MOR 385m: Business, Government, and Society

Spring 2014

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Class-time: M-W 10:00-11:50

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Course goals and objectives

In a world characterized by rapidly improving economic conditions for many people but persistent suffering and inequities for many others, business is a contested institution. Many people worry about the social and environmental costs of a business system based on profit-driven market competition, wage employment, and minimal government regulation. Many others, on the other hand, highlight the rapid increases in productivity and improvements in living standards engendered by the business sector, and warn of the risks of undermining those benefits by imposing particular moral standards or stronger government regulation. And others again see in business a potentially powerful lever for positive environmental and social progress, if only businesses were directed towards more ethical and sustainable goals beyond financial gain. The debates are intense among proponents of these positions and others too.

Whether you plan to work in business or you aspire to a career outside it, you will find yourself drawn into these debates. And they are difficult ones. At the core of these debates, there are competing points of view about what we can call the “political-economy of business”—about how to characterize the way economic and political forces *currently* interact in shaping the context, conduct, and consequences of business, and about how these forces *should* interact in an ideal world. While objective evidence can serve to clarify some of the issues involved in these debates, interpretations and recommendations differ radically across the competing perspectives because these perspectives differ in their underlying theories of society and human nature and in their value presuppositions.

The theory underlying this course is that while we are all drawn into these debates and called on to take a stand, the main issues here involve both facts and values, and as a result there is no scientific theory that can reliably lead us to objectively correct conclusions. On many of the focal issues, it is difficult even to reach a workable consensus—yet we cannot escape the obligation to try. The principal goal of this course is to prepare you to deal with this challenge by giving you an opportunity to explore these competing views in depth and to clarify your own views on them.

The course aims to help you think more rigorously about these issues, advance more cogent arguments for your position, and engage more effectively with proponents of other views. The specific teaching objectives are therefore to help you...

(a) understand the main competing points of view in political-economy;
(b) see the main issues through the eyes of a broad range of stakeholders;
(c) understand how these diverse stakeholders interact in shaping the conduct of business; and
(d) master the relevant conceptual tools, personal skills, and basic domain knowledge you will need to deal with these issues in your professional and personal life.

Who should take this course?

The course is designed with two main groups of students in mind: first, those planning careers in business, and second, those with career goals outside business, in roles where they will need to interact with business organizations, such as in public sector agencies, non-profits, or activist organizations. And it will help prepare students for their lives as citizens, where these political-economy issues are often under debate. A broad mix of career goals and views among students in the class helps stimulate and fuel discussion.

This course fulfills USC’s Diversity Requirement by addressing four forms of difference: class, race, nationality, and gender; of these, class will be the main focus. Class refers to social groups differentiated by their relative control over key economic resources and by the resulting differences in life chances. Students will learn how class and other forms of difference affect and are affected by the practices and structures of contemporary business. They will learn how business as an institution in our society overcomes some differences but reproduces and exacerbates others, and also how the resulting inequities can be combated by people within business and in the various institutions and stakeholder groups that influence business.

Course outcomes

For students, the key outcomes will be:

(a) mastering key conceptual tools: the various competing theories in political-economy;
(b) developing key skills:
   ➢ strategic analysis skills, expanded to encompass social and political as well as economic factors;
   ➢ critical thinking and creative problem-solving skills to enable you to think more clearly about ambiguous, complex problems in their business, social, and ethical dimensions;
   ➢ skill at making compelling arguments, oral and written;
(c) familiarizing yourself with key problem domains:
   ➢ at various levels of analysis: global/societal, industry, firm, individual,
   ➢ in various industry settings,
   ➢ as seen by diverse stakeholders.

Course materials

➢ Course reader at Bookstore
➢ Readings posted on Blackboard

Recommended preparation

There are no prerequisites. The course is open to both upper- and lower-division students.

Class process

Most of the themes of the course are addressed in two successive sessions: one session focused on a case study and a second focused on some related readings that help us generalize
beyond the case. I will assume that you have prepared for these two sessions together, studying both the case and these related readings prior to the first of the two sessions.

The class sessions that are focused on cases will usually begin with short oral presentations by one or two student teams, presenting as if they were consultants and the rest of the class were the client in the case and representatives of other relevant stakeholder groups. We then open the discussion to the class as a whole. As a group, we will try to build a complete analysis of the situation and address the problems and issues it presents.

