Instructor: John Owens  
Office: ACC 108  
Office Hours: Tuesdays 2:30 – 4:30 p.m. or by appointment  
Phone: 310-498-1679  
Email: johndowe@marshall.usc.edu

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 the accounting and financial planning and decision making. We will view the business as a whole—from the eyes of the Chief Financial Officer within the business.

The class contains eight industry segments, each focusing on key issues that an industry faces and how specific CFOs address them. Each segment contains three sessions. During the first, we 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. During the second, we use a board meeting format to focus on how one company within that industry drives performance with respect to these key issues. During the third, we hear from the CFO of that company in a heavily interactive session 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:
1. Apply practical thinking skills from various business disciplines to industry issues
2. Develop an appreciation for a financial management perspective on strategic and operational issues
3. Increase resources and skills for business problem-solving
4. Broaden awareness of industry risks and strategies and apply this knowledge to on-the-job situations
5. Experience direct interaction with chief financial officers of major, locally-based entities
6. Grow in excitement for long-term career opportunities

COURSE MATERIALS

Forms 10-K for each of the following companies are available on the internet:  
Guess?, Inc.  
The Macerich Company  
The Walt Disney Company
Materials will be posted on Blackboard for Children’s Hospital of Los Angeles, RAND Corporation, Parsons Corporation, SpaceX, Capital Group, LADWP and The Farmers Insurance Group. Articles to be announced will be posted on Blackboard. Class assignments will be posted on Blackboard.

**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.

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

<table>
<thead>
<tr>
<th>Assignments</th>
<th># of Points</th>
<th>% of Overall Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Written Company board meeting proposal outlines (50pts each)</td>
<td>100</td>
<td>20%</td>
</tr>
<tr>
<td>Leadership of 2 board meetings (50% group grade and 50% individual grade)</td>
<td>100</td>
<td>20%</td>
</tr>
<tr>
<td>Oral Participation</td>
<td>85</td>
<td>17%</td>
</tr>
<tr>
<td>Assignments and Attendance</td>
<td>85</td>
<td>17%</td>
</tr>
<tr>
<td>2 CFO Question Outlines</td>
<td>30</td>
<td>6%</td>
</tr>
<tr>
<td>Final Issue Analysis Project</td>
<td>100</td>
<td>20%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>500</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Teams**

Teams will be used in the board meetings described below. Each student will be on two board meeting teams during the semester. Each team will engage as a team in one board meeting. The board meeting teams will typically have three members. Every student will have an opportunity to agree with one other student to pair up on a team. The professor will then join the pairs or individuals not opting to pair up onto board meeting teams.

**Board meetings**

The class will engage in eight board meetings throughout the semester, each focusing on a single entity that we are studying. Three teams will lead each board meeting and will propose specific actions by the entity and support those actions from the perspective of the CFO. The rest of the class functions as the board of directors and will participate in the discussion. The three groups will support their positions and refute the positions of the other groups, all striving to use relevant data.

The board meetings will be graded for the written four-page outlines, the group oral performance (both group grades) and the individual performance. Grading criteria include strength of support for the group position, effectiveness of countering other group positions, data used in all aspects of the board meeting and level and quality of the written and oral comments made, both individually and as a group.

**Oral Participation**

This course has a heavy emphasis on participation. Students will be graded on the quality and consistency of oral participation in all class sessions. Examples of high quality comments are those that pertain to CFO dashboards or measures and how they are used, current leading issues in a
particular industry, aspects of board meeting positions (when interacting with a CFO in a subsequent session), and typically any comment that reflects advance relevant research on a company, industry or issue. I stress that all students should participate in the board meetings, not only the students in the individual participating groups. Students are welcome and encouraged to discuss any aspects of oral participation with me in my office at their convenience. If this is difficult for you, see me at the beginning of the semester and I will give you some tips that will make this much easier for you.

Assignments and Attendance

Students complete seven written assignments. I expect the completed assignments to each be about 1 to 2 pages and require about one hour to complete. Six of the assignments will relate to six entities for which students are not in a debating group. There will be one introductory assignment about CFO goals and measurements. Those assignments must be typed and turned in on the due date according to the syllabus (normally on the dates of the board meetings).

