



HARVARD | BUSINESS | SCHOOL

# REIMAGINING CAPITALISM

COURSE SYLLABUS

SPRING 2020

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## Reimagining Capitalism Spring 2020

### Description

Free market capitalism is one of the great achievements of mankind, bringing prosperity and economic freedom to billions of people and contributing to a flowering of individual freedom and possibility that would have been unimaginable to our ancestors. Today, however, it faces critical challenges on a wide variety of fronts.

Growing income inequality, poor or declining educational systems, unequal access to affordable health care and the fear of continuing economic distress are putting stress on political systems worldwide and challenging the credibility of business. At the same time there is increasing pressure on the supply of basic commodities, particularly on food, water, energy, and land. Rates of environmental degradation are increasing, sea levels are rising and unchecked emissions of greenhouse gases threaten to destabilize the climate. Moreover we are in the midst of widespread ecosystem degradation and a corresponding mass extinction of bird, plant and animal life. Robust political responses based on strong social support are crucial to meeting these challenges, but action by the private sector will also be critically important.

This course is designed for students who want to explore the idea that firms and business leaders have agency and a role to play in addressing the “big” problems. Historically these kinds of problems have often been considered to be the responsibility of the state. We’ll look at why private firms might be able to play a major role in solving them in today’s world, and we will explore the ways in which accomplishing this may require both changes in how firms and leaders consider their obligations and engage with the issues, as well as changes in the “rules of the game” by which capitalism is structured.

### Course Content and Organization

The course has several parts. We begin by looking at two of the “big problems” in some depth - environmental degradation and inequality - as a first step towards understanding whether and how it may make sense for private sector firms to engage in solving them. We pay particular attention to the moral roots of capitalism and its emergence over the course of the last three hundred years as a solution to the problems of hunger, violence and centralized power, and we contrast the ways in which the relationship between the public and private sectors has taken different forms over the course of history and across geographies.

Linked directly to this is the idea of shareholder value. We explore its different meanings, and what they imply for managerial action. We consider whether delivering value to shareholders is necessarily at odds with satisfying the needs of a broader group of shareholders, or whether attention to these needs can lead to robust value creation. We also look at circumstances where there is a trade-off for private firms between shareholder value and addressing “public goods” problems to understand whether the costs can be reasonable or appropriate and we explore some of the institutional solutions – including addressing short-termism, changing metrics and incentives, building collaboration within and across industries, alternate governance - that have emerged to address them.

We then turn to examining various examples of leaders and firms that have reimagined their roles and goals, and the approaches they have taken to engaging with these challenges. Mindful that successful leaders have strong values that inspire and guide their decisions, we explore the moral imperatives or social contract that can motivate business leaders to engage with public goods problems and the degree to which it is appropriate to act on these values. We will look at what has worked well, what has come up short, and consider what lessons can be drawn. We will also look at the implications of these approaches for the broader economic system.

Finally, we explore what these ideas might mean for you and your career. The world is a large place, and the kinds of problems that we face can seem overwhelming. You will have the opportunity to bring together the ideas, issues and models discussed throughout the term to develop and articulate your own view of how the system can work better, the role and responsibilities that firms and their leaders may have in addressing these challenges, and how your own approach to leadership could be affected by these issues.

### **Course Format**

The course includes a mix of business cases but also readings in psychology, management and economics. Our goal is to make the readings eminently practical and actionable. We will not do fine textual analysis - instead we will ask what these ideas mean for you, as a manager, and we will have a number of visitors to class who are attempting to put them into practice in their own firms.

## COURSE OVERVIEW

\* Suggests that the case protagonist will be in class

### Scoping the Problem

1. Introduction January 27  
*Case: Harlem Capital: Changing the Face of Entrepreneurship*
2. Environment January 29  
*Simulation: Fishbanks*
3. Economic Inequality February 3  
*Case: Income Inequality and the CEO Pay Ratio at TJX Cos*  
*Note: Income Inequity and Income Inequality*
4. Action is Possible Now February 4  
*Case: Sustainable Tea at Unilever*

