

University of Southern California
Marshall School of Business
Leventhal School of Accounting
ACCT 559 Strategy and Operations Through a CFO Lens
Fall 2017 (T/Th at 8:00 and 9:30 a.m.)
Section # 14217, 14227, 14228 and 14229
Room JKP 110 at 8:00 and JKP 202 at 9:30 (Both sections meet at 8:00 a.m. in JKP 110 on dates of CFO visits.)
August 22 – November 30, 2017
Faculty: John Owens

Administrative Information

Office: Leventhal School of Accounting 108
Office Telephone Number (and Voice-Mail): 310-498-1679
Email: johndowe@marshall.usc.edu
Office Hours: Tuesdays 1:30 – 3:30 p.m. or by appointment (generally Thursday afternoons)
For Campus-Wide Emergencies:
Emergency Info Line 213-740-9233
USC Emergencies 213-740-4321
Information Tune KUSC Radio at 91.5 (FM)
USC Info Line 213-740-2311

Prerequisites: None

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 from 8:30 a.m. to 5:00 p.m., Monday through Friday. The phone number for DSP is 213-740-0776.

Students are expected to adhere to, and will be bound by, the University and school policies governing academic integrity.

Who Should Take This Course?

This course is an elective, capstone-type learning experience for graduate business students who have the business knowledge that comes from industry experience and the core curriculum. Students who enjoy drawing upon core knowledge from multiple disciplines and applying that knowledge to actual business situations will enjoy this learning experience.

Course Description

In this class, we will address strategic and operational issues that companies face in multiple industries, and the responses of chief financial officers who are responsible for multiple aspects of planning around the core strategic objectives of an entity. We will view the business as a whole—from the eyes of the Chief Financial Officer within the business.

The class will consist of several segments, each generally beginning with key issues that a single industry faces and migrating to particular issues within a single company and how the CFO

addresses them. In each industry segment, we first will discuss strategic objectives and performance within one industry group, focusing on the key moving parts, relevant issues and where to look to effectively measure performance. Second, we will focus on one to three key industry issues and relative performance among a few companies within the industry. Finally, we will hear from the CFO from one or more of those companies as to how he or she manages the business with respect to the issues and the sources of information used to manage them.

Course Objectives

Students who participate in this class will be working to accomplish the following objectives:

- Apply practical thinking skills from various business disciplines to industry issues
- Develop an appreciation for a financial management perspective on strategic and operational issues
- Increase resources and skills for business problem-solving
- Broaden awareness of industry risks and strategies and apply this knowledge to on-the-job situations
- Experience direct interaction with chief financial officers of major, locally-based entities
- Grow in excitement for long-term career opportunities

Assignments and Grading

All assignments must be turned in on time in order to receive any credit. No late materials will be accepted.

All students will complete industry background assignments on specific companies/industries.

The class will form teams and each team will prepare debate outlines during the semester. We will have student-led debates on each industry during the semester. Each team will use its two outlines to lead a portion of the debate on specific companies. I will expect participation from *everyone* (not just the assigned groups) in these discussions.

Ten chief financial officer guest speakers will address the class throughout the semester. The guest speaker's remarks should comprise less than one-half of the class time and the remaining time will consist of questions and answers. Each student will prepare question outlines relating to two companies and their industries by the date of the guest speaker presentation for that company. These students will be expected to lead the questioning of the speaker during the presentation, with the participation of all students in the class.

Each student will complete a final paper selecting a single strategic priority that is shared by two of the companies we have analyzed (from different industries) and evaluating their comparative business objectives and operational responses. I will record attendance on occasion.

Attendance, participation and assignments	170 points
2 question outlines (15 points each)	30 points
2 debate outlines (50 points each) (group grades)	100 points
Leadership of 2 debates (50% group grade and 50% individual grade)	100 points
Final paper	<u>100 points</u>

500 points

Grading

We will adhere to the USC Leventhal School of Accounting and Marshall School of Business grading standards for graduate programs. For elective courses, the class average is usually around 3.4, which is between a B+ and an A-. You must receive a C or better to pass this course and you must have an overall B average (3.0 minimum) in order to graduate from USC.

The policy of the Marshall School of Business applies to the retention of graded material. University policy requires that final exams and all other grade work which affected the course grade be kept for one year. Other papers or work that instructors hand back but that students fail to pick up can be held for one month, as long as this policy is specified in the syllabus.

Academic Conduct

Students enrolled in any class offered by the Leventhal School of Accounting are expected to uphold and adhere to the standards of academic integrity established by the Leventhal School of Accounting Student Honor Code. Students are responsible for obtaining, reading, and understanding the Honor Code System handbook. Students who are found to have violated the Code will be subject to disciplinary action as described in the handbook. For more specific information, please refer to the Student Honor Code System handbook, available in class or from the receptionist in ACC 101.

