instructor may distribute additional materials in class, on Blackboard, or by e-mail.

**Required Text:** Course Reader available in hard copy from the USC Bookstore and in both digital and print versions at <http://www.xanedu.com>.

**Recommended Text:**

Hitt, Michael A., R. Duane Ireland, and Robert E. Hoskisson [**H.I.H.**]. *Strategic Management: Competitiveness and Globalization - Concepts*, Cincinnati, OH: Southwestern College Publishing, 6th edition, 2005.

This is an excellent text to use as reference during the course. However, it is **NOT REQUIRED**. It provides students with definitions of key terms, detailed descriptions of conceptual frameworks, and very useful guidelines for undertaking various aspects of strategic analysis. You should use this book to help you fill in gaps in your understanding, add to your strategic analysis tools and "box of tricks", and reinforce your skills. It is not, however, a precise template for how we want you to analyze cases.

## TECHNOLOGY POLICY

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

## COURSE COMMUNICATION: BLACKBOARD COURSE MANAGEMENT SYSTEM

We have created the course on the Blackboard course management system ([blackboard.usc.edu](http://blackboard.usc.edu)) as a repository for course materials, announcements and other course related information. You should begin the habit of checking the course site on a very regular basis. Additional course lecture notes/materials, further details on quantitative assignments and position outlines (where appropriate), and general course announcements, will be posted to the course website throughout the semester. Information on accessing this course site will be provided in the course binder.

If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* <http://emergency.usc.edu/> will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.



## ACADEMIC INTEGRITY and CONDUCT

The following information on academic integrity, dishonesty, and the grading standard are placed here at the recommendation of the Marshall School of Business and are taken from the Marshall *Faculty Handbook*. Additional statements about academic integrity may be found in *SCampus* handbook available at the Topping Student Center and online at <http://scampus.usc.edu/>.

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

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

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

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

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* <http://equity.usc.edu/> or to the *Department of Public Safety* <http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us>. This is important for the safety of the whole USC community. Another member

of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report or can initiate the report on behalf of another person. *The Center for Women and Men* <http://www.usc.edu/student-affairs/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage <https://sarc.usc.edu/reporting-options/> describes reporting options and other resources.

## **STUDENTS WITH DISABILITIES**

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the term as possible. DSP is located in GFS 120 and is open 8:30 a.m. – 5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: [ability@usc.edu](mailto:ability@usc.edu).

## **OTHER USC INFORMATION**

USC Information Line (213) 740-2311 or listen to 91.5 KUSC Radio  
To report USC Emergencies: (213) 740-4321  
USC Emergency Information Hotline (213) 740-9233

## **Participation Behavioral Anchor Rating Scale**

### **Excellent Performance**

- Initiates information relative to topics discussed
- Accurately exhibits knowledge of assignment content
- Clarifies points that others may not understand
- Shares personal experiences or opinions related to topic
- Offers relevant / succinct input to class
- Actively participates in simulations and class exercises
- Demonstrates ability to apply, analyze, evaluate & synthesize course material.
- Demonstrates willingness to attempt to answer unpopular questions
- Builds on other students contributions

### **Good Performance**

- Regularly participates in discussions
- Shares relevant information
- Gives feedback to classroom discussions
- Consistently demonstrates knowledge of reading assignments
- Demonstrates ability to analyze / apply course material
- Demonstrates willingness to attempt to answer questions

### **Fair / Average Performance**

- Participates in group discussions when asked
- Demonstrates knowledge of course material
- Offers clear, concise, “good” information on class assignments
- Offers input, but tends to reiterate the intuitive
- Attends class regularly

### **Poor Performance**

- Occasional input, often irrelevant, unrelated to topic
- Reluctant to share information
- Not following the flow of ideas
- Personal applications only
- Drains energy from the class

### **Unacceptable Performance**

- Fails to participate even when specifically asked
- Gives no input to discussions
- Does not demonstrate knowledge of the readings
- Shows up to class: does nothing
- Distracts group / class
- Irrelevant discussion

## GSBA 520: Business Fundamentals for Non-Business Professionals

### Schedule of Class Meetings Spring 2016

*All assignments should be submitted per syllabus specifications.  
Assignments listed below are subject to change. Students should verify with individual faculty members as needed.*

Due Date	Location	Assignment	Faculty	Description
<b>Week 1</b> 1/12	Classroom 6:30 p.m.-9:30 p.m.	Business Strategy Readings and paper	Terance Wolfe	Complete readings prior to class (see Strategy syllabus for questions.)
<b>Week 2</b> 1/19	Classroom 6:30 p.m.-9:30 p.m.	Business Strategy Readings and paper	Terance Wolfe	Complete paper prior to class (see Strategy syllabus for questions).
<b>Week 3</b> 1/26	Classroom 6:30 p.m.-9:30 p.m.	Marketing Case notes/analysis	Dennis Rook	See Marketing syllabus for questions.
<b>Week 4</b> 2/02	Classroom 6:30 p.m.-9:30 p.m.	Marketing Case notes/analysis	Dennis Rook	See Marketing syllabus for questions.
<b>Week 5</b> 2/09	Classroom 6:30 p.m.-9:30 p.m.	Marketing Case notes/analysis	Dennis Rook	See Marketing syllabus for questions. Exam taken during class.
<b>Week 6</b> 2/16	Classroom 6:30 p.m.-9:30 p.m.	Accounting Homework Set #1	Merle Hopkins	Problem Set to be distributed at the end of Week 7 class
<b>Week 7</b> 2/23	Classroom 6:30 p.m.-9:30 p.m.	Accounting Homework Set #1	Merle Hopkins	Problem Set to be collected at start of Week 10 class
<b>Week 8</b> 3/01	Classroom 6:30 p.m.-9:30 p.m.	Operations Case notes/analysis	Sriram Dasu	Posted on Blackboard.
<b>Week 9</b> 3/08	Classroom 6:30 p.m.-9:30 p.m.	Operations Quiz	Sriram Dasu	Exam taken during class.
<b>Week 10</b> 3/22	Classroom 6:30 p.m.-9:30 p.m.	Accounting Homework Set #2	Merle Hopkins	Problem Set due at the beginning of this class. Accounting Exam will be written in the last half of this class.
<b>Week 11</b> 3/29	Classroom 6:30 p.m.-9:30 p.m.	Finance Problem Set #1	Merle Hopkins	Problem Set to be distributed at the end of this class.
<b>Week 12</b> 4/05	Classroom 6:30 p.m.-9:30 p.m.	Finance Final Exam	Merle Hopkins	Problem Set due at the start of this class. Finance Final Exam will be written in the last half of this class.
<b>Week 13</b> 4/12	Classroom 6:30 p.m.-9:30 p.m.	High Performance Organizations Case notes/analyses	Terance Wolfe	Complete prior to class, (see Organizations syllabus for questions).
<b>Week 14</b> 4/19	Classroom 6:30 p.m.-9:30 p.m.	High Performance Organizations Case notes/analyses	Terance Wolfe	Complete prior to class (see Organizations syllabus for questions).
<b>Week 15</b> 4/26	ELC 6:30 p.m.-9:30 p.m.	Final case	Terance Wolfe	Case will be conducted in the 3 <sup>rd</sup> floor Experiential Learning Center in JKP