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

Preparing the case

The detailed Session Information section below gives more specific “study questions” for the case discussions. However, these study questions are only prompts to get you going, not necessarily an agenda for your analysis or for our discussion. It is for you to identify the specific issues posed by the case and to decide how they can be best addressed. I will expect you to consider the case in the light of all the assigned readings for the theme, and to come to each class prepared to present and defend your own analysis. You need to write a short Case Note for each case we discuss (see below, under Engagement).

Preparing the readings

The readings for each theme give you starting points in reflecting on the broader issues at stake in the case. Many of the readings are highly opinionated: I do not assign them for any objective, scientific they may have, but because they articulate a strong point of view that you need to understand and grapple with.

I will assume that you will come to class having read all the readings. I will not waste your time by simply repeating in class what you have already read; my goal is to add value to your efforts by facilitating a discussion that helps you reach a deeper level of comprehension.

Team case “consulting reports”

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

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

To ensure maximum value from the work you invest in the preparation of these reports, I will meet for 60 minutes with each presenting team as soon as possible after class, to discuss their report’s strengths and weaknesses, and to brainstorm how their report could be strengthened. After the meeting, I will send the team and the class further feedback.
**Note:** As concerns the grading of the oral delivery, I will not penalize people for language difficulties when their first language is other than English.

**Engagement**

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

**(a) Before class:** Since your ability to learn from case-discussion sessions is directly proportional to the quality of your preparation, you will need to draft a summary of your analysis of each case we discuss in the course (except those on which you are doing a team presentation). Point form is appropriate. These summaries must be posted on the Assignment page on Blackboard before the beginning of the class session. Please post them as Word documents, using the *Case Analysis Notes Template* in the Appendix.

**(b) In class:** As in many of your other classes, your active participation in the class discussion is a crucial part of the learning process: your contributions help both you and the rest of the class master the target concepts and skills. In class, I will often “cold call,” so please avoid embarrassment by telling me before class if you are not prepared. And if you are uncomfortable with class participation, please let me know at the beginning of term and I will work with you to help you overcome this barrier.

**(c) After class:** In a case-oriented, discussion-based class such as this, much of the learning happens after class, as the “dust settles” and the key “take-away” lessons (TAs) become clear. Within 24 hours of each case-discussion session, you will need to post a short note with your TAs (about 10 lines, or longer if you like) on our Blackboard Discussion space. These TA postings might also include responses to other TAs already on the Discussion space, and they may also discuss connections you see between the case and the associated readings or the case and others we have discussed.

**Final assignment**

In lieu of a final exam, each student must submit a final paper due at the time the exam is scheduled to end. Details will be announced later.

**Grading**

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

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<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>1st team consulting report</td>
<td>20%</td>
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<tr>
<td>2nd team consulting report</td>
<td>30%</td>
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<tr>
<td>Final written assignment</td>
<td>20%</td>
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<tr>
<td>Class engagement:</td>
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<td>- Notes</td>
<td>15%</td>
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<tr>
<td>- In-class</td>
<td>10%</td>
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<td>- TAs</td>
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Total | 100%

Class attendance
Engagement is essential to your learning in this course, and you cannot engage during classes that you do not attend. If you must miss a case-discussion class, it is particularly important to prepare a Case Note and submit it before the class.

Add/Drop Process
If you are absent six or more times prior to the last day to withdraw from a course with a grade of “W,” I may ask you to withdraw from the class. These policies help maintain professionalism and ensure a system that is fair to all students.

Class representative
You will be asked to elect a Class Representative during our second or third session. The student representative will act as a liaison between students and myself, to provide informal feedback and communication, particularly on issues that individual students may not wish to raise personally with the instructor.

Technology policies
This is a course during which you will not need any communication devices. So please: no telephones or internet use. I will ask you to honor my request by switching off your phone and your computer’s Wi-Fi connection during class. You classmates and I will appreciate your undivided attention.

Videotaping faculty lectures is not permitted due to copyright infringement regulations. Audiotaping may be permitted if approved in advance. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class.

Classroom etiquette
An atmosphere of mutual respect and professionalism is in order. So please...
- arrive at class on time: late arrivals are disruptive to your fellow classmates and to the conduct of the class;
- avoid leaving the classroom while the class is in progress: biology has its imperatives of course, but our class is a collective conversation of which you are an integral part;
- turn off your cell phones before you enter the classroom — no calls, no texting;
- do not engage in side conversations during class;
- do not pack up and leave towards the end of the class until it is clear the class is over.