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/>.

Support Systems

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/departments/departments-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 sarc@usc.edu describes reporting options and other resources.

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.

The Office of Disability Services and Programs - http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html provides certification for students with disabilities and helps arrange the relevant accommodations.

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.

Required Course Materials

A Form 10-K for each of the following companies is available on the internet: Activision Blizzard, Amgen, Guess, KB Home, Live Nation and PG&E.

Materials will be posted on Blackboard for USC Keck Medical Center, Fox Filmed Entertainment and TCW. Articles to be announced and class assignments will be posted on Blackboard.

Topics, Readings, and Projects

- Aug 22 The Role of the Chief Financial Officer
- Aug 24 Strategic priorities and operational responses (Measurement)
Readings: What to Do With Your Ugly Measures
 http://www.businessperform.com/articles/ugly_measures.html
 Defining Business Performance Measurements
 <http://www.bridgefieldgroup.com/businessperformance.html>
 Groupon article (posted on Blackboard)
Prepare: CFO Goals and Measurements questions (Posted on Blackboard)
- Aug 29 Convergence of Media, Communications and Technology
Readings: Fox background reading (Posted on Blackboard)
- Aug 31 Navigating the Future of Medical Technology
Readings: Amgen Form 10-K- Business, MD&A and financial statements
- Sept 5 Fox Filmed Entertainment debate
Prepare: Media and Entertainment Class Assignment
 Assigned groups prepare to lead class debate
- Sept 7 Dean Hallett, CFO – Fox Filmed Entertainment
Prepare: Assigned students prepare question outlines and prepare to lead
 questioning of speaker
- Sept 12 Amgen debate
Prepare: Biotechnology Class Assignment
 Assigned groups prepare to lead class debate
- Sept 14 Providing Energy in a Regulated Environment – Who is the Stakeholder?
Readings: PG&E Form 10-K- Business and financial statements
- Sept 19 Healthcare Challenges in a Volatile Environment
Readings: Scripps background reading (Posted on Blackboard)

- Sept 21 PG&E debate
Prepare: Utilities Class Assignment
Assigned groups prepare to lead class debate
- Sept 26 Scripps Health debate
Prepare: Healthcare Class Assignment
Assigned groups prepare to lead class debate
- Sept 28 Investment Management in a Turbulent Marketplace
Readings: TCW background reading (Posted on Blackboard)
- Oct 3 Final paper review
- Oct 5 David Meline, CFO – Amgen Inc.
Prepare: Assigned students prepare question outlines and prepare to lead questioning of speaker
- Oct 10 TCW debate
Prepare: Asset Management Class Assignment
Assigned groups prepare to lead class discussion of assigned investment management subtopic
- Oct 12 Richard Rothberger, CFO – Scripps Health
Prepare: Assigned students prepare question outlines and prepare to lead questioning of speaker
- Oct 17 Jason Wells, CFO – PG&E
Prepare: Assigned students prepare question outlines and prepare to lead questioning of speaker
- Oct 19 Interactive Entertainment: Continuous Transformation
Readings: Activision Blizzard Form 10-K Business section and financial statements
- Oct 24 Richard Villa, CFO – TCW
Prepare: Assigned students prepare question outlines and prepare to lead questioning of speaker
- Oct 26 Activision Blizzard debate
Prepare: Interactive Entertainment Class Assignment
Assigned groups prepare to lead class debate
- Oct 31 Navigating Consumer Demand
Readings: Guess Form 10-K Business section and financial statements

- Nov 2 Homebuilding: Sustainable Recovery?
Readings: KB Home Form 10-K Business section and financial statements
- Nov 7 Guess Inc. debate
Prepare: Consumer Products Class Assignment
Assigned groups prepare to lead class debate
- Nov 9 Spencer Neumann, CFO – Activision Blizzard
Prepare: Assigned students prepare question outlines and prepare to lead questioning of speaker
- Nov 14 Sandeep Reddy, CFO – Guess Inc.
Prepare: Assigned students prepare question outlines and prepare to lead questioning of speaker
- Nov 16 KB Home debate
Prepare: Homebuilding Class Assignment
Assigned groups prepare to lead class debate
- Nov 21 TBD
- Nov 28 Kathy Willard, CFO – Live Nation
Prepare: Assigned students prepare question outlines and prepare to lead questioning of speaker
- Final paper due on December 1 (if *not* addressing Guess, Live Nation or KB Home)**
- Nov 30 Jeff Kaminski, CFO – KB Home
Prepare: Assigned students prepare question outlines and prepare to lead questioning of speaker
- Dec 8 **Final paper due (if addressing Guess, Live Nation or KB Home)**