## BUSINESS STRATEGY

**Instructor:** Terry Wolfe, PhD  
**Office:** Bridge Hall 307-F  
**Office Hours:** Before and after class **and** by appointment  
**Phone:** (213) 740-0765  
**Email:** [terancew@marshall.usc.edu](mailto:terancew@marshall.usc.edu)

**Introduction and Course Objectives:** The focus of the **strategy portion of the GSBA 520 course** is to communicate concepts and develop skills for formulating strategy. Although strategy is often thought of in terms of business, it has relevance for helping all types of organizations succeed: business, government, not-for-profit, non-governmental, etc.

Organizations often fail for one of two reasons. First, they have no strategy whatsoever. Second, organizational leaders often become seduced by trendy and elaborate strategy techniques without understanding what these are and whether or how they relate to their own organization. The common denominator is a lack of understanding, and mastery, of the fundamentals.

Class time will be devoted to:

- a. Lectures. Lectures supplement readings and elaborate on key concepts and frameworks.
- b. Cases. Part of our class time will be devoted to the analysis and discussion of selected cases.

The case discussion method of instruction:

- a. Allows you to develop skills at problem definition in addition to problem solving. Cases force you to sift through a mass of information, some of it irrelevant or contradictory, in order to identify the important or strategic issues.
- b. The case method gives you a chance to deal with ambiguity. Most cases do not have obvious “right” answers. Managers must be able to function in situations where the right answer is not known.

While class discussions will be directed, the quality of your learning experience will be significantly determined by: (1) your degree of preparation, active listening, and participation, and (2) your classmates’ preparation, listening, and participation. Some will not agree with you, and you may be asked to defend your argument or change your mind. So long as criticism is (a) directed at arguments and not at individuals, and (b) relevant to the issues at hand and coherently argued, it is very much welcomed.

**Learning Objectives:** The objectives for the strategy module are to strengthen your ability to assess and formulate strategy in organizations. This course will help you develop the following:

- Global Objectives
  - Understand theories and methods for analyzing and developing strategy.
  - Develop the ability to critically evaluate cases: to analyze case facts using appropriate tools/frameworks, to identify key underlying issues, and to formulate congruent recommendations.
- Detailed Objectives
  - Developing critical thinking skills related to strategy.
  - Master a set of tools/frameworks/concepts, such as: “generic” business strategies, environmental analysis (PESTLE), five forces, value chain, resources and capabilities, competitive advantage, threats to sustainability.
  - Recognize the various interconnections that exist within organizations.
  - Learn to anticipate sources that undermine long term competitive advantage.

**Required Materials:** The course reader includes cases and readings for each class session.

**Course Notes:** Copies of lecture slides and other class information will be available on BB.

**Expectations:** To achieve the objectives of the course, class may include any one or more of the following: case discussions, lectures, experiential applied case exercises, and/or group presentations. Be sure to take adequate notes. You will need to draw upon your lessons learned from lectures and case discussion for later session case analyses and the final applied case on the last class day.

You are expected to read all of the material assigned from the course reader prior to coming to class. Further, you are to be prepared to present your analyses of all exercises, cases, and readings assigned for each class session. You may be called on to either orally present your analysis or opinions to the class or to lead a discussion in class. As you will not know when you will be asked to participate, be prepared at all times. Be prepared to discuss the materials assigned and answer specific questions proposed by each other as well as by the instructor.

As much of what we do involves your participation, your attendance in class during lectures and exercises, and case and readings analyses is very important.

**Written Assignments:**

You are required to complete two written assignments (for the combined Strategy and High Performing Organizations portions of this course), and one in-class quiz. Each written assignment will focus on a case. Assignments require the application of particular analytical tools or models to a case. Assignments will typically consist of answering specific questions, and more importantly, providing your analysis and supporting logic for those answers.

Specific instructions for each written assignment are presented in the detailed information for the class sessions.

Policies for Written Assignments:

1. ***Deadlines are important. Papers not turned in on time are penalized.\****

**Note: I use the “no problem” policy for Written Assignments handed in late.**

This policy is: I have no problem accepting assignments late – so long as you have no problem with the fact that I will automatically deduct 25% of the total value (e.g., a paper that would have been 10 will be 7.5)

2. ***The written portion of assignments (excluding any use of an appendix) must be no longer than the specified maximum. Submit papers in 12-point font with one-inch margins around the page.***

**Overall Evaluation:** Overall evaluation for the Strategy (sessions 1 & 2) and High Performance Organization (sessions 13-15) portion of GSBA 520 will be based on the following components. The proportion of the course grade is indicated for each component.