Academic integrity
USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one’s own academic work from misuse by others as well as to avoid using another’s work as one’s own. All students are expected to understand and abide by these principles. SCampus, the Student Guidebook, (www.usc.edu/scampus or http://scampus.usc.edu) contains the University
Student Conduct Code (see University Governance, Section 11.00), while the recommended sanctions are located in Appendix A.

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: http://www.usc.edu/student-affairs/SJACS/. Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

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 (or to your TA) 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. For more information visit www.usc.edu/disability.

Emergency preparedness/course continuity

In case of a declared emergency if travel to campus is not feasible, 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. Please activate your course in Blackboard with access to the course syllabus. Whether or not you use Blackboard regularly, these preparations will be crucial in an emergency. USC’s Blackboard learning management system and support information is available at blackboard.usc.edu.

Returning coursework

Final exams and all other graded work that affected 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 file it, not mine).
# COURSE SCHEDULE

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<th>Theme</th>
<th>Case</th>
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<tr>
<td>Mon Jan 13</td>
<td>What is a life worth?</td>
<td>Ford Pinto</td>
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<tr>
<td>Weds Jan 15</td>
<td>The contested place of business</td>
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<tr>
<td><strong>FOUNDATIONS</strong></td>
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<tr>
<td>Weds Jan 22</td>
<td>Values and perspectives in political-economy</td>
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<tr>
<td>Jan 27, 29</td>
<td>Political-economy: Competitive capitalism and Regulated capitalism</td>
<td>Global climate change and BP</td>
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<tr>
<td>Feb 3, 5</td>
<td>Political-economy: Ethical capitalism</td>
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<td>Feb 10, 12</td>
<td>Political-economy: Socialism</td>
<td>Cooperatives</td>
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<tr>
<td>Weds Feb 19</td>
<td>Review</td>
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<tr>
<td><strong>STAKEHOLDERS/DOMAINS</strong></td>
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<tr>
<td>Feb 24, 26</td>
<td>Investors</td>
<td>Generation Investment Management</td>
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<tr>
<td>Mar 3,5</td>
<td>Government</td>
<td>The politics of tobacco control</td>
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<td>Mar 10, 12</td>
<td>Environment</td>
<td>Cargill and RAN</td>
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<td>Mar 24, 26</td>
<td>Customers</td>
<td>Obesity and McLawsuits</td>
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<td>Mar 31, April 2</td>
<td>Suppliers</td>
<td>Bangladesh fire</td>
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<td>April 7, 9</td>
<td>Employees</td>
<td>Marissa Mayer at Google</td>
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<td>April 14, 16</td>
<td>Unions</td>
<td>La Conexion Familiar</td>
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<td>April 21, 23</td>
<td>Community</td>
<td>Wal-Mart stores</td>
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<td>April 28, 30</td>
<td>TBD</td>
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SESSION DESCRIPTIONS

(Items marked with an asterisk are in the course reader. The other are on BB)

INTRODUCTION

Mon Jan 13: What is a life worth?
Case: Ford Pinto (in-class handout)
Study questions:
1. Who has a “stake” in Ford’s decision to retain or modify its Pinto fuel tank design?
2. How would each of these stakeholders evaluate Ford’s conduct?
3. What should be done to avoid these tragedies in the future?

Weds Jan 15: The contested place of business in society

Assigned readings:
* C. Handy, “What’s a business for?” HBR Dec 2002

Study questions:
1. In your view, should corporations attempt to take on social responsibilities beyond those to their investors and the law? How do you respond to the arguments against your position?

FOUNDATIONS

Weds Jan 23: Values and perspectives
No preparation required

Jan 27, 29: Political-economy: Competitive capitalism and regulated capitalism


Assigned readings:
M. Friedman and R. Friedman, Free to Choose, selected passages
N. Goodwin, “The limitations of markets: Background essay,” Global Development and Environment Institute, Tufts Univ. 2005

Study questions:
1. Why did Browne undertake his unilateral initiatives in the late 1990s?
2. How will other oil firms react?
3. What should we do about global climate change? What do you think is the proper role of government? Of business?
Feb 3, 5: Political-economy: Ethical capitalism
* Case: Life, death, and property rights: The pharmaceutical industry faces AIDS in Africa (HBS 702-049, Rev’d 2005)

Assigned readings:

Study questions:
2. Do you think it is realistic to expect that more ethical behavior by business — as urged, for example, by the proponents of “conscious capitalism” — can address problems such as AIDS effectively enough? If not, what will?

