



EMORY

GOIZUETA
BUSINESS
SCHOOL

BUSINESS 360°
—BUS500d

Prof. Jan Barton
Fall 2010

Office hours: GBS 460, TTh 2:30–3:30 pm
Class hours: GBS 204, TTh 8:00–9:30 am,
9:45–11:15 am, and 12:30–2:00 pm

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COURSE DESCRIPTION

Goizueta's intensive MBA core curriculum focuses on developing your analytical, technical and leadership skills through a series of foundational courses in the business disciplines—accounting, economics, finance, information systems, operations management, marketing, organizational behavior and strategy. By breaking the whole into its parts, each of these courses trains you rigorously in the discipline's intellectual history, language, concepts and methods essential for a successful career in business.

As society becomes more complex, however, business problems are increasingly beyond the ability of any of these disciplines to address and solve adequately on its own. If you want to devise truly comprehensive and innovative solutions, you will have to view complex problems from different perspectives and integrate whatever insights you glean from these perspectives. That is where this course comes in—it will change the way you think about thinking.

The focus of *Business 360°* will be on helping you develop breadth of vision and an integrative mindset, rather than on teaching you specific solutions that—in a complex world—are typically highly context-specific and not useful as templates to solve other problems. By stressing multiple perspectives on a real-world problem and merging them into a holistic view, you will learn to welcome complexity and the ambiguity that comes along with it, think inclusively and integratively, strive for balance among perspectives, identify relevant knowledge (even if you don't have it), and maintain intellectual flexibility and curiosity.

COURSE OBJECTIVES

By the end of this course, I expect you to:

1. **Identify business problems that span over more than one discipline and/or involve multiple types of stakeholders.** During each class period, we will discuss and analyze a fairly complex recent, real-world case. As the course progresses, the cases will become increasingly complex and ambiguous.
2. **Identify various concepts, theories, assumptions, methods and tools that may be relevant in solving a particular business problem.** You will draw on what you have learned in the other core courses, giving you the opportunity to consolidate knowledge.
3. **Shift deliberately among alternative perspectives and bring each to bear upon the resolution of a complex problem.** The intellectual ability to consider a variety of perspectives will allow you to perceive the problem and its context more accurately, process information more systematically, and make decisions more efficiently. To this end, you will make connections between disciplines and theories, between practical problems and accumulated knowledge, and your incentives and assumptions and those of other stakeholders. Within your team, try to view each case from both rotating stakeholder and disciplinary views. In other words, in one case try to assume an investor/finance perspective, in another case try to assume a customer/marketing perspective.

4. **Think dialectically.** You will reason systematically by placing side-by-side opposing ideas and you will view differences, tensions and conflicts between them as a natural feature of complex problem solving.
5. **Think holistically.** You will think about the problem in each case as part of a broader, more complex system. By viewing the problem in its broadest context, you will be able to identify the (often-times nonlinear) relationship of parts to the whole. For each assigned case, you will draw mind maps to help you visualize the problem and to identify creative and effective solutions.
6. **Communicate competently.** The terminology that you are learning in each of the other core courses is an efficient “short-hand” way in which experts in the discipline communicate with each other. However, it usually gets in the way of communicating with others outside that discipline. As a business leader, you must be able to translate the terminology and make it accessible to a broad set of stakeholders and business partners. As part of the course requirements, you will prepare formal presentations of your case analyses to a sophisticated audience with a diverse background.
7. **Cultivate personal qualities for successful business leadership.** These include the ability to take well-calculated risks to devise creative solutions; the ability to learn and adapt to the ambiguity that is so much a fact in life; the ability to reflect on the way you think, your assumptions and your biases; an appreciation of social and intellectual diversity; and humility—particularly when it comes to knowing what you don’t know!
8. **Consider the social and ethical dimensions of business decision making.** You will have the opportunity to discuss social and ethical issues present in most business contexts, and to balance these issues with economic aspects to arrive at a solution that you and others can live with.