<b><u>Criterion</u></b>	<b><u>Weight</u></b>
1. Participation/contribution to class learning (5 sessions total)	15%
2. Written papers (2 total, 35% each)	70%
a. One written case analysis from the strategy portion (Session 2: Wal*Mart)	
b. One written case analysis from the HiPO portion (Session 13: Erik Peterson at Biometra)	
3. In-class Quiz (final class session); application of ethics Framework to in-class simulation discussion	15%
	<b>Total</b>
	100%

*Final grading is in accordance with the policies of the Marshall School of Business. Your individual grade will depend on your own performance in comparison to the performance of your peers.*

**Evaluation of Your Work:** You may regard each of your submissions as an “exam” in which you apply what you’ve learned according to the assignment. I will do my best to make my expectations for the various assignments clear and to evaluate them as fairly and objectively as I can. If, however, you feel that an error has occurred in the grading of any assignment, you may, within one week of the date the assignment is returned to you, write me a memo in which you request that I re-evaluate the assignment. Attach the original assignment to the memo, and explain fully and carefully why you think the assignment should be re-graded. Be aware that the re-evaluation process can result in three types of grade adjustments: positive, none, or negative.

## ***Strategy - Session 1: What is Strategy? An Overview of Key Concepts***

### ***Session 1-A: (first ½ of class)***

Readings (to be completed prior to class):

- “What is Strategy?” Michael Porter, *Harvard Business Review*, Reprint #96608, 11/1/96, 21 pages.
- “The Five Competitive Forces That Shape Strategy,” Michael Porter, *Harvard Business Review*, Reprint #R0801E, 1/1/08. 19 pages.
- You can access Porter’s Generic Strategies on-line at the following link:  
[www.mindtools.com](http://www.mindtools.com)  
[https://www.mindtools.com/pages/article/newSTR\\_82.htm](https://www.mindtools.com/pages/article/newSTR_82.htm)

Activity:

Lecture designed to supplement information in the readings. Additional frameworks, concepts will be presented in the lecture. This lecture should provide you with the “fundamentals” of strategy that will enable you to analyze the cases that follow.

### ***Session 1-B: (second ½ of class)***

Case: **LEGO**. Jan Rivkin, Stefan Thomke, Daniela Beyersdorfer, HBS Case #9-613-004, July 7, 2012, 23 pages.

Objectives: Understand how an iconic company grew, declined, and grew again under changing market and industry conditions: Study competitive strategy, product differentiation and the importance of branding using 5-forces, PESTLE, and SWOT analyses. How can firms position themselves for superior performance under adverse conditions?

Class discussion questions:

1. What is the LEGO group mission?
2. What are the forces in the macro-environment that are driving the need for change?
3. How would you profile the industry structure of the “construction toy” industry using Porter’s Five Forces Model?
4. What is LEGO’s generic competitive strategy?
5. What do you see as LEGO’s strengths, weaknesses, opportunities and threats (SWOT)?



## ***Strategy - Session 2: Generic competitive strategy, core competencies, competitive advantage, and the Internal Value Chain***

### ***Session 2-A***

Readings (to be completed prior to class):

- “Why do Strategies Fail: Advanced Competitive Strategy, Module note for students,” Jan Rivkin, Harvard Business School, 9-706-433, 12/20/05 revised 2/27/06, 11 pages.
- *Competitive Advantage: The Value Chain and Your P&L*, Joan Magretta, Harvard Business Review Press, #8890BC, 12/16/11, 32 pages.

Activity: Brief class discussion of the articles, followed by case analysis and discussion.

### ***Session 2-B***

**Prepare a one-page write up answering the questions below (single-spaced, one-inch margins, 12 point font). Put your name and date at the top (I’ll know the course and case!) If you go a sentence or two past one page, that’s okay, but please no more.**

- 1) Which of Porter’s “generic” competitive strategies is Wal\*Mart pursuing? Why?***
- 2) Historically, what has been Wal\*Mart’s key sources of competitive advantage in discount retailing? How has Wal\*Mart operated differently from its rivals?***
- 3) How do you explain Wal\*Mart’s extraordinary performance in discount retailing? Break down Wal\*Mart’s competitive advantage in discount retailing? (Be specific.)***

**Case: WAL\*MART STORES, INC.** HBS case 9-794-024-PDF-ENG, 1/20/94 revised 11/6/02, 22 pages.

**Objectives**: The Wal\*Mart case focuses on the evolution of Wal\*Mart’s remarkably successful discount operations and briefly describes Wal\*Mart’s attempt to diversify out of its increasingly saturated base business. From its inception to the time period of the case (1993), Wal\*Mart created an astonishing \$60 billion of market value. How do we understand Sam Walton’s and Wal\*Mart’s phenomenal success? Sam Walton entered the discount retailing industry at a time when many historical competitors were being forced out of the market. So it is hard to argue that success is the result of luck. How did Walton’s vision, Wal\*Mart’s competitive strategy, and its internal policies create such success.

# MARKETING MANANGEMENT

**Instructor:** Dr. Dennis W. Rook  
**Office:** Accounting 234-C  
**Office Hours:** Tuesday 5:00-6:20 p.m. or by appointment  
**Office Phone:** (213) 740-5030  
**E-mail:** [dennis.rook@marshall.usc.edu](mailto:dennis.rook@marshall.usc.edu)

## **Overview:**

Marketing management is the business function that centers around (1) the analysis of the competition, consumer, and marketplace trends, (2) the subsequent design of a strategic direction that deals with the opportunities and threats discovered in the analysis, and (3) the deployment of marketing resources to introduce, price and promote new and improved products and services. The domain of “marketing” is commonly summarized with the mnemonic term “3 Cs and the 4Ps.” The 3Cs comprise the foundations of marketing analyses: the Company, its Competition and the Consumer. The 4 Ps denote the key dimensions of a marketing plan: the Product, its Pricing, Promotion and Placement, or distribution.