Feb 10, 12 Political-economy: socialism
Case: “Sustainable economic democracy: Worker cooperatives in the 21st century,” MIT CoLab 2010

Assigned readings:

Study questions:
1. What would Mandel make of BP’s position on climate change? Of the pharmaceutical industry’s response to AIDS in Africa?
2. What would BP look like if it were a cooperative rather than a capitalist corporation?
3. What would the pharmaceutical industry look like in a socialist economy?
4. Could economic democracy (a.k.a socialism) work on a large scale?

Weds Feb 19: Review
Readings TBD

STAKEHOLDERS/DOMAINS

Feb 24, 26: Investors
* Case: Generation Investment Management (Abridged) (HBS 613-002, rev’d July 2012)

Assigned readings:
  * Note on Socially Responsible Investing (HBS 609-060, rev’d Aug 2012)

Study questions:
1. Would you invest in Generation’s Global Equity Fund? Why, why not?
2. What, if anything, is distinctive about Generation’s philosophy compared to standard approaches to asset management? Compared to standard approaches to SRI?
3. Should Generation add ABB India to its focus list? Why, why not?
March 3, 5: Government
* Case: The Politics of Tobacco Control (Kellogg KEL062)

Assigned readings:
  * Business and government: Campaign contributions and lobbying in the United States (HBS 9-113-037, rev’d March 2013)
  W. Domhoff: “The class-domination theory of power” at http://www2.ucsc.edu/whorulesamerica/power/class_domination.html

Study questions:
1. Please come to class prepared to defend the point of view of each of four main stakeholders: the tobacco companies, senior FDA decision-makers, a member of Congress from a tobacco-growing state, anti-tobacco advocates.
2. Do you think business has too much power over public policy in the USA today? If so, what should be done about it?

March 10, 12: Environment
* Case: Of orangutangs and chainsaws: Cargill Inc. confronts the Rainforest Action Network palm oil advocacy, (Ivey W12080)

Assigned readings:

Study questions:
1. What are RAN’s demands of Cargill and why should Cargill pay attention?
2. Who are the important stakeholders in this situation? What are their demands and why do they conflict?
3. Why is it hard for Cargill to do what RAN asks it to do?
4. What should be the responsibility of a corporation vis-a-vis common pool resources such as are involved here? How can we ensure corporations behave responsibly in this regard? The assigned readings give contrasting interpretations: come to class ready to present, defend, and critique each.

March 24, 26: Customers
* Case: Obesity and Mclawsuits (Stanford P-49)

Assigned readings:
  P.H. Rubin, “Tort reform saves lives,” American Enterprise Institute, 2005
J.C. Lane, “The myth of the frivolous law suit,” www.corpreform.com

Study questions:
1. Given current US tort law, assess the likelihood of a plaintiff prevailing against McDonald’s on an obesity lawsuit. (Find information about the law of torts through some web research: Wikipedia is a good place to start.)
2. What economic and political strategies should McDonald’s use to address the obesity issues?
3. What strategies should advocates of public health in general and of children’s health in particular pursue in relation to McDonald’s?
4. How can consumers best be protected from possible harms caused by the products they buy? What should be the role of law suits in this process? How else can consumers’ make their concerns heard loudly enough?

**Mar 31, April 2: Suppliers**

* Case: Fire in a Bangladesh Garment Factory (Thunderbird TB0335)

Assigned readings:

* Inequality and globalization (HBS 705-040, rev’d May 2011)
  
  
  
R. Locke et al., “Can global brands create just supply chains?” *Boston Review*, 2013

Study questions:

1. Does the globalization of supply chains help the poor?
2. In your view, what changes would be most effective in eliminating world poverty?

**April 7, 9: Employees**

* Case: Marissa Mayer at Google (Darden UV6474)

Assigned readings:

* A note on women and power (Stanford OB-78 rev’d 8/11)
  
D. Walker, “Feminism and free markets: Friends or foes?” Heritage Foundation, 1992
  
S.J. Rose and H.I. Hartmann, “Still a man’s labor market,” Institute for Women’s Policy Research, 2004

Study questions:

1. What factors have contributed to Mayer’s success to date? Has she made any noteworthy mistakes?
2. Why do women make up such a small fraction of employees in STEM fields?
3. Why do women make up such a small fraction of engineers and computer scientists at Google? Should Google be concerned about this? Should we?
4. What should be done about the situation at Google?