CFO Question Outlines

Approximately ten chief financial officer guest speakers will address the class throughout the semester. The guest speaker’s remarks should comprise up to 15 minutes and the remaining time will consist of questions and answers. (Some CFOs have no opening remarks and rely only on student questions.) Each student will prepare question outlines relating to two companies and their industries by the dates of the guest speaker presentation for both of those companies. These students will be expected to lead the questioning of the speaker during the presentation, with strong participation of all students in the class.

I expect the question outlines to be approximately two pages and to be tailored to the specific CFO or specific entity. Preparation of the outline should require about one to two hours.

Final Industry Analysis Project

Each student will complete a four-page final paper selecting a single strategic priority that is shared by two of the entities we have analyzed (from different industries) and evaluating their comparative business objectives and operational responses. The papers will be graded on how effectively they address the following points about that single topic:

- Discuss each company’s environment and business objectives that surround the strategic priority.
- Compare and contrast the companies’ operational responses.
- How can the CFO measure performance with respect to the strategic priority and operational responses?
- How can the company (and CFO) drive behavior and performance to meet the desired objectives? (Include the use of measures, resource allocation and potential returns or rewards to the company.)
- In your opinion, which company (or industry) is more effective in managing these issues and why?
- Finally, what can each company learn from the other?

STATEMENT OF ACADEMIC CONDUCT AND SUPPORT SYSTEMS

USC seeks to maintain an optimal learning environment. Students are expected to submit original work. They have an obligation both to protect their own work from misuse and to avoid using another’s work as their own. All students are expected to understand and abide by the principles of
academic honesty outlined in the University Student Conduct Code (see University Governance, Section 11.00) of SCampus (www.usc.edu/scampus or http://scampus.usc.edu). The recommended sanctions for academic integrity violations can be found in Appendix A of the Student Conduct Code.

**Students with Disabilities:**
USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (www.usc.edu/disability). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. 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 (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 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.

**Support Systems:**
Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call
Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.
https://engemannshc.usc.edu/counseling/

National Suicide Prevention Lifeline - 1-800-273-8255
Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. http://www.suicidepreventionlifeline.org

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call
Free and confidential therapy services, workshops, and training for situations related to gender-based harm. https://engemannshc.usc.edu/rsvp/

Sexual Assault Resource Center
For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: http://sarc.usc.edu/

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086
Works with faculty, staff, visitors, applicants, and students around issues of protected class. https://equity.usc.edu/

Bias Assessment Response and Support
Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. https://studentaffairs.usc.edu/bias-assessment-response-support/

Student Support & Advocacy – (213) 821-4710
Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. https://studentaffairs.usc.edu/ssa/

Diversity at USC – https://diversity.usc.edu/
Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students
Topics, Readings, and Projects

Jan 8  The Role of the Chief Financial Officer

Jan 10 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/businessperformancehtml
Prepare:  CFO Goals and Measurements questions (on Blackboard)

Jan 15 Navigating Consumer Demand
Readings:  Guess?, Inc. Form 10-K - Business section and financial statements

Jan 17 Commercial and Government Construction and Engineering
Readings:  Parsons Corp. background reading (Posted on Blackboard)

Jan 22 Guess?, Inc. board meeting
Prepare:  Guess?, Inc. class assignment
Assigned groups prepare to lead class board meeting

Jan 24 Sandeep Reddy, CFO – Guess?, Inc.
Prepare:  Assigned students prepare question outlines and prepare to lead questioning of CFO; all students prepare to question CFO

Jan 29 Healthcare Challenges in the Affordable Care Act Environment
Readings:  CHLA background reading (Posted on Blackboard)

Jan 31 Parsons Corporation board meeting
Prepare:  Parsons class assignment
Assigned groups prepare to lead class board meeting

Feb 5 George Ball, CFO – Parsons Corporation
Prepare:  Assigned students prepare question outlines and prepare to lead questioning of CFO; all students prepare to question CFO