This syllabus describes a tentative plan for achieving the course’s objectives. I will share with you specific learning objectives for each class session as we go along.

COURSE STRUCTURE

The course format is a combination of case discussions, problem solving and real-time analysis. We will engage in rigorous analysis and critical thinking in every class period. To meet the course’s objectives, you will probably have to invest about 8–10 hours of serious and conscientious out-of-class preparation each week. I suggest that you spend a couple of hours reading the case materials before meeting with your team.

ASSIGNMENTS

These learning activities and assessments (shown with their weights on your final grade) should help you achieve the objectives of the course:

• Deck of slides for two cases @ 10% each	20%
• Mind maps for three cases @ 10% each	30
• Presentation of final case	30
• Reflection journal	10
• <u>Class participation</u>	10
	100%

GRADING

Your final score is the weighted average (based on the above weights) of your scores in each assignment. I will rank everyone’s final scores and then, following GBS guidelines, I will assign a DS to roughly the top 15% of the class, an HP to the following 35%, a PS to the next 35%, and an LP to the bottom 15%. Honor Code violations and exceptionally poor performance usually get an NC. I reserve the right to convert your final letter grade to a “pass/fail” grade.

DECK OF SLIDES

Your team must turn in a deck of slides for three cases, including the final one. The deck should not exceed 20 slides. Make sure each slide is well designed, easy to understand, and informative. You might find these three books useful in creating slides and presentations: *Slide:ology: The Art and Science of Creating Great Presentations*, by Nancy Duarte (2008); *Presentation Zen Design: Simple Design Principles and Techniques to Enhance Your Presentations*, by Garr Reynolds (2009); and *Why Most PowerPoint Presentations Suck*, 2nd edition, by Rick Altman (2009).

MIND MAPS

You must turn in mind maps for the three cases for which you are not preparing a deck of slides. The first map should be solo-authored, the other two can be coauthored with your team. The mind maps should be contained within a US letter-sized (8½" x 11") sheet of paper. Make sure the mind map is well-designed, easy to understand, and informative. The best book on mind mapping that I have come across is *The Mind Map Book: How to Use Radiant Thinking to Maximize Your Brain's Untapped Potential*, by Tony Buzan and Barry Buzan (1996).

PRESENTATION OF CASES

Every case will be presented by at least one team. At the start of the case discussion, your team may be called to assume this responsibility. Therefore, make sure to come prepared to present each of case. Schedule your presentation to run for approximately 45 minutes, and make sure to allow for class discussion during your presentation. You should present the case's context, the question that needs to be answered or decided on, the conceptual issues involved, and your suggested approach for dealing with those issues.

REFLECTION JOURNAL

On the last day of class, you will turn in a two-page paper describing what you learned throughout this course and the MBA core about the way you think through business problems. Pay special attention to areas that you believe need improvement and what you think would be an effective way to make that improvement. There is no "right answer" for this paper. Please type up the pages (11 or 12pt., 1" margins, no less than 1.5 spacing) and stapled them in the top left corner (i.e., no paper clips or covers, since I will likely lose them).

CLASS PARTICIPATION

Class participation (including on the course's FirstClass conference) is important because it enhances everyone's learning experience, including my own. We all want you to be a valuable class member, so feel free to ask questions about issues that you don't quite understand, contribute ideas and insights, offer examples from your experience working in the "real world," challenge others' assumptions and analyses, and raise interesting directions for class discussion. The emphasis of your class participation should be on the quality of your contribution, not on the duration of your "air time." Your classmates will evaluate the quality of your class participation; I retain the right to adjust final class participation grades.

MATERIALS

Cases: We will analyze several cases. You can buy them for about \$30 at the course's website on study.net (http://www.study.net/r_mat.asp?crs_id=30018336).

Books: We will read and discuss three book. You can buy them directly at any bookstore. The books have digital versions that you can buy at Amazon.com's Kindle store for about \$25.