**April 14, 16: Unions**
* Case: Sprint: La Conexion Familiar (A) (Ivey 9A97C001)

Assigned readings:

- AFL-CO Issue brief: The silent war: The assault on workers’ freedom to choose a union and bargain collectively in the United States, 2005

Study questions:

1. What is the problem that Sprint faces?
2. What should Sprint management do? What implications will this decision have on the future of its long distance service market?
3. How important is the Communications Workers of America’s potential reaction to any decision Sprint makes?
4. Is there a role for unions in the USA today?

April 21, 23: Community

* Case: Wal-Mart: The store wars (Kellogg KEL 658)

Assigned readings:

- Explore the LAANE website (www.laane.org) and other local news for material about Walmart and its Chinatown store.

Study questions:

1. Characterize and evaluate Wal-Mart’s strategy in Inglewood. What were some of its mistakes? Could they have been avoided, and if so, how?
2. Characterize and evaluate the arguments of Wal-Mart’s critics. Are they persuasive?
3. Why was the outcome different in Chinatown in 2013?

Mon April 28, 30: TBD
Guidelines For Case Analysis

These Guidelines reflect the accumulated insights of many colleagues with whom I have taught with over the years. They are also close in spirit to the problem-solving process recommended by American pragmatist philosophy, John Dewey. They are designed to help you structure arguments about “strategic” issues. Such issues are typically deeply ambiguous: our main task here 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 but not ambiguous, we can often resolve them through calculation of some kind, even if the calculations are themselves very complex; in contrast, where issues are ambiguous, the meaning of our goals and the significance of the facts at hand are in dispute, and calculations therefore do not convince. The way forward here is not by calculation, but by reasoned appeal to intuition, so as to resolve these different meanings and developing a shared understanding.

* * *

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

* You will need to explicitly identify a specific client, since your action recommendations will need to be ones that this client can implement.
* In this course, you have some latitude in choosing your client: even if the case is written from the point of view of a given firm or person, you might choose to take as your client one of the other stakeholders. However, in choosing your client, make sure the case and associated readings provide you with enough material. Please consult with me beforehand so we agree on your choice of client.
* The issues to be resolved may not be obvious; but this is also true of many real-world situations. The Study Questions in the session descriptions are offered only to get your thinking going — they are not an agenda for your analysis.
* In this situation, you are not a “subject matter expert” but rather a “facilitator”: your client will know more about the issues and context than you, so your job is not to so much to “sell” them on your recommendation as to lay out as a clear chain of reasoning so that they can use your input to clarify their own thinking.

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

* * *

Your presentations should include the following elements:

First, you need a single summary slide that states your key “take-away message.” The best way to do this is to state succinctly (a) the challenge facing the client organization, (b) the root issue that makes it difficult to meet this challenge successfully, and (c) your key recommendation for resolving this root issue.
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 conclusion of each of these parts of the presentation. If this slide summarizes, for example your main options and criteria for choosing among them, it can lay out in skeleton form the substantive logic of your argument leading to key main recommendation.

Third comes the body of the report. Here you may want to reiterate the key **Challenge** facing the client if your summary slide’s characterization of that challenge needs more explanation. 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 and discussion to itself.

Having identified the Challenge, your next task is to “peel the onion” another few layers to identify the **Root issue** facing the client. Think of this as performing Toyota’s “Five Whys.” The Root issue is the factor that makes it difficult for the organization to meet its Challenge successfully. Think of your task here as akin to a physician’s: the patient (client) comes in with a whole set of “presenting symptoms” (i.e. Challenges) — it’s your job to identify the underlying disease (i.e. Root issue). For a consultant as with a doctor, a good root issue analysis yields insight that is actionable: actionability is crucial, since the rest of your presentation is going to focus on resolving this root issue.

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

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

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

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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)
In cases such as these ones we study in this course, there are typically multiple internal and external Stakeholders in your client’s decision-making, and these stakeholders have different interests, rights, and concerns. Stakeholders are any groups affected by the issue or decision we are about to make, or in a position to affect us and our decisions. Some stakeholders may not be obvious at first sight — they may be far afield, “downstream” or “upstream.” You need to ask yourself: Who are the parties affected here? What rights or interests or concerns of theirs are involved? What is the nature of the client organization’s economic and political relations to these stakeholders? Somewhere in the course of your presentation, you will need to consider these stakeholders. You should fold that discussion into your presentation wherever it adds most value for your argument: this may turn out to be in your characterization of the Challenge; it may be in defending your characterization of the Root issue; it may in identifying and assessing your Options; or it may be in planning your Implementation plan. But it should contribute something to your analysis somewhere.