Feb 7 Children’s Hospital of Los Angeles board meeting
Prepare:  CHLA class assignment
Assigned groups prepare to lead class board meeting

Feb 12 Energy and the Consumer: Where Are We Headed?
Readings:  LADWP TBD

Feb 14 Investment Management in a Turbulent Marketplace – What Do the Millennials Want?
Readings:  TBD – Capital Group
Feb 19  Scott Lieberenz, CFO – Children’s Hospital of Los Angeles  
Prepare:  Assigned students prepare question outlines and prepare to lead questioning of CFO; all students prepare to question CFO

Feb 21  Bruce Meikle, CFO – Capital Group  
Prepare:  Assigned students prepare question outlines and prepare to lead questioning of CFO; all students prepare to question CFO

Feb 26  Real Estate: Managing Through Cycles  
Readings:  The Macerich Company Form 10-K - Business section and financial statements

Feb 28  LADWP board meeting  
Prepare:  LADWP class assignment  
Assigned groups prepare to lead class board meeting

Mar 5  Macerich board meeting  
Prepare:  Macerich class assignment  
Assigned groups prepare to lead class board meeting

Mar 7  Ann Santilli, CFO – Los Angeles Department of Water and Power  
Prepare:  Assigned students prepare question outlines and prepare to lead questioning of CFO; all students prepare to question CFO

Mar 12  Spring Break

Mar 14  Spring Break

Mar 19  Preparation for final paper

Mar 21  Convergence of Media, Communications and Technology  
Readings:  Disney Form 10-K - Business section and financial statements

Mar 26  Serving Customers and Managing Insurance Risk  
Readings:  Excerpts from the Zurich Financial Services Group 2016 Annual Report (Posted on Blackboard)

Mar 28  Scott Kingsmore, CFO – The Macerich Company  
Prepare:  Assigned students prepare question outlines and prepare to lead questioning of CFO; all students prepare to question CFO

Apr 2  Disney board meeting  
Prepare:  Disney class assignment  
Assigned groups prepare to lead class board meeting

Apr 4  Christine McCarthy, CFO – The Walt Disney Company  
Prepare:  Assigned students prepare question outlines and prepare to lead questioning of CFO; all students prepare to question CFO
Apr 9  Farmers Insurance board meeting  
Prepare:  Farmers class assignment  
Assigned groups prepare to lead class board meeting  

Apr 11  Scott Lindquist, CFO, Kathy Cody, COO – The Farmers Insurance Group  
Prepare:  Assigned students prepare question outlines and prepare to lead questioning of CFO; all students prepare to question CFO  

Apr 16  Not-for-profits: Who Do We Serve?  
Readings:  TBA  

Apr 18  Bret Johnsen, CFO – SpaceX  
Readings:  TBA  
Prepare:  Assigned students prepare question outlines and prepare to lead questioning of CFO; all students prepare to question CFO  

Apr 23  Rand Corporation board meeting  
Prepare:  Rand class assignment  
Assigned groups prepare to lead class board meeting  

Apr 25  Mike Januzik, CFO – RAND Corporation  
Prepare:  Assigned students prepare question outlines and prepare to lead questioning of CFO; all students prepare to question CFO  

Final paper due on April 26 (if not addressing SpaceX or RAND)  

Final paper due on May 2 (if addressing either SpaceX or RAND)
Appendix IA. MARSHALL GRADUATE PROGRAMS LEARNING GOALS

