USC Marshall
School of Business

MOR 555
Designing High-Performance Organizations
Spring 2016
Wednesdays 6:30-9:30 p.m.
Section 16699R ACC 205
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Introduction

Whether you hope to run a multi-billion dollar global corporation or a unit within a large or small company, this course will help you design your organization to achieve its objectives. Across virtually every industry, managers are confronted with new conditions of rapid technological change, intense global competition, and growing demands for social responsibility. As traditional sources of competitive advantage are being eroded, *organizational effectiveness* is becoming an increasingly crucial factor in the survival and performance of organizations.

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

Learning Objectives

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

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

Learning in this course

The most valuable learning in this course will occur when you develop an *understanding of conceptual material* and then *apply* concepts effectively to real situations. While we will discuss numerous conceptual frameworks and theories, the subject matter itself is fraught with ambiguity, and using any of these concepts and theories requires considerable sensitivity to the real context. So what you learn in this course will depend on knowledge of theoretical concepts and especially application of those concepts as tools to reach deeper intuition, finer instincts, and better judgment. Therefore, to help you achieve maximum learning value, the course combines theory and application. There are two resources for the theory component—a text, Organizational Theory and Design, by Richard L. Daft (12th edition, 2016) and course readings, mostly available through USC's electronic library reserves system (ARES). The Daft text will provide wide *breadth* concerning conceptual frameworks used in organizational theory, design and change; and the selected articles will offer *depth* and *contemporary analyses* of topics of particular interest. Cases, current event readings, and guest speakers will provide an opportunity for us to *apply* the theory. Classes will include case analysis, article analysis, discussion of material from the text and current events, and speaker presentations.

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

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

Required Materials

- Organizational Theory and Design, by Richard L. Daft (12th edition, 2016);
- Course Pack, available as hard copy or electronic version from the USC Bookstore (See Appendix A for content of course pack and Appendix B for directions to purchase course pack electronically)
- USC Electronic Library, including ARES; Marshall Electronic Library; Blackboard
- Wall Street Journal and Business Press

Prerequisites Open only to graduate business majors.

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

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

Grading Summary

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

Participation	15%
Midterm Exam	20%
Unannounced Quizzes (total)	30%
Team case analysis and presentation	15%
Final examination—Individual case analysis	20%
Total	100%

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

Assignments And Grading Detail

Class participation and Commitment

Because this class is built on in-class discussion and analysis, class attendance and active participation are essential to your learning. Pre-class preparation is crucial. You should complete *all* assignments in advance, and be prepared to describe the central ideas and offer your critical analysis of readings and cases (See *Appendices C and D*). You are expected to prepare for speaker visits by doing research on their companies. This preparation will help you to ask meaningful questions and gain maximum benefit from the opportunity these visits afford. In addition, you are expected to read the business press, seeking articles pertaining to the topics covered in the course.

To encourage you to participate actively in class, ***I will cold call***, and I will grade class participation. Class participation will provide a material portion of your grade. My logic for grading class participation is quite simple: Grading of class participation motivates class participation, and having highly interactive class sessions helps the learning process. Active class participation encourages students to be well prepared and thus to become active, rather than passive, learners. Participation provides students with the opportunity to gain from the experiences and talents of everyone in the class. And class participation helps students improve their oral communication skills. This is important because research shows that people in business tend to spend very little time reading and even less time writing reports. A great deal of managers' and other professionals' interactions with others are through oral communication.

Class participation evaluations will be based primarily on the quality of the contributions to our classroom discussions. To help you understand what I am looking for regarding class participation, I have listed below some questions I will try to answer in evaluating class participation:

(1) Does the class member make points that are especially pertinent to the discussion? Do they increase the understanding of the class or are they simply a regurgitation of the problem or case facts?

(2) Is there continuity in one's contribution from what has been said previously during class, or are the comments disjointed, isolated, or tangential? The best class contributions are those that reflect not only excellent preparation, but also good listening, interpretive and integrative skills.

(3) Do the comments reflect a willingness to put forth new, challenging ideas or are they always agreeable and "safe"?

(4) Is the participant able and willing to interact with others by asking questions, providing supportive comments or challenging **constructively** what has been said?