After defining the Challenge and Root issue, and probably after you have presented your Stakeholder analysis and the explained the insights that flow from that, you need next to identify the strategic Options — a small number (usually 3 or 4) plausible candidates for addressing the Root issue facing the client organization and thereby helping it meet its Challenge. These options represent alternative compass headings — overall directions the client could follow to solve their problem. As such, they are stated in relatively abstract terms, in contrast to the implementation plan which will specify a detailed itinerary (see below). Your strategic Options should therefore not be laundry lists of things worth doing; they should define alternative general directions the client could take. To be maximally useful to the client, these options should be (a) plausible but (b) fundamentally different, indeed mutually exclusive — just as one cannot simultaneously pursue two different compass headings. In practice, you would want to make sure that your list of options includes the ones likely to be under discussion within the client organization: by explicitly addressing these options, you will be helping your client reach a reasoned consensus. (To repeat: you are looking for mutually exclusive alternatives here, not variants of the same basic idea.)

Having articulated these Options, your next task is to justify your recommendation of one of the over the others with reasoning that could convince a skeptical client. The key to convincing the client is to recognize that there are lots of points of view in the client organization (and in the class) on how to solve their problem: your job is to convince us that the strategy option you recommend is more likely to achieve success. The best way to do this is as follows:

* First you need to identify a common set of Criteria against which to evaluate the options. A broad range of strategic and operational considerations are potentially relevant, but it is up to you to come up with a small set of key criteria. You need to justify your choice of Criteria: you can often do that by referring to the priorities implied by the organization’s basic mission and business strategy.

* Then you should take each criterion one at a time, and show how your options compare on that criterion. Having identified each option’s pros and cons on this criterion, you should be able to score the options relative to each other for this criterion. Usually a scale of 1-4 suffices: if you use a wider scale, such as 1-10, you risk (a) giving a false impression of the precision of your analysis, (b) encouraging unproductive debate over minor differences, and (c) giving some criteria more effective weight than others by having a great variance of scores. Keep in mind that you are not here trying to conduct a real quantitative analysis: you are just using numbers to make your qualitative arguments more explicit. Note: if your options are all genuinely plausible, then you should not end up with scores for one Option being inferior to those of one of the other options on all your criteria: that would imply that the first option is, in reality, not a plausible option at all.
* To sum up these scores in a convincing way, you then need to propose a set of **weights** for these criteria according to their relative importance in the priorities of the organization, and explain why these weights are the most appropriate.

* Multiplying scores by weights, you can create a **weighted score** for each option and rank-order the options from best to worst. **Note:** putting numbers to these weights and scores is a great way to clarify your thinking; but the numbers will not convince your client: you need to explain in more intuitive, qualitative language the rationale for your conclusion, and the numbers are here to help make more explicit your reasoning.

* Finally, you should **test the sensitivity** of the resulting option-ranking to plausible alternative estimates of the weights. (I recommend you focus on alternative weights rather than alternative scores, because in principle it should be easier to get consensus on the scores, and the real disagreements are more likely to be expressed in different views on the relative weights of different criteria.) Here is where the benefits of a formal, quantitative decision-analysis reveal themselves: first, it can show whether your preferred option really “dominates” the alternatives, or if reasonable people using reasonable but different weights would reach different conclusions. Second, if your solution is not “robust” against such disagreements, close scrutiny of the analysis will help you differentiate between the “real issues” — where disagreement would change the final conclusion — and the “non-issues” — where disagreement doesn’t matter to the final ranking. The best way to do this is to ask: what would proponents of the other options (the ones you are not recommending) argue if they were making their best case? What weights would they want to use? Then you can discuss the relative plausibility of these weights compared to your preferred weights. This analysis should be summarized on a slide — but I recommend you find a way of presenting your results qualitatively, i.e. without recourse to quantified data: here too, numbers rarely convince anyone, so you should use them only (a) to clarify your own thinking and (b) to buttress the credibility of your qualitative reasoning: leave the quantitative analysis itself in an Appendix slide.

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

* First, you should identify the likely **hurdles** — the factors within the control of the organization — that would face your client in pursuing your proposed strategy, and suggest some **counter-measures** your client could use overcome these hurdles.