Readings and Harvard Business School cases have been selected to introduce the student to marketing analysis, strategy and planning. Class sessions will elaborate this material and also rely on minicases drawn from the instructor’s professional experiences. Please note the discussion questions that accompany the Harvard cases. All other aspects of the class will conform to the master GSBA 520 syllabus. Students’ grades in the Marketing module of GSBA 520 will be based on an exam administered in class during Session 3.

## ***Marketing - Session 1***

### ***Introduction to Marketing Management***

### ***Marketing Innovation Alternatives & Strategies***

### ***Marketing Analyses: Understanding Customers & Markets***

#### **Readings:**

1. “Broadening the Concept of Marketing,” Philip Kotler and Sidney J. Levy, *Journal of Marketing*, 33, January 1969, 10-15.
2. “Eager Sellers, and Stony Buyers,” John T. Gourville, *Harvard Business Review*, June 2006, 99-106. (Reprint R0606F)

**Case:** “Kao Corporation” (1994), Harvard Business School Case, #9-591-012, Rev. November 4, 1994.

*See the Case Preparation Guidelines on the next page.*

---

## ***Case Preparation Guidelines: Kao Corporation***

### ***Case Overview***

In 1985, Kao Corporation, a major Japanese marketer of detergents and personal care products, learned that P&G was about to re-launch an improved version of its “Pampers” brand in Japan. P&G’s initial entrance into the Japanese disposable diaper market encountered numerous problems. The new, improved “Pampers” had innovative features, and when tested in use, was found to be superior to Kao’s flagship brand, “Merries.” What lessons did P&G learn?

### ***Discussion Questions***

1. Why did P&G’s initial attempt to enter the Japanese diaper market fail?
2. What marketing plan modifications did P&G have to make for the Japanese market?
3. How are Japanese consumers and marketing practices different from their counterparts in the U.S.?
4. How is diaper consumer behavior different in Japan vs. in the U.S.?
5. What factors tend to discourage Japanese women from switching from cloth to disposable diapers?
6. What can P&G do to reduce these consumption barriers, and what factors are beyond their control?

## ***Marketing - Session 2***

### ***Designing Marketing Strategy: Market Segmentation, Target Selection and Product/Brand Positioning***

#### **Readings**

1. “Note on Marketing Strategy,” Robert J. Dolan, Harvard Business School, #9-598-061, Rev. November 1, 2000
2. “Market Segmentation, Target Market Selection, and Positioning,” Miklos Sarvary and Anita Elberse, Harvard Business School, #9-506-019, Rev. April 17, 2006
3. “Note on Innovation Diffusion: Rogers’ Five Factors,” John T. Gourville, Harvard Business School, #9-505-075, Rev. April 17, 2006

**Case:** “Changing Light Bulbs (B): Philips Earth Light,” Paul W. Farris. Darden Case #UVA-M-0822, Sept. 9, 2011

*See the Case Preparation Guidelines on the next page.*

---

### ***Case Preparation Guidelines: Changing Light Bulbs: Philips Earth Light***

#### ***Case Overview***

The light bulb industry has been experiencing fairly dramatic technological shifts in recent years. One prominent innovation is the development of the compact fluorescent light (CFL) bulb, which has achieved substantial penetration of the commercial segment, but thus far fared poorly in the residential market. Philips hopes its substantial bet that CFL bulbs will replace the traditional incandescent bulb, and not only reap handsome profits, but also help them steal market share in the US from GE, the dominant light bulb market leader.

#### ***Discussion Questions***

1. What are the economic, psychological and social benefits of CFL light bulbs?
2. What explains the rapid adoption of CFL bulbs in the commercial lighting segment?
3. Why has the CFL bulb largely failed to penetrate the residential lighting market?
4. What marketing message or other initiative could Philips use to improve its situation in the residential market?
5. CFL residential market penetration in the US is only 6%, but it is 80% in Japan and 50% in Germany. Do you have any thoughts about why this would be the case?

### ***Marketing - Session 3***

#### ***Integrating the Marketing Plan The “4 Ps” and Beyond***

***In-Class Mini-Exam*** (short-answer, multiple-choice, T/F)

#### **Readings:**

1. “Why We’re Losing the War Against Obesity,” Louise Witt, *American Demographics*, December 2003/January 2004, 27-31.
2. “The World Is Fat,” *The Economist*, December 14, 2012, p. 32.
3. “Why More Extreme Foods Are Creeping onto Menus,” *Bloomberg Businessweek*, April 22-28, 2013, 19-21.
4. “You Barf You Lose,” *Bloomberg Businessweek*, July 4-10, 2011, 89-91.
5. “Promoting Nutrition, Disney to Restrict Junk-Food Ads,” *New York Times* online, June 5, 2012.

---

#### ***Discussion Questions***

1. How significant is the “overweight” population in the U.S., and what factors contribute to its growth?
2. What are the consequences of unprecedented levels of obesity?
3. In your opinion what diet products and service work...and don’t...and why?
4. If you were in charge of new product development at company in the diet industry, what new product or service offering would you recommend? Who is your customer target with respect to their demographic, psychographic and product usage characteristics?