I will evaluate participation on a scale, the end points of which can be described as follows:

Outstanding Contributor: This person's contributions reflect exceptional preparation, and the ideas offered are always substantive and provide major insights and direction for the class. If this person were not a member of the class, the quality of the discussions would be diminished significantly.

Unsatisfactory Contributor: This person may be someone who is absent from class or rarely participates in class discussion. Alternatively, this person's contribution in class reflects inadequate preparation and/or understanding. Ideas offered are not substantive and provide few, if any, insights and rarely or never a constructive direction for the class. Integrative comments and effective arguments are absent. Class comments are either obvious, isolated from the main discussion, or confusing to the class.

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

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

Midterm Examination

The midterm examination will be given electronically. However, all students will be given the exam at precisely the time indicated on the schedule, and will be required to submit the exam electronically no later than a time that will also be specified. No makeup examinations will be given and all students must take the exam and complete all other course requirements to receive a passing grade for the course.

<u>Multiple Quizzes</u>
I will give multiple, unannounced short quizzes throughout the term, which will consist largely multiple choice and short answer questions. Quizzes will generally occur at the beginning of class. In computing quiz portion of the final grade, I will drop the lowest score for each student. No makeup quizzes will be given.

<u>Team case presentation</u> *(See Appendices C and D)*
Students will form teams of 5 members no later than the second week of classes. These teams will be responsible for a case presentations. I will post assignments early in the semester.

Each team will do an opening presentation of one case during the semester. The team will present its analysis to the class, using PowerPoint slides and whatever other visual aids they find useful. The opening presentations may range from 15-20 minutes. Those who take longer than 20 minutes will be penalized. In order to facilitate class discussion, the team should bring photocopies of their slides (black-and-white, four slides per page) to hand out to the class. (If there are particular slides that are "unreadable" at "four per page," print those slides so they can be read.)

You will provide me with hard copy of your "talking document" – **Slides**—full sized, **PowerPoint Notes**, including names of presenters for each section, **and Appendices**—at the beginning of your presentation, and email me a backup copy within 24 hours. Be sure to write the course number (MOR 555), your group number, and the name of the case in the subject line of the email. (See detailed guidance on these presentations and deliverables is in the Appendix: *Guidelines for Case Analyses and Presentation).*

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

<u>Teamwork and peer feedback /evaluation</u>
This course relies heavily on teamwork. In addition to the team assignment, I strongly encourage you to meet in teams to prepare for class. Your learning from this course will be greatly augmented by team preparation.

The *Peer Evaluation* form (Appendix F) will be turned in to me on the day of your team presentation. Completion of the *Peer Evaluation* form is a course requirement, and will be considered as part of class participation.

<u>Final Exam: Individual case analysis</u> *(See Appendix D*[1])
You will need to prepare one individual, written case analysis on the last case in our syllabus. The format will be a narrative, but the approach will be the same as for the team presentation. In form, this assignment should follow format described in the Appendix *Written Case Analysis Guidelines*. Word limit is 2000 words, plus up to 6 pages of appendices. This assignment must be handed in at the beginning of the last class, and emailed to me as backup within 24 hours. (*Please write case name in subject line of email.)*

Important: this is an individual assignment, and I expect you to respect USC's Academic Integrity standards and Marshall's Honor Code. These case write-ups must be your own individual work.

Course and Marshall Guidelines

Add/Drop process
You may be dropped from this class if you do not attend the first two sessions. Please note: If you decide to drop, or if you choose not to attend the first two sessions and are dropped, you risk being not being able to add to another class this semester, since they might reach capacity.

Formatting of assignments
All assignments must be typed on plain white 8 ½ x 11" paper, double-spaced in 12-point font with one-inch margins around the page. All assignments must include a cover page with student name(s), numbers(s), and e-mail address(es), assignment title, and course title and number. All text material (except tables, graphs, visuals, or references) must be double-spaced. All pages, including slides, must be numbered. Papers should be fastened with a staple in the upper left corner—no folders please. Creative formatting may result in penalty. NOTE: DO NOT INCLUDE COPIED PAGES FROM ASSIGNED READINGS OR CASES AS APPENDICES. These may be listed as bibliographic references.