* Second, you should also identify the **risks** — the factors outside the client’s control — confronting your strategy, then show the **counter-measures** that could mitigate these risks, and if they can’t be mitigated, how the client should proceed if these risks do materialize.

* Synthesizing this analysis of hurdles and risks and their respective counter-measures, you can propose a **sequenced and timed implementation plan**, answering the questions: what are the key steps to be done today, next week, next month, next quarter, and next year, and who should be responsible for these activities. This plan will be far more useful if you support it with some reasoning — i.e. explain why you recommend this sequencing and timing rather than another.

* Note that your Recommendation will be relative to a certain time-frame. Your implementation plan will focus naturally on what the client needs to do within that time-frame. But the Implementation section is also a section of your report where you might want to address longer-term issues, beyond that time-frame, that you believe the client will need to address.
* Finally, to convince the client that your recommendation is practical, you should consider the overall “bottom-line” — the costs as well as the benefits of your plan of action. Reports often forget this elementary consideration! It’s a nice way to wrap up the presentation.

Note: you may not have enough information to ground all the details of your implementation plan in the case data. In that eventuality, it is often helpful to work with some plausible assumptions and show us what the plan would look like. At a minimum, you will have provided the client with a template (“straw-man”) that they can build on.

Note too: your implementation plan probably has many facets, but it’s very useful if you devote a slide to one particularly high-leverage component. The goal here would be to pinpoint the “root issue” that underlies the implementation challenge and then to propose a way of addressing it. Obviously you won’t have time to argue in any detail for this root cause analysis, let alone to discuss alternative ways of addresses that root issue; but even without that, this slide can considerably argument your presentation’s value. If the plan of action involves, for example, a new structure, you might include a detailed organization chart for the new structure. Or perhaps effective implementation involves training: you might show us a course outline for the training module. Or perhaps it involves a leader explaining to this organization the rationale for a new strategy: you might include a video that you create with your team. In this way, you can make more concrete the implications of your plan, and show that you have anticipated some of the detailed action planning that it will require

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

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

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

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

* I will hold you to a 15 minute time-limit. This may sound draconian, but it is not unlike many real-life situations where the time accorded you to make your case is typically very short. More importantly, this time limit forces you in your preparation to get to and keep the focus on the most critical issues.

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

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

* You should work to ensure that your presentation develops its arguments in a logical sequence. You will need to make each slide “count” — making a clear point that contributes to the line of argument leading to your recommendations.

* Your presentation materials (slides) should be clear — neither too wordy nor too sparse. Consult the standard references on how to lay out visually intelligible and pleasing presentation slides. Ideally, your slide titles should consist of assertions (not just specify the topic of the slide).

* Please also include Notes: these should not be your voice-over script, but should (in bullet point form) explain whatever is necessary beyond the slide itself to make the meaning of the slide clear to a reader who was not at your presentation (or who was at the presentation but, reviewing the handout later, finds they have forgotten the point you were trying to make).

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

* At the start of class, you need to provide me with a printout of your Slides, Notes, and any Appendices.

* Please number your slides: this will greatly facilitate our discussion.
Grading Sheet for Case Analyses
Each component is worth 0-4 points

Have you identified the relevant stakeholders and their concerns and interests?
* Have you identified the relevant stakeholders?
* Have you identified the rights, interests, and concerns of these stakeholders?
* Have you drawn a usable conclusion from this analysis? Have you used it effectively to inform your analysis and recommendations?

Have you identified a root issue underlying the key challenge that confronts the client organization?
* Have you clearly identified a key challenge?
* Have you identified an actionable root issue that underlies that challenge?
* Have you made a compelling case that this is indeed the root issue?

Have you argued compPELLingly for your preferred strategy for tackling the root issue?
* Have you identified some plausible, mutually exclusive, alternative “compass headings”?
* Have you analyzed these alternatives’ pros and cons?
* Have you justified the evaluation criteria you use in this pros/cons analysis and the relative importance (weights) you assign to each?
* Have you justified the evaluation (scores) of each alternative on each of the evaluation criteria?
* Have you done a sensitivity test on this analysis to see if reasonable people would reach different results using plausibly different scores or weights? Have you used this analysis to pinpoint where the key underlying disagreements might lie?