How ACCT 559 Contributes to Marshall Graduate Program Learning Goals

<table>
<thead>
<tr>
<th>Marshall Graduate Program Learning Goals</th>
<th>ACCT 559 Objectives that support this goal</th>
<th>Assessment Method*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Goal #1: Develop Personal Strengths. Our graduates will develop a global and entrepreneurial mindset, lead with integrity, purpose and ethical perspective, and draw value from diversity and inclusion.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Possess personal integrity and a commitment to an organization’s purpose and core values.</td>
<td>3,4,5,6</td>
<td>Board meetings</td>
</tr>
<tr>
<td>1.2 Expand awareness with a global and entrepreneurial mindset, drawing value from diversity and inclusion.</td>
<td>1,2,4,5</td>
<td>Industry study, final paper</td>
</tr>
<tr>
<td>1.3 Exhibit awareness of ethical dimensions and professional standards in decision making.</td>
<td>1,3,4,5</td>
<td>Board meetings, CFO sessions</td>
</tr>
<tr>
<td>Learning Goal #2: Gain Knowledge and Skills. Our graduates will develop a deep understanding of the key functions of business enterprises and will be able to identify and take advantage of opportunities in a complex, uncertain and dynamic business environment using critical and analytical thinking skills.</td>
<td>2,3,4,5</td>
<td>Industry study, HW assignments, CFO sessions</td>
</tr>
<tr>
<td>2.1 Gain knowledge of the key functions of business enterprises.</td>
<td>2,3,4,5</td>
<td>Industry study, HW assignments, CFO sessions</td>
</tr>
<tr>
<td>2.2 Acquire advanced skills to understand and analyze significant business opportunities, which can be complex, uncertain and dynamic.</td>
<td>1,2,3,4,5</td>
<td>Board meetings, final paper, CFO sessions</td>
</tr>
<tr>
<td>2.3 Use critical and analytical thinking to identify viable options that can create short-term and long-term value for organizations and their stakeholders.</td>
<td>1,2,3,4,5</td>
<td>Board meetings, final paper, HW assignments</td>
</tr>
<tr>
<td>Learning Goal #3: Motivate and Build High Performing Teams. Our graduates will achieve results by fostering collaboration, communication and adaptability on individual, team, and organization levels.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Motivate and work with colleagues, partners, and other stakeholders to achieve organizational purposes.</td>
<td>3,5,6</td>
<td>Board meetings, CFO sessions</td>
</tr>
<tr>
<td>3.2 Help build and sustain high-performing teams by infusing teams with a variety of perspectives, talents, and skills and aligning individual success with team success and with overall organizational success.</td>
<td>3,5,6</td>
<td>Board meetings, CFO sessions</td>
</tr>
<tr>
<td>3.3 Foster collaboration, communication and adaptability in helping organizations excel in a changing business landscape.</td>
<td>3,5,6</td>
<td>Board meetings, CFO sessions</td>
</tr>
</tbody>
</table>
### Appendix IB. USC LEVENTHAL STUDENT LEARNING OUTCOMES FOR MASTER OF ACCOUNTING AND MASTER OF BUSINESS TAXATION PROGRAMS

#### How ACCT 559 Contributes to Leventhal Graduate Program Learning Goals

<table>
<thead>
<tr>
<th>Leventhal Graduate Program Learning Goals</th>
<th>ACCT 559 Objectives that support this goal</th>
<th>Assessment Method*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Learning Goal #1: Technical, Conceptual, Problem-Solving</strong>&lt;br&gt;Students will be competent in and be able to apply discipline-specific knowledge and skills in the fields of accounting or taxation. This learning outcome includes the development of critical thinking and problem-solving skills, as well as an understanding of the strategic role of accounting and taxation in business organizations and society.</td>
<td>1,2,3,5</td>
<td>Industry study, HW assignments, board meetings</td>
</tr>
<tr>
<td><strong>Learning Goal #2: Professional Development</strong>&lt;br&gt;Students will be able to communicate clearly and strategically, after considering the relevant audience, situation, and purpose of the communication. Students will demonstrate the ability to work productively with others to accomplish established goals.</td>
<td>1,2,3,4,5</td>
<td>Board meetings, final paper</td>
</tr>
<tr>
<td><strong>Learning Goal #3: Research/Life-Long Learning</strong>&lt;br&gt;Students will be able to use relevant research databases and academic/professional literature to gain new knowledge and analyze business situations.</td>
<td>1,3,4,5</td>
<td>Industry study, board meetings, final paper</td>
</tr>
<tr>
<td><strong>Learning Goal #4: Ethical Principles and Professional Standards</strong>&lt;br&gt;Students will be able to apply ethical principles and professional standards in analyzing situations and making informed decisions.</td>
<td>1,3,4,5</td>
<td>Board meetings, CFO sessions</td>
</tr>
<tr>
<td><strong>Learning Goal #5: Globalization and Diversity</strong>&lt;br&gt;Students will be able to demonstrate an international perspective and appreciation for diversity and cultural differences, along with their significance in global business.</td>
<td>3,4,5,6</td>
<td>Board meetings, CFO sessions</td>
</tr>
</tbody>
</table>
Please identify your team and team members for your board meeting. Then rate all your team members, including yourself, based on the contributions of each team member for the board meeting performance according to the criteria listed below. On a scale of 0 – 2 with 0 indicating does not meet expectations, 1 meets expectations and 2 exceeds expectations, rate each person on each of the five criteria. Lastly, add up the points for each person with the maximum number of points for each person being 10. In the box below, describe the exact contributions of each team member, including yourself.