Power Point slides submitted to me as hard copy MUST be full-sized and legible. Also, there must be sufficient ***white space*** for me to make comments. Number all slides.

Bibliographic references must be provided, and any appendices must support and be referenced in the body of your report.

Assignment submission deadlines
Assignments must be turned in on the due date/time specified and in the manner specified (hard copy/online/etc.). Any assignment turned in late, even if by only a few minutes, will receive a grade deduction. Late papers will be penalized 1/3 of a letter grade for missing the deadline plus1/3 of a letter grade per day late. Group presentations MUST be given on the date assigned in order for credit to be received. You must complete all required assignments to pass this course.

Final examination and required assignments.
A student must take the final exam AND complete all other course requirements to receive a passing grade for the course.

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 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.

Return and retention of graded coursework
Students who miss class sessions when assignments are returned are responsible for arranging an appointment to retrieve their materials. To keep things fair for future students, I do not allow students to take their quizzes or exams out of the classroom. You may look these over in my office at any time. Final exams and all other graded work which affect

the course grade will be retained for one year after the end of the course ***if*** the graded work has not been returned to the student; i.e., if I returned a graded paper to you, it is your responsibility to retain it.

Technology policy

Laptop and Internet usage is not permitted during academic or professional sessions unless otherwise stated by me. 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-Pads, and 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 me. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class.

No recording and copyright notice

It is a violation of USC's Academic Integrity Policies to share course materials with others without permission. No student may record any lecture, class discussion or meeting with me without my prior express written permission. The word "record" or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. I reserve all rights, including copyright, to my lectures, course syllabi and related materials, including summaries, PowerPoints, prior exams, answer keys, and all supplementary course materials available to the students enrolled in my class whether posted on Bb or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites. Exceptions are made for students who have made prior arrangements with DSP and me.

Students with disabilities

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

Academic conduct

Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, *Behavior Violating University Standards* https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, http://policy.usc.edu/scientific-misconduct/.

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 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.

Support Systems

Students whose primary language is not English should check with the *American Language Institute* http://dornsife.usc.edu/ali, which sponsors courses and workshops specifically for international graduate students.

Emergency preparedness/Course continuity

In case of emergency, and travel to campus is difficult, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies. For additional information about maintaining your classes in an emergency please access: http://cst.usc.edu/services/emergencyprep.html

Please make sure you can access this course in Blackboard and retrieve the course syllabus and other course materials electronically. You should check Blackboard regularly for announcements and new materials. This preparation will be crucial in an emergency. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.

ABOUT YOUR PROFESSOR

Judith Blumenthal has published, taught, and consulted in the areas of: strategic management; corporate governance; organizational design, development and leadership; strategic alliances; and the management of retail and services firms. She has also served as a senior corporate executive and a university administrator. Dr. Blumenthal was Associate Dean of the Marshall School of Business (January 1996 through March 2000) and USC's Chief Alumni Officer and Executive Director of the USC Alumni Association (April 2000 through June 2006).

She currently serves on the Board of Directors of the California Council on Economic Education, where she has been Chair of the Board Affairs Committee and a member of the Executive Committee. She is also a member of the USC Radio (KUSC) Advisory Board. She was a member of the Board of Directors of Guess? Inc. (2007 to 2013) and also served as Chair of the Nominating and Governance Committee and a member the Audit and Compensation Committee. She previously served as a member the Community Advisors for the Natural History Museum of Los Angeles County, a member of USC Alumni Association Board of Governors, and a member of the Board of Directors of the Council for Advancement and Support of Education (CASE), District VII. She is a member of Women Corporate Directors.