Does your proposed implementation plan pass the “reality test”?
* Have you identified the key risks in pursuing your strategy?
* Have you proposed counter-measures to mitigate these risks?
* Have you identified the internal and external hurdles facing your strategy?
* Have you proposed counter-measures to overcome these hurdles?
* Have you laid out a timed sequence of actions that integrates these counter-measures and maximizes the likelihood of success and have you explained why you recommend this sequence and timing?
* Have you identified a particularly important implementation issue/solution and offered some insight into that aspect of your plan?
* Have you assessed the overall costs of the plan and compared them to its benefits?

Is your argument well presented?
* Does the argument flow in logical way?

For oral presentations (Note: In grading the oral delivery part of the presentation, I will not penalize people for language difficulties when their first language is other than English):
* Is the oral presentation engaging?
* Are audio-visual materials used to good effect?

For written case analyses:
* Is the writing technically correct (spelling, grammar, paragraphs)?
* Do the exhibits support the argument effectively?
Grading Engagement

Class engagement has three components: pre-class preparation, in-class contribution to discussion, and post-class postings on Blackboard. They are weighted per the Grading scheme shown earlier. Here is how I will grade each component:

Pre-class preparation

For each class session devoted to a case discussion, you need to prepare a one-page summary of your answers to the basic questions for each case discussion session. See the Appendix: Case Analysis Notes Template. In filling this out, point form is appropriate. These summaries must be posted to Blackboard before the beginning of the class session. Each Note earns you up to 2 points, based on my assessment of quality and thoroughness. Late submissions will not be graded. (You are allowed to miss one Note without grade penalty.)

In-Class Contribution

Each class session earns you up to 2 points under this heading. I will use the following “anchors” as a way of evaluating your contribution to our discussions. I will also give you an opportunity to evaluate yourself using the same criteria both mid-way and at the end of the semester:

Excellent (2 points)- Contributions reflected exceptional preparation and an enthusiastic commitment to our learning experience. Had always read the assigned material and had thought about it carefully. Embraced the opportunity to learn in our time together, brought out the best in others, and was open to subsequent conversations. Brought up questions that need to be further explored. Added considerably to the quality of the course experience for others.

Good (1.5 points)- Contributions reflected an adequate preparation for class and commitment to our learning experience. Comments helped the discussion move forward, but did not open new topics or pose difficult issues. Had read the material before class and given it some thought. Took advantage of the learning opportunities presented here. Added something to the quality of the course experience.

Barely satisfactory (1 point)— Attempted to contribute occasionally, but contributions often reflected either weak preparation or an apathetic orientation to the learning opportunities presented here. Comments did not build on or relate to flow of class discussion. Had read the material, but without much effort to engage it. On balance, added nothing to the experience of the class.

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

After each class session that is devoted to a case discussion, while your memory is fresh, you should take some time to distill the key take-away lessons (TAs). Starting with the week of Jan 27, students should post a short TA note (10 lines or more) on our Blackboard Discussion space within 24 hours of each case session. These TAs might also include responses to other postings already on the Discussion space.

Each TA earns you up to 2 points, based on my assessment of quality and thoroughness. Late submissions will not be graded. (You are allowed to miss one TA without grade penalty.) My grading criteria are:

Coverage – The best TAs synthesize the key ideas that emerged during the discussion and from the readings. Weaker TAs focus on just a subset.
**Insight** – Weak TAs list the topics we addressed; the best TAs pinpoint the lessons learned about those topics. The best TAs also suggest new questions that are raised by these lessons.

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

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

Please fill in this template with your (succinct!) responses and post it as a Word document on the Assignments page of BB.

<table>
<thead>
<tr>
<th>My name:</th>
<th>Instructor comments:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The case:</td>
<td></td>
</tr>
<tr>
<td>Who is your client?</td>
<td></td>
</tr>
<tr>
<td>What is the critical challenge the client faces?</td>
<td></td>
</tr>
<tr>
<td>Who are the main stakeholders involved here and what are their concerns and interests? What conclusion do you draw from this analysis that contributes to your argument?</td>
<td></td>
</tr>
<tr>
<td>What is the root issue the client must resolve in order to deal with this critical challenge? (Explain your reasoning, succinctly.)</td>
<td></td>
</tr>
<tr>
<td>What plausible, mutually exclusive, strategic options should the client consider for resolving this root issue?</td>
<td></td>
</tr>
<tr>
<td>Which of these options do you recommend, and why is it superior to the others?</td>
<td></td>
</tr>
<tr>
<td>What implementation issues should your client anticipate and how should they address them?</td>
<td></td>
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</tbody>
</table>