Landmark: The Inside Story of America's New Health-Care Law and What It Means for Us All, by The Washington Post, 2010

Half the Sky: Turning Oppression into Opportunity for Women Worldwide, by Nicholas D. Kristof and Sheryl WuDunn, 2009

Creating a World without Poverty: Social Business and the Future of Capitalism, by Muhammad Yunus, 2007

Readings: I will post additional material on the course's FirstClass conference. These will include corporate annual reports, proxy statements, financial analyst reports, and articles from the business and popular press. You should include in your case analyses any insights you pull from these readings.

Visuals: I have listed a couple of links to images and videos available online that I think are useful in preparing some of the cases for class discussion. Please watch them before class.

COLLEGIALITY

You are my student, not my client. I take this to mean that you should expect me (1) to exercise my best professional and pedagogical judgment in selecting the most important and relevant content, (2) to design effective (though sometimes painful) learning experiences and assessments, (3) to provide a safe space for you to learn, (4) to help you out when you get stuck, and (5) to treat you kindly and fairly. If I don't meet your expectations, let's talk about it.

By the same token, I expect you to try your best at getting the most out of the course. Make sure to be present—in mind and body—in all class sessions. Keep cell phones and computers turned off during class. Food? No one wants to smell it, so no eating in class, please. No late assignments either, unless you caught a funky contagious virus or you can prove you were involved in a credible emergency. And don't do anything stupid when it comes to the Honor Code (I'm the Faculty Chair of the Honor Council...). In short, just play nice, be mindful, learn a lot and have fun!

COURSE OUTLINE

PART	CLASS	CASE
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I. INTRODUCTION TO INTEGRATIVE THINKING

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| 1 | | Should China switch to IFRS? |
| 2 | | What assumptions are investors making about Apple's future—and how reasonable are they? |

II. PRACTICE IN INTEGRATIVE THINKING

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| 3 | | Should Gilead restructure its Access program? |
| 4 | | How much would you bid to redevelop the largest slum in Asia? |
| 5 | | Was it a good idea for Bank of America to buy Merrill Lynch? |
| 6 | | How will "Obamacare" affect Pitney Bowes' employee health care strategy? |

III. FINAL PROJECT

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| 7 | | Should CARE start a financial literacy program for its microcredit customers? |
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DETAILED CLASS SCHEDULE AND ASSIGNMENTS

CLASS/DATE	CASE/ASSIGNMENTS
1—Tue. 10/26	<p>Should China switch to IFRS?</p> <p>GOALS: To discuss course objectives and requirements, mind mapping and systems thinking. To examine the regulation of capital markets from a standard setter’s point of view, while taking into consideration the potential costs and benefits of such regulation to different capital market participants.</p> <p>CONTEXT: In 2005, China announced plans to converge with—but not adopt—international financial reporting standards (IFRS). The country’s financial reporting regime had already undergone significant reforms in the previous couple of decades, a period during which its economy became one of the largest in the world. Despite these changes, the enforcement of accounting standards remained weak, the capital markets were relatively underdeveloped, and large state-owned firms dominated most sectors of the economy.</p> <p>TASK: Prepare a mind map of the issues you should consider in crafting a recommendation to Chinese regulators about whether or not to fully adopt IFRS</p> <p>CASE: “IFRS in China”</p> <p>DUE: Nothing</p>
2—Thu. 10/28	<p>What assumptions are investors making about Apple’s future—and how reasonable are they?</p> <p>GOALS: To apply different valuation approaches to uncover assumptions built into a firm’s share price. To use publicly available information (e.g., financial reports, analysts’ reports, stock prices, strategy and industry analyses) as bases for assumptions in a valuation analysis.</p> <p>CONTEXT: In Spring 2010, Apple Inc. launched the iPad and, a few months later, its new iPhone 4. Apple’s strategy of shifting its core business into non-PC products had proven a smashing success. Still, the business media continued to express concern about Apple’s ability to sustain its competitive advantage amid languishing Macintosh worldwide sales, lower growth in the iPod market, intense competition in the smart-phone industry, and no clear succession strategy for its iconic CEO Steven Jobs.</p> <p>TASK: Through reverse engineering, identify a set of assumptions about Apple’s profitability, growth and riskiness that is consistent with the firm’s stock price. Assess the reasonableness of these assumptions. As the firm’s CFO, which assumptions would you be most concerned about? Why?</p> <p>CASE: “Apple Inc. in 2010”</p> <p>READINGS: Apple’s 2009 annual report Analyst reports on Apple by JPMorgan, Standard & Poor’s, and Argus</p> <p>DUE: Mind map</p>
***—Tue. 11/2	CMC WEEK—No class
***—Thu. 11/4	CMC WEEK—No class