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

MOR 555 DESIGNING HIGH-PERFORMANCE ORGANIZATIONS

Cl.	Date	TOPICS	READINGS *Daft, ARES, CP (Course Packet)*	CASES *CP (Course Packet, unless otherwise specified)*	Group
1	1/13	***Introduction and overview***	Daft: 1	Rondell Data (in Daft, p. 565 & BB)	
2	1/20	***Strategy, organization design, and effectiveness***	Daft: 2 CP**:** Tushman and O'Reilly, *Managerial problem solving: A congruence approach*	Corporate Solutions at Jones Lang La Salle	
3	1/27	***Fundamentals of organization structure***	Daft. 3	Cisco Business Councils (2007)	x
4	2/3	***The External Environment and Design***	Daft: 4	Nike Women's Fitness Business	x
5	2/10	***Interorganizational relationships***	Daft: 5	Organization & Strategy at Millennium(A)	x
6	2/17	***Organizational Design in Changing Conditions*** **Guest Speaker, Ken Perlman,** **Kotter International**	(Readings to be assigned)		
7	2/24	***Designing Organizations for the International Environment***	Daft: 6	Proctor & Gamble in 2005 (A)	x
8	3/2	***Organizational Culture and Ethical Values*** **Guest Speaker, Bryan Palbaum** **Trader Joe's, President and COO**	Daft: 10 ARES: *Kerr, On the folly of rewarding A while hoping for B* **ARES:** Kowitt, *Inside Trader Joe's*		
9	3/9	***Midterm Exam*** Will be taken and submitted remotely during first portion of regular class period ***Marshall Talk—Remote Class*** (Web-ex remote class during latter portion of regular class period	TBA		
	3/14-19	***Spring Recess***			
10	3/23	***Manufacturing and Service Technologies, Technology for Control, Social Business, Big Data***	Daft: 7-8 CP: Adler, *Time and Motion Regained (HBR)*	Virginia Mason Medical Center	x
11	3/30	***Organizational size, life cycle, decline*** **Guest Speaker, Jane Pisano** **Retired President and Director of the Natural History Museum of Los Angeles County**	Daft: 9 ARES: Adler, *Building better bureaucracies (AME)*	Automation Consulting	x
12	4/6	***Decision-Making Processes*** **Guest Speaker, Tiffany McDowell** **Deloitte**	Daft: 12 *CP:* Govindarajan and Trimble, *Stop the innovation wars*	TerraCog Global Positioning Systems	
13	4/13	***Innovation and Change*** **Guest Speaker** **Rob Shelton** **Global Innovation Strategy Lead, PWC**	Daft: 11 ARES: Lawrence et al., *The underlying structure of continuous change*	Mod IV	x
14	4/20	***Conflict, Power, and Politics***	Daft: 13 ARES: Adler and Heckscher, *Collaborative Community* ARES: O'Reilly & Tushman*, Org. Ambidexterity in Action*	Stone Finch	
15	4/27	***Organizational Transformation*** ***Course Wrap-up/ Review*** ***Final Paper Due***	ARES: Worley and Lawler, *Designing organizations that are built to change*	National Geographic Society	ALL

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

Appendices

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Peer Feedback Form

MOR 555
Designing High-Performance Organizations

Spring 2016
Section 16699R

Professor Blumenthal

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Appendix A
Course Packet—Table of Contents

READINGS

- Tushman and O'Reilly, *Managerial problem solving: A congruence approach* (In Tushman and O'Reilly, Winning through innovation) (HBSP #2430BC)
- Adler, P. *Time-and-motion regained.* (HBSP #93101)
- Govindarajan and Trimble, *Stop the innovation wars*.(HBSP #R1007F)

CASES

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

Appendix B

Course Packet— Directions to Purchase Course Materials Electronically

NOTE: Please be sure you are permanently enrolled in the class before purchasing.
There are **NO REFUNDS** on course readers.

To purchase your course reader online, please follow these instructions:

- Go to https://www.universitycustompublishing.com/catalog/login.php?school_id=1
- Click on "Place an order"
- If you are a new customer, click Continue and fill out the required information
- If you are a returning customer, log-in with your E-mail address and password and click Sign-in
- Once on the main page, select the term and click on the DEPT from the "AREAS" section

OPTIONS:

- Purchase EZ-Digital Reader or EZ-Hard Copy Reader (all options may not be available)
    - **EZ-Digital Reader** – Students download a PDF of all the course reader readings for the course.
    - **EZ-Hard Copy Reader** is a spiral bound collection of the printed articles for the course. If you choose this option, you will also be given access to download a PDF file so that you will have access to your materials for the first 15% of the reader. This will ensure that you can start reading your material while your reader is being shipped.