## ACCOUNTING I, II & III

**Instructor:** Dr. Merle Hopkins  
Professor of Clinical Accounting  
Leventhal School of Accounting

**Office:** Accounting B4a

**Telephone:** (213) 740-4857

**Email:** [mwh@marshall.usc.edu](mailto:mwh@marshall.usc.edu)

**Fax:** 213-747-2815

**Office Hours:** By appointment to better accommodate your schedules

**Readings:** (included in the course reader)

**Financial Accounting:** (Sessions 1 and 2)

“Introduction to Financial Accounting” (54 pp) [a portion of my Study Guide will be available in Blackboard as a word document]

**Management Accounting:** (Session 3)

“Introduction to Management Accounting and Cost-Volume-Profit Analysis” (15 pp)  
“An Introduction to Activity-Based Costing” (4 pp)

### **Learning Objectives:**

***Financial Accounting:***

Skill in reading financial statements will be invaluable throughout your career, in analyzing business opportunities, assessing financial risks, and communicating your ideas with others. While the information needs of various stakeholders (investors, lenders, creditors, employees, etc.) differ widely, one of the most important and conventional tools in this financial reporting process include financial statements prepared according to generally accepted accounting principles (GAAP). Despite some important limitations, these financial statements summarize financial performance and present information on the current financial condition of the company.

This course introduces the managers to how financial data are generated and reported, as well as how they are used for decision-making, analysis, and valuation. Understanding the financial statements will enhance your ability to communicate information in the financial accounting medium and make management decisions promoting the long-term financial viability of your organization.

***Management Accounting:***

In this area of accounting, managers’ skills are developed to achieve better business decisions through the use of internal accounting information. These skills will enhance your capability of progressing into senior management positions [or becoming a better entrepreneur].

### **Problem Sets and Assignments**

Each student is strongly urged to study the readings noted in the syllabus. One problem set will be distributed at the end of the second financial Accounting class and will be due at the start of the third [last] Financial Accounting class. Additional material and other communications may be offered via Blackboard.

## **Class Participation**

Class participation is strongly encouraged. Demonstrating knowledge of course material through in-class participation may be a factor in assigning final grades to students in borderline cases. And finally, students are expected to stay abreast of current issues in finance. This is best accomplished by obtaining access to a daily business periodical.

## **Working in Groups**

You may wish to create informal groups to discuss class topics and/or homework assignments. This can be very helpful for the learning that will need to occur.

## **The Exam**

The Accounting Exam will be written in-class in the last Accounting class. If any additional information is necessary, it will be attached to the exam. Students are strongly urged to use calculators in the exam; however, credit will not be given without work being shown.

The exam will be made up of problems/exercises of a computational nature. Your preparation on a daily basis throughout this class should enable you to complete the exam in the time allotted. You will be expected to have learned the material thoroughly enough to efficiently adapt to different assumptions or formats.

## **Grading and Incompletes**

Points will be allocated as follows:

In-Class Exam	60 points
<u>Problem Set</u>	<u>40 points</u>
Total Points	100 points

In general, incompletes are not granted and make-up exams are not given. (Any unavoidable problems require contacting the professor before the exam). Untaken exams are recorded as a zero. Any incidence of cheating will be dealt with according to University policy.

Success is available to all in this course.

Earn it!

## ***Accounting I: Financial Accounting: Basic Financial Statements***

### **Learning Objectives:**

The purpose of this session is to develop your skills related to the structure of the three primary financial statements. An important part of your skill-building comes from basic terminology and some important principles used in financial accounting / financial statements.

### **Topics:**

- Balance Sheets
- Income Statements
- Statements of Cash Flows
- Financial Statement Elements
- Revenue Recognition
- Conservatism
- Matching Principle
- Accrual vs. Cash Basis

**Readings:** Skim the pages from my Introduction to Financial Accounting.

### **Questions To Consider While Reading:**

1. What is the balance sheet's role among the three major financial statements?
2. Most assets are valued at their historic cost. Some users contend this is the biggest weakness of this financial statement, while others contend this is the biggest advantage. Can you explain how the use of historic cost can be seen as a negative by some and as a positive by others?
3. Stockholders' equity can be referred to as 'net assets'. Explain this.
4. Does the purchase of gasoline using a credit card represent an expense that would appear in an income statement for the current period?
5. Explain the difference between an asset and an expense.
6. Can you explain why the accrual basis of accounting is preferred for most purposes in the preparation of financial statements?
7. Should revenues be recognized when the cash is collected or the earning process is concluded?
8. In which section of the statement of cash flows would you place the proceeds from the sale of land [by a consulting firm]?
9. In which section of the statement of cash flows would you place the proceeds from the sale of land [by a real estate development firm]?
10. In which section of a statement of cash flows is it most desirable to have a positive cash flow: operating, investing or financing? Why?

## ***Accounting II: Financial Accounting: Receivables, Inventories, Investments and Property, Plant & Equipment***

### **Learning Objectives:**

The purpose of this session is to develop your skills related to the following topics that are important in financial accounting / financial statements.

### **Topics:**

- Impacts on the three major financial statements [B/S, I/S, \$F]
- Inventory Methods
- Investment Portfolios
- Cost and Equity Methods
- Depreciation methods and their impacts on the financial statement

### **Readings:**

Skim again through my Introduction to Financial Accounting

### **Questions to Consider while Reading:**

1. Cash basis financial statements do not contain accounts receivable. Why?
2. Why are accountants concerned about the economic consequences of the financial statements that are published?
3. Should revenues be recognized when the cash is collected or the sale is concluded?
4. What costs should be considered as inventory costs when the inventory is acquired for resale?
5. Inventory management has to do with how inventory is ordered and maintained. Inventory methods have to do with the financial statement implications of the various acceptable accounting methods. Lower-of-cost-or-market is frequently used for financial statement purposes. Is this approach conservative or liberal [in the accounting sense]?
6. Depreciation is recorded on PPE even though the asset might be appreciating. Please explain the financial statement logic for doing this.

The Problem Set will due at the beginning of Accounting Session 3.



## ***Accounting III: Management Accounting: Introduction, Cost-Volume-Profit Analysis and Activity Based Costing***

### **Learning Objectives:**

The purpose of this session is to develop your skills related to the following topics that are important in managing an organization.