- 3—Tue. 11/9 **Should Gilead restructure its Access program?**
- GOALS: To evaluate the integration of a firm’s marketing, supply chain, and social responsibility strategies.
- CONTEXT: Gilead Sciences, the U.S. leader in HIV / AIDS medicines, has undertaken several innovative actions to make its anti-viral products accessible in over 100 low- and middle-income countries. Management chose a target of reaching one million patients by end of 2009 and two million by 2012.
- TASK: Prepare an analysis of the changes, if any, that Gilead should consider making to its business model, and its Access program in particular, to ensure access to its products in the developing world
- CASE: “Gilead Sciences, Inc.: Access program”
- READINGS: Gilead’s 2009 annual report and 10K
 “Expanding antiretroviral treatment coverage in the developing world,” by Gilead Sciences Inc., January 2010
- DUE: Deck of slides or mind map
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- 4—Thu. 11/11 **How much would you bid to redevelop the largest slum in Asia?**
- GOALS: To devise a real estate investment strategy, by carefully assessing relevant revenues, construction costs, cost of capital and risks. To consider the social and ethical dimensions of business decision making. To evaluate one type of “bottom-of-the-pyramid” investment.
- CONTEXT: In 2009, the Indian government began accepting bids to redevelop Dharavi, the largest slum in Asia, located in the middle of Mumbai. The bid requirements included providing new free housing to over half a million slum dwellers, which is expected to be paid for with the revenues from developing and selling market-rate housing. The \$4.5 billion project had the potential to provide housing units worth over \$150,000 each to the current slum residents, and to earn the investor group over \$500 million. If successful, such a private-state partnership could set a new paradigm in slum redevelopment around the world.
- TASK: Prepare a recommendation to Rance Hollen and Warwick Capital for whether to bid for the opportunity to redevelop Dharavi. Make sure to highlight and discuss the investment’s most important risks and how can they be mitigated.
- CASE: “Dharavi: Developing Asia’s largest slum”
- READINGS: “Mumbai’s shadow city,” by Mark Jacobson, *National Geographic Magazine*, 2007
 “The last frontier: Market creation in conflict zones, deep rural areas, and urban slums,” by Jamie L. Anderson, Constantinos Markides and Martin Kupp, *California Management Review*, 2010
- View: Images and videos in Google.com (i.e., search for “Dharavi”). These two videos are particularly interesting:
 <http://www.youtube.com/watch?v=gYa6ooID1ZE&feature=related>
 http://www.youtube.com/watch?v=EUMMq7B_DDs
- DUE: Deck of slides or mind map