- Click "Buy Now!"
- Click "Add to Cart"
- Verify your contents and click "Checkout"
- Choose your preferred method if purchasing an EZ-Reader: Home Delivery, Express Saver, 2 Day Air, or Pickup, in which we will hold it for you at the bookstore and notify you when it's ready to be picked up.
- Fill in your credit card information; if your billing address is different from your mailing address, click on "Change Address"; click on "Continue"
- To view your purchase, click on "My Account"
- To start downloading your content, click on the corresponding red Adobe icon, where you will be able to download, view, save, and print your material.

Keep the following in mind

- Each time you download a file, you will be instructed to input your password.
- It is advised to save each file on your computer

If you need further assistance or have any questions, please contact us at
800.934.9313 or info@ucpreaders.com

Appendix C
Case Assignment Questions

Corporate Solutions at Jones Lang LaSalle (2001)

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

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

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

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

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

Organization and Strategy at Millennium (A)

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

Procter & Gamble: Organization 2005 (A)

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

Virginia Mason Medical Center

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

Automation Consulting Services

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

Stone Finch, Inc.: Young Division, Old Division

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

Mod IV Product Development Team

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

TerraCog Global Positioning Systems

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

National Geographic Society

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

Appendix D

Guidelines for Case Analysis and Presentation

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

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

Note: Do *not* go outside the materials I have provided. Do *not* do additional research about the company. The only information about the company that you will use is that provided in the case.

How to Approach a Case: Key Questions

For each case, clearly identify the "client." For whom are you performing the analysis and making recommendations? This is the person who will need to implement your recommendations (assuming s/he accepts them!)

The basic questions for all cases are essentially the same:

1. What is the most critical challenge the client and the organization need to address? Why is it important to address this challenge?
2. What makes addressing this challenge difficult?
3. What is your *analysis* of the underlying, or "root" issues responsible for the situation that make it difficult to address? What evidence do you have that this is, in fact, the underlying, or "root," cause? (Digging for the source of the challenge is where the major part of your analysis will focus!)
4. What alternatives does the organization have in tackling these issues, and which alternative makes most sense? Make sure that you propose just a few **alternative solutions that actually address the underlying issues you have identified!** We're not interested in a laundry list of good ideas you have for the company. **We are interested in solving a particular issue**.
5. What specific action plan would you recommend? Why?

How to Approach a Case: The Process

The following approach to case analysis has proven helpful.

a. Rapidly read the case to get a sense of layout and a general understanding of background and issues. During this initial reading, try to form preliminary hypotheses. Initial impressions can be revised, but this groundwork will provide structure and direction for more in-depth reading.
b. Carefully re-read the case,--
    i. Take notes that organize information and separate the "wheat from the chaff."
    ii. Test and refine your hypotheses as you read, modifying or rejecting them as new information surfaces.

   iii. Clarify what the key challenges really are. These are the challenges your recommendations will address. They may or may not have been obvious on first reading.
   iv. Develop analysis questions to help illuminate the situation on which action needs to be taken. What do you need to understand that is not apparent in the case?

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

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

Presentations to the class should include the following elements:

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

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

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

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

Having identified the challenge, your next task is to "peel the onion" another few layers **to identify and analyze the root issue** facing the client. Think of this as performing Toyota's "Five Whys."[1] The root issue is the factor that makes it difficult for the organization to resolve its challenge successfully. Think of your task as akin to a physician's: the patient (client) comes in with a whole set of "presenting symptoms" (challenges) — it's your job to identify the underlying disease (root issue). As with a doctor, a good root issue analysis yields insight that is actionable: actionability is crucial, since the rest of your presentation is going to focus on addressing this issue.

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

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

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

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

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

- To begin, you should identify two or three fundamentally different, **mutually exclusive, plausible options** for tackling the client's problems. Laying out these very contrasting strategies is an excellent way to clarify for the client the range of options that might reasonably be considered. In practice, you would want to make sure that your list of alternatives includes the ones likely to be under discussion within the client organization: by explicitly

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

1. *Why?* - The battery is dead. (first why)
2. *Why?* - The alternator is not functioning. (second why)
3. *Why?* - The alternator belt has broken. (third why)
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)

addressing these options, you will be helping your client reach a reasoned consensus. (To repeat: You are looking for mutually exclusive alternatives here, not variants of the same basic idea.)