### **Topics:**

- Purpose of management accounting
- Cost-Volume-Profit relationships: tools for planning profits
- Activity Based Costing: an opportunity to improve an entity

### **Readings:**

Read through the materials available to you in Blackboard

An Introduction to Management Accounting and Cost-Volume-Profit Analysis

An Introduction to Activity-Based Costing.

### **Questions to Consider while Reading:**

1. Why does management accounting have so different a focus compared to its financial accounting 'cousin'?
2. Can you think of a firm who under-prices or over-prices goods and/or services? Can you think of what caused this situation?
3. Why is it important that managers be able to communicate in a cost-volume profit framework?
4. Why is the concept of 'contribution margin' an essential component in the manager's approach to managing a business?
5. Can you describe the link between budgeting and planning?

### **In-Class Exam:**

The Exam will be in-class and will be administered in the last half of the third Accounting class.

# OPERATIONS MANAGEMENT

**Instructor:** Professor Sriram Dasu  
**Office:** Bridge 401U  
**Telephone:** (213) 740-3681  
**Fax:** (213) 740-0173

The field of operations management is concerned with the design, operation, and improvement of the productive system that creates the firm's products and services. In essence we are concerned with *how work gets done*. This entails management of people, equipment, materials and *processes*. The design and operation of the productive system determines how the business strategy is implemented and value is created.

Sound and creative *operations* management is a major competitive advantage. It is not hard to find industries where some firms are growing and prospering while others are entering bankruptcy. Many differences can separate winners from losers, but usually the way *operations* are managed is one of them. Indeed it is rare to find a successful firm that is not managing its *operations* to provide a high quality product or service at a reasonable cost.

Grading Scheme:

Class Participation	15 %
Porcini Case Questions	45 %
In Class Quiz	40%

Case Questions: You should turn in answers to the case questions in the second operations management session. Your answers should not exceed 3 pages. (Single spacing, 12 point font).

Quiz Format: Short answers + multiple choice questions.

## ***Operations - Session 1: Introduction to Operations***

### **Learning Objectives**

In this session we will study fundamental properties of operating systems, operational measures, and key trade-offs.

- Process Measures and Trade-offs
- Capacity and Waiting lines

### **Read before Class:**

- **“The Superefficient Company”** by M. Hammer, “Harvard Business Review,” September 2001. Reprint R0108E, (10 pages).
- **“Products, Processes and Performance.”** Ravi Anupindi, et. al., *Managing Business Process Flows: Principles of Operations Management*, 2<sup>nd</sup> ed. Prentice Hall, 1999, Chapter 1, pp. 2-17.
- **“A Note on Process Analysis,”** Sriram Dasu. (7 pages)

## *Operations - Session 2: Quality and System Design*

### **Learning Objectives**

In the second session we begin by looking at some operations models to see what makes them successful. We will use a service example to gain these insights. Service issues usually involve detailed attention to both marketing and operational aspects and the design of services necessitate an understanding of the process of service delivery. We highlight the intricate connection between service strategy and service system design for a restaurant chain.

### **Read before Class:**

**“Want to Perfect Your Company’s Service? Use Behavioral Science,”** Richard B. Chase and Sriram Dasu, “Harvard Business Review,” June 2001. Reprint R0106D. 8 pages.

### **Exercises**

**Case Reading:** “Porcini’s Pronto: Great Italian pizza without the wait,” Harvard Business School Case 4277-PDF-ENG, April 4, 2011, 12 pages.

# FINANCIAL MANAGEMENT

**Instructor:** Dr. Merle W. Hopkins  
Professor of Clinical Accounting  
Leventhal School of Accounting

**Office:** Accounting B4a [ACC B4]

**Telephone:** (213) 740-4857

**Email:** [mwh@marshall.usc.edu](mailto:mwh@marshall.usc.edu)

**Fax:** 213-747-2815

**Office Hours:** By appointment to better accommodate your schedules

## **Learning Objectives:**

Many financial decisions are based on cash flow analysis. The valuation of future cash flows, accurate cash flow forecasts, and good capital budgeting practices permit a business to pre-identify its needs and resources to obtain the most favorable terms for any desired borrowing or equity financing activities. Using the basic financial statements and other information to forecast cash flow needs is an important part of the analysis. Additionally, various management performance indicators will be identified and evaluated (ratios).

## **Topics:**

- The linkage between financial and accounting performance
- Time value of money and financial mathematics [This is not in the assigned reading. I will cover it to prepare you for this topic.]
- Forecasting capital and cash flow requirements
- Identifying and understanding value drivers

## **Materials:**

1. "Financial Management: A Primer" by Merle W. Hopkins, 2009.
2. "Introduction to Capital Budgeting" by Merle W. Hopkins, 2009.
3. "An Introduction Shareholder Value-Added Activities" by Merle W. Hopkins, 2009.

## **Problem sets and assignments**

Each student is strongly urged to study the problems noted in the syllabus; for those with less experience in finance and accounting, it would be helpful to select additional problems from the problem sections in the reading material. One problem set (noted later in the syllabus) is assigned and will be collected in the second Finance class. Additional material and other communications may be offered via Blackboard.

## **Class Participation**

Class participation is strongly encouraged. Demonstrating knowledge of course material through in-class participation may be a factor in assigning final grades to students in borderline cases. And finally, students are expected to stay abreast of current issues in finance. This is best accomplished by obtaining access to a daily business periodical.

### **Working in Groups**

You may wish to create informal groups to discuss class topics and/or homework assignments. This can be very helpful for the learning that will need to occur.

### **The Exam**

The Exam for this module will be an in-class exam administered in the last half of the second Finance class. If any additional information is necessary, it will be attached to the exam. Students are strongly urged to use calculators in the exams; however, credit will not be given without work being shown.