<table>
<thead>
<tr>
<th>Team Members/ Assessment Criteria of Team Contributions in Preparing for the Board Meeting</th>
<th>Team Member 1</th>
<th>Team Member 2</th>
<th>Team Member 3</th>
<th>Yourself</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Role Performance</td>
<td></td>
<td></td>
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<tr>
<td>2. Assists Team Members</td>
<td></td>
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<tr>
<td>3. Listening and Discussing</td>
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<tr>
<td>4. Research and Information Sharing</td>
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<tr>
<td>5. Time Management</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Contribution details:
SAMPLE CLASS PARTICIPATION STATEMENTS

Class participation is an extremely important part of the learning experience in this course as the richness of the learning experience will be largely dependent upon the degree of preparation by all students prior to each class session.

This course includes highly interactive sessions and prominent outside speakers. Such sessions are only effective if all students are consistently prepared. In addition, the participation of the leading CFOs in Southern California is conditioned by them on the attendance of every student for each session. My expectation and that of your classmates are that you are prepared for and attend all classes and will actively participate in and meaningfully contribute to class discussions.

In-class participation is also a critical part of this course’s learning experience. Cold calling may take place to encourage active participation and to gain multiple perspectives and points of view, thus lending itself to the richness of the learning experience. In-class participation grading will be based on students’ demonstrated willingness to participate and the quality of the comments expressed, rather than quantity. While some students are far more comfortable than others with class participation, all students should make an effort to contribute meaningfully.

Students will offer their opinions in group settings many times in their careers; thus, class participation serves to prepare students for this business experience. The evaluating of in-class participation is based on the following:

- **Relevance** – Does the comment or question meaningfully bear on the subject at hand? Irrelevant or inappropriate comments can detract from the learning experience.
- **Responsiveness** – Does the comment or question connect to what someone else has said?
- **Analysis** – Is the reasoning employed consistent and logical? Has data from course materials, personal experience, or general knowledge been employed to support the assertions/findings?
- **Value** – Does the contribution further the understanding of the issues at hand?
- **Clarity** – Is the comment concise and understandable?

During class sessions, I frequently assume the role of a facilitator to encourage a discussion that includes perspectives from a variety of viewpoints and, secondly, to help pull together prevailing analyses and recommendations. The direction and quality of a discussion is the collective responsibility of the class. During the board meetings and CFO sessions, I will take notes but will not facilitate the discussions. As a result, all students (not just board meeting teams) will need to be self-starting throughout the session.

To underscore the importance of participation, 17% percent of the course grade are allocated to class participation. Your participation on board meeting teams for your two board meetings is graded separately and is not part of the oral participation grade.
Class 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 class exercises
- Demonstrates ability to apply, analyze, evaluate & synthesize course material.
- Demonstrates willingness to attempt to answer unpopular questions
- Builds on other students’ contributions
- Contributes meaningful comments in the vast majority of class sessions

**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
- Contributes meaningful comments in up to one-half of class sessions

**Unacceptable Performance**
- Fails to participate even when directly asked
- Gives no input to discussions
- Does not demonstrate knowledge of the readings
- Shows up to class: does nothing
- Distracts group / class
- Irrelevant discussion
- Contributes meaningful comments in only a few class sessions