- Analyze the **pros and cons of each alternative** using a common set of **criteria**. A broad range of strategic and operational factors are potentially relevant, but it is up to you to come up with a small set of key criteria. [2] You should justify this choice of criteria: you can often do that by referring to the priorities implied by the organization's basic mission and business strategy.
- Explain why you believe your preferred alternative is superior to the others. One technique is to weight the relative importance of your criteria, score each alternative on each criterion, and calculate an overall score for each alternative. Test your results considering weights and scores for plausible alternatives.

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

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

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

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

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

<u>Presentations will be held to a 20 minute time-limit</u>. This may sound draconian, but it is not unlike many real-life situations where the time accorded you to make your case is typically very short. More importantly, this time limit forces you in your preparation to get to and keep the focus on the most critical issues—to push your analysis of the case issues

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[2] Note: this course focuses on issues that are by nature deeply ambiguous: our main task is to resolve this ambiguity. These issues are therefore rather different from those you encounter in many other courses, where the essential task is not to resolve ambiguity but to resolve uncertainty and complexity. Where issues are uncertain and complex, we can often resolve them through calculation, even calculations that are themselves very complex; in contrast, where issues are ambiguous, the meaning of our goals and the significance of the facts at hand are in dispute, and calculations therefore do not convince. The way forward here is by reasoned appeal to intuition, not calculation, so as to resolve these different meanings and developing a shared understanding. That makes it imperative that the number of evaluation criteria be kept small enough to preserve the power of intuition. For most of us, intuition fails when there are more than three or four criteria in play.

to successively deeper levels until you identify the core issues. Presentations can analyze a maximum of four alternative solutions, and only one implementation plan. Choose a reasoned plan that can serve as a starting point for discussion.

Written report to accompany case presentation

- Present your written report in the form of **"Talking Documents,"** composed of the **PowerPoint slides**—full-sized, with accompanying **PowerPoint Notes**, including presenter names for each section, plus whatever **appendices** are necessary for backup information and analysis.

- Especially when the slides are not self-explanatory, bullet point **Notes** are essential. It can help to imagine that your presentation materials circulate after your meeting with the client, and you'd like people who didn't make the meeting to be able to follow your reasoning. Your client (and your instructor!) will be reviewing your slides after the presentation, and may appreciate some notes as a reminder of the intent/meaning of the slide. (Do ***not*** simply copy your speech text into this space: the Notes pages should give us the bare minimum we need to follow the logic of your reasoning. **Notes should not be your voice-over script and should not be a prose report in disguise; they should simply add, in bullet point form, whatever extra information the reader would need to understand the point of the slide.)**

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

- Provide me with hard copy of your "talking document" (slides, notes, and appendices) at the beginning of your presentation, and email me a backup copy within 24 hours. Be sure to write the course number (MOR 555), your group number, and the name of the case in the subject line of the email.

In order to facilitate class discussion, the team must bring photocopies of their slides (black-and-white, four slides per page) to hand out to the class. (If there are particular slides that are "unreadable" at "four per page," print those slides so they can be read.)

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

Appendix D[1]

Guidelines for Individual Written Case Analysis Assignment

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

Content:

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

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

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

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

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

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

Appendix E
<u>Guide to Article Analysis</u>

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

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

Appendix F

<u>Peer Evaluation Form</u>

This form must be completed and submitted to me on the day of your case presentation. Aggregate results may cause me to adjust individual grades for team projects up or down. Please consider overall contribution of team members to the team project, taking into account the following:

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

Allocate 100 points across all the members of your team *<u>apart from yourself</u>* to reflect your assessment of their individual contributions to the team effort. I will treat your assessments as confidential.

Your name: ____

Course name: ____________________ Date form completed______________

Course number:__________________ Section number:___________________

Group #: ______________________

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

General Comments (Use additional page if necessary):

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