The exam will be made up of problems/exercises of a computational nature. Announcements will be made in the first Finance class session related to the nature of the questions/problems on the exam. Your preparation on a daily basis throughout this class should enable you to complete the exam efficiently. You will be expected to have learned the material thoroughly enough to efficiently adapt to different assumptions or formats.

### **Grading and Incompletes**

Your grade for this module will be based on points allocated as follows:

Problem Set	40 points
Final Exam	60 points
Total Points	100 points

In general, incompletes are not granted and make-up exams are not given. (Any unavoidable problems require contacting the professor before the exam). Untaken exams are recorded as a zero. Any incidence of cheating will be dealt with according to University policy.

## ***Financial Management - Session 1: Building Valuation Skills and Measuring Financial Performance***

### **Readings:**

1. "Financial Management: A Primer" by Merle W. Hopkins, 2009.
2. "Introduction to Capital Budgeting" by Merle W. Hopkins, 2009.

### **Self-Study Questions to Consider as You Skim the Assigned Materials:**

- The balance sheet model of the firm focuses us on which three important financial management activities?
- Creditors and shareholders are claimants of the current and future assets of the firm. As the enterprise becomes more successful in generating positive cash flows, which of these groups benefits first?
- Which group, creditors or shareholders, has the biggest upside potential as a result of having made an investment in the firm?
- What important information is included in the balance sheet?
- What important information is excluded from the balance sheet?
- What adjustments to balance sheet information might you consider when evaluating enterprise liquidity?

- Can you think of any important limitations when using the income statement to measure economic income?
- Financial statement analysis is subject to all of the limitations of the financial statements from which the data are drawn. Do you agree or disagree?
- How would you differentiate current assets and liabilities from non-current assets and liabilities?
- What information might be used to evaluate a manager? Identify some financial information that would be used to evaluate a manager.
- (continued on next page)
- What is meant by financial leverage?
- In class we will examine financial statement information and construct some of the common ratios in order to better understand some of the common pitfalls.

This is for your after-class consideration:

- Why is the multi-period case considerably more challenging to follow than the one-period case?
- How is an annuity different from a perpetuity?
- Comment: do not over-stress about the math.

**PROBLEM SET** - will be handed out at the end of Session 1 and will be due at the start of Session 2.

## ***Financial Management - Session 2: Capital Budgeting and Shareholder Value-Added Activities***

### **Reading:**

“An Introduction Shareholder Value-Added Activities” by Merle W. Hopkins, 2009.

### **Self-Study Questions to Consider as You Skim the Assigned Materials:**

- From a present value point of view, why is a non-interest paying bond very different than a bond that pays interest periodically?
- Why is simple interest so different than compound interest? Is the extra work to understand compound interest worth the trouble?
- Note: the net present value discussion in some texts creates the false illusion that the discount factor is really just an interest rate.
- If the cost of capital is what the owners need to earn to be appropriately rewarded, how can a firm ‘add value’ to its owners?
- What is meant by ‘risk’ in the capital budgeting environment?
- Why are options such an important topic in the environment of capital budgeting?
- Payback is a widely used capital budgeting technique. Can you name a few severe disadvantages associated with its use?
- Net present value is also a widely-used capital budgeting tool. What significant estimates need to be made when employing the NPV technique?

- The IRR causes the NPV to be zero. Where does this rate come from? Does it reflect the 'risk' of the project?
- Net present value analysis rests on estimated after-tax cash flows. Why is accounting's net income of little value in these calculations?
- When doing NPV analysis, why is it important to consider any required investment in working capital items [accounts receivable, inventory, supplies, etc]?
- Replacements of components in a project midstream poses a challenge to financial executives? Why?

**FINAL EXAM:**

The in-class Finance Final Exam will be administered in the second and final Finance class.

# HIGH PERFORMANCE ORGANIZATIONS

**Instructor:** Terry Wolfe, PhD  
**Office:** Bridge Hall 307-F  
**Office Hours:** Before and after class **and** by appointment  
**Phone:** (213) 740-0765  
**Email:** [terancew@marshall.usc.edu](mailto:terancew@marshall.usc.edu)

## **Course Description:**

The focus of the *organization portion of the GSBA 520 course* will be to study the behavior and performance of people in formal organizations. We will study issues and topics that require a knowledge of strategy, organization and behavior concepts and theory to understand, predict and influence personal, team and organizational effectiveness. To accomplish this we will look at the varied dimensions of individual, team and organizational effectiveness. We will focus on building understanding at three levels of analysis including:

- The individual including leadership and motivation,
- The group including the design and development of high performance teams, and
- The organization including the understanding of strategic organizational effectiveness and ethical principles that lead to high performance in organizations.

## **Instructional Objectives:**

Specific objectives of the course include:

1. Learn to use analytical frameworks to better identify and diagnose organization problems.
2. Learn key current organization concepts related to improving organizational performance.
3. Develop an understanding of how to lead, direct, and improve strategy implementation and individual, team and organizational performance.
4. Learn about the nature of formal organizations as systems, their design, and needs for change and alignment within their particular contexts.
5. Learn about the need for collaborative behavior and how to design and develop effective teams.
6. Learn to understand the issues involved in ethical dilemmas at work, to understand cultural and value differences, and to learn how and when to create opportunities for organizational and personal growth.

The primary objective of this part of the course is to help you learn to diagnose leadership and management situations regarding individual, team and organization performance. This includes ways to increase your understanding of personal and team member strengths and weaknesses and to build skills for effectively managing yourself, your relationships and your team. The overall goal of this portion of the course is to enable you to become a more effective organizational member in both leader and team member roles.



### **Course Materials:**

There is a course reader that includes cases and readings for each class session. There is no required course text.

### **Expectations:**

Class will include case discussions, lectures, experiential applied case exercises, role plays and other related activities.