- 5—Tue. 11/16 **Was it a good idea for Bank of America to buy Merrill Lynch?**
- GOALS: To examine the causes and consequences of the credit crisis of 2008. To analyze the annual reports and proxy statements of firms in the financial services industry. To evaluate the current competitive landscape in the banking industry.
- CONTEXT: In September 2008, Bank of America offered to acquire Merrill Lynch to prevent the latter from going into bankruptcy. Initially, both BofA and Merrill viewed this acquisition favorably, but as Merrill's losses ballooned and the U.S. government introduced programs like TARP to stave off a complete meltdown of the financial sector, BofA began having second thoughts about the deal with Merrill.
- TASK: Prepare an analysis of whether, considering the capital market/regulatory dynamics in late 2008 and the resulting shakeup in the financial services industry, it was a good idea for BofA to acquire Merrill Lynch. Where the terms of the acquisition, including BofA's acceptance of TARP money, appropriate?
- CASES: "Bank of America acquires Merrill Lynch (A)"
 "Investment Banking in 2008 (A): Rise and Fall of the Bear"
 "Investment Banking in 2008 (B): A Brave New World"
- READINGS: Merrill Lynch's 2009 annual report
 Bank of America 2008 and 2009 annual reports
 Bank of America 2009 and 2010 proxy statements
 "10 Minutes on US financial reform," by PricewaterhouseCoopers, July 2010
- DUE: Deck of slides or mind map
- 6—Thu. 11/18 **How will "Obamacare" affect Pitney Bowes' employee health care strategy?**
- GOALS: To assess the most likely effects of government regulation on business behavior. To evaluate the major provisions of U.S. healthcare reform. To identify different components of employee compensation, health care and retirement benefits. To examine ways in which these components can promote employee health and increase shareholder wealth.
- CONTEXT: U.S. employers face substantial direct costs (e.g., health insurance benefits) and indirect costs (e.g., absentism, lower productivity) of poor employee health. Instead of focusing on negotiating premium discounts or disengaging from employee health benefits altogether, Fortune 500 firm Pitney Bowes, widely regarded as an innovator in employee health care, takes a longer-term view of employee health care by creating a culture of workplace health, offering primary care and wellness programs. With the 2010 enactment of the Patient Protection and Affordable Care Act, Pitney Bowes will need to reconsider how to address employee health care to avoid unintended consequences from the new regulations.
- TASK: Prepare an analysis of the most likely effects of U.S. healthcare reform on Pitney Bowes' employee health care programs. Include in your analysis a set of recommendations for Pitney Bowes to consider in optimizing these regulatory effects.
- CASE: "Pitney Bowes: Employer Health Strategy"
- READINGS: *Landmark: The Inside Story of America's New Health-Care Law and What It Means for Us All*, by The Washington Post, 2010
 "Health care reform: Employee benefits considerations for CFOs," *Deloitte CFO Insights*, 2010
 "Health care reform: What is your timeline?," *Deloitte CFO Insights*, 2010
- DUE: Deck of slides or mind map

***—Tue. 11/23 **THANKSGIVING WEEK—No class**

***—Thu. 11/25 **THANKSGIVING WEEK—No class**

***—Tue. 11/30 **FINAL CASE PREPARATION TIME—No class**

7—Thu. 12/2 **Should CARE start a financial literacy program for its microcredit customers?**

GOALS: To review concepts, theories and tools learned throughout Goizueta's MBA core courses.

CONTEXT: CARE USA, a large international nonprofit/NGO, has recently revamped its external branding and positioning to support its international development work. Included in this work is providing access to microcredit to the poor.

TASK: Develop a business literacy program for recipients of CARE's microcredit services. Pay close attention not only to the content of the program but also to its delivery. Make sure to identify the potential costs and benefits of such a program, and its direct and indirect fit with CARE's overall business model and strategy.

CASE: "Repositioning CARE USA"

READINGS: *Creating a World without Poverty: Social Business and the Future of Capitalism*, by Muhammad Yunus, 2007

Half the Sky: Turning Oppression into Opportunity for Women Worldwide, by Nicholas D. Kristof and Sheryl WuDunn, 2009

CARE USA's 2010 annual report

"Access Africa: Equal access to financial services," by CARE, 2008

"Rethinking microfinance: The Grameen II diaries," Chapter 6 in *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*, by Daryl Collins, Jonathan Morduch, Stuart Rutherford and Orlanda Ruthven, 2009

DUE: Final deck of slides and presentation