You are expected to read all of the material assigned from the course reader prior to coming to class. Be prepared to present your analyses of all exercises, cases, and readings assigned for each class session. You may be called on to either orally present your analysis or opinions to the class or to lead a discussion in class. As you may not know when you will be asked to participate, be prepared at all times. You are expected to be prepared to discuss the materials assigned and answer specific questions proposed by each other as well as by the instructors.

As much of what we do involves your participation, your attendance in class during lectures and exercises and case and readings analyses is very important.

### **Evaluations:**

You will be expected to do the following:

#### **A. Read all materials from the course reader and be prepared for case discussion.**

From the readings, identify major concepts pertinent to individual, team, and organizational performance and develop a broad comprehension of the application of these concepts. Participate in discussions and experiences designed to link practice with theory. You will thereby develop a broader and more realistic sense of what appropriate (and inappropriate) behaviors are and how they can/should be managed/addressed.

#### **B. Participate in class discussion.**

Dialogue in this class is essential. You can make significant contributions to our learning and, thereby, assist us all in reaching the course objectives. Much of the class time will be devoted to case analysis discussions and team decision simulations.

When discussing and/or presenting a case analysis, the taking of a normative position by members of the class is encouraged. However, a warning is in order. Taking normative positions forces one to take risks and to invite challenges from the class. Let us welcome this and learn from it. Let us be bold and experiment while at the same time try to research, as far as possible, the extent to which alternatives offered may be realistically employed. Objective discussion centered on normative positions should contribute to some memorable meetings. To do so depends upon you reading the course materials with care and thinking about them. Integration of exercises, cases and readings with theory, concepts and models is mandatory.

### C. Individually analyze assigned cases.

Cases will be the basis for in-class discussions. For all cases you are encouraged to prepare a written set of bulleted notes outlining the case and responding to the case questions. *In addition, consider 4 basic questions that apply to all cases:*

- 1) What are the important / significant background factors?
- 2) What are the key issues to be addressed?
- 3) Which analytical framework(s) provide insight into the issues?
- 4) What recommendations would you make for addressing the key issues? Why?

Your case analysis should be well organized, and carefully edited and referenced (footnoted). Do not use report folders; staple your papers in the upper left corner. Evaluations of individual case assessments will be based on the breadth and depth of your analysis.

### Overall evaluation

Overall evaluation for the course (two strategy sessions; three high-performance organization sessions) will be based on the following components. The proportion of the course grade is indicated for each component.

1. Participation / contribution to class learning (5 sessions total)	15%
2. Written case analyses (2 total, 35% each)	70%
a. One written case analysis from the strategy portion (Session 2: Walmart)	
b. One written case analysis from the HiPO portion (Session 13: Compare/contrast Erik Peterson at Biometra and Zappos.com )	
3. In-class Quiz on Ethics and case simulation	15%
TOTAL	<b>100%</b>

*Final grading is in accordance with the policies of the Marshall School. Specifically, your individual grade will depend on your performance in comparison to the performance of your peers.*

**Note:** The course schedule is subject to change depending on pace of class. **It is the collective responsibility of all class members to take note of any course changes to the syllabus as well as to assist the course to move at an acceptable pace.** Please periodically check Blackboard for messages and / or presentation materials.

### Returning Student Work

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

## ***Session 13 –Leading and Motivating ‘Best Performance’***

- “Level 5 Leadership: The Triumph of Humility and Fierce Resolve”, Jim Collins, *Harvard Business Review*, July 1, 2005, HBS# R0507M, 14 pages.
- “What Makes a Leader,” Daniel Goleman, *Harvard Business Review*, 2004, HBS# R0401H.
- “Motivation: A Diagnostic Approach,” David A. Nadler & Edward E. Lawler, III, *Perspectives on Behavior in Organizations*, J. Richard Hackman, Edward E. Lawler, III, and Lyman W. Porter (eds). McGraw-Hill, 1977 or 1983.
- “One More Time: How Do You Motivate Employees,” Frederick Herzberg, *Harvard Business Review*, 1968. (Reprint R0301F published 1/1/03)
- **Case:** Erik Peterson at Biometra (A), John J. Gabarro, et. al., HBS # 9-411-031, July 28, 2010 rev August 26 2011, 13 pages.
- **Case:** Zappos.com (B): Strategy Powered by Culture and People, Oh Young Koo, INSEAD, HBS #INS26005/2014, 8 pages

*Case Preparation Questions – (Note: all articles must be read to complete case questions)*

1. *What are the underlying causes of Erik Peterson’s/Biometra’s problems? How effective has Peterson been in taking charge of the startup in terms of managing the new operation and of providing leadership?*
  2. *Based upon the readings, what would you do to turn the Biometra situation around?*
- **Write-Up:** Utilizing frameworks from the assigned readings, compare and contrast the organizational situations at Biometra and Zappos.com – your paper should not exceed 3 pages

## ***Session 14: Creating and Leading High Performance Teams***

Meet in the Experiential Learning Center, Suite 301, third floor, Popovich Hall (JKP)

- Case: BCPC Internet Strategy Team: An Exercise, Amy Edmondson, HBS case # 9-604-035, 10/03/03, 4 pages.
- Individual team role descriptions to be distributed in class.
- “Managing Your Team,” Linda A. Hill, HBS #9-494-081, rev. March 28, 1995, pp. 1-22.
- “Managing a Task Force,” James Ware, Harvard Business School note # 9-478-002, rev. April 6, 1995, 10 pages. (Suggestion: use the model from this reading to help with your case analysis)
- “The Discipline of Teams,” Jon R. Katzenbach and Douglas K. Smith, *Harvard Business Review*, March-April 1993, pp. 111-120 (Product #93207).

## ***Week 15: Ethics and Organizational Choice: Final Case***

Meet in the Experiential Learning Center, Suite 301, third floor, Popovich Hall (JKP)

- “Ethics: A Basic Framework,” Lynne Sharp Paine, HBS #307059
- In-class quiz: Application of “Ethics: A Basic Framework” to in-class case simulation