### Institutions

5. Capitalism Around the World February 10  
*Note: Note on Comparative Capitalism*
6. Changing Minds February 11  
*Case: Fossil Fuel Divestment*  
*Reading: Why Good People Are Divided by Politics and Religion*
7. Short-Termism February 12  
*Case: Investor "Short-Termism": Really a Shackle?\**  
*Reading: Rising to the Challenge of Short-Termism*
8. Looking Into the Future February 18  
*Case: ExxonMobil: Business as Usual?*  
*Note: The Future of Mobility: Economic, Environmental and Social Implications*
9. Metrics and Decision Making February 19  
*Case: Shanghai: GDP Apostasy*

### What is the Purpose of the Corporation?

10. Exploring the Role of Business February 24  
*Reading: The Social Responsibility of Business to Increase Its Profits*  
*Reading: The American Corporation*  
*Reading: The Problem of Corporate Purpose*
11. Understanding Impact February 25  
*Case: Southwire and 12 for Life: Scaling Up?\**  
*Note: Relational Contracts and the Roots of Sustained Competitive Advantage*
12. Business Strategy March 2  
*Case: Sustainable Product Management at Solvay\**
13. A First Look at Changing the Rules of the Game March 3  
*Case: Turnaround at Norsk Gjenvinning\**  
*Reading: How to Scandal-Proof Your Company*

- 14. Developing Disclosure Standards March 4  
*Case: JetBlue: Relevant Sustainability Leadership\**  
*Read: ESG Metrics: Reshaping Capitalism?*
- 15. Reflection March 9

### **What is the Purpose of Capital?**

- 16. Purpose March 10  
*Case: Blackrock: Linking Purpose to Profit\**

### *SPRING BREAK*

- 17. Incentives March 23  
*Case: Aperture Investors*  
*Reading: The Social Responsibility of Boards of Directors and Stockholders in Change of Control Transactions: Is there Any 'There' There?*
- 18. Universal Owners March 24  
*Case: Should a Pension Fund Try to Change the World? Inside GPIF's Embrace of ESG*
- 19. Financing the UN Sustainable Development Goals March 30  
*Case: Summa Equity: Building Purpose-Driven Organizations\**

### **Collaboration and Building Institutions**

- 20. Self-Regulation: Governance March 31  
*Case: Statoil: Transparency on Payments to Governments*
- 21. Self-Regulation: Environment April 1  
*Case: Gotong Royong: Toward Sustainable Palm Oil*  
*Note: Industry Self-Regulation: Sustaining the Commons in the 21<sup>st</sup> Century\**
- 22. Building the Ecosystem April 6  
*Case: SK Group: Social Progress Credits*
- 23. Technology and the Ecosystem April 7  
*Case: Facebook's Libra: The Privatization of Money?*  
*Reading: When Technology Gets Ahead of Society*

### **Our Choices**

- 24. Building a Business I April 8  
*Case: Redefining Mogul\**
- 25. Should I Stay or Should I Go? April 13  
*Case: Omar Selim: Building a Values-Based Asset Management Firm\**
- 26. Building a Business II April 14  
*Case: Harlem Capital: Changing the Face of Entrepreneurship\**  
*B Case: Harlem Capital: Changing the Face of Entrepreneurship*
- 27. Activism April 21  
*Case: Employee Activism\**
- 28. Conclusion & Wrap April 22

## Part I. Scoping the Problem

January 27, 2020 | Class 1 - Introduction

*Materials:*

- Serafeim, George, and David Freiberg. "[Harlem Capital: Changing the Face of Entrepreneurship \(A\)](#)." Harvard Business School Case 120-040, October 2019.

*Assignment:*

1. What are the central assumptions behind Harlem Capital's central investment thesis?
2. Do you think these assumptions are valid?
3. What is the market opportunity for Harlem Capital? What are the major risks?
4. Based on your responses to 1-3 above, would you put your future career at stake and start Harlem Capital, if you were in Jarrid and Henri's place?

January 29, 2020 | Class 2 – Environment

*Materials:*

- [Fishbanks Simulation: Student Instructional Video](#)
- "Introduction to Fishbanks," John Sterman, Andrew King, MIT Sloan 2011 (*free access through Instructor Log-In*)

*Assignment:*

Please bring a charged laptop and be on time. Come to class prepared to fish! Please think hard about what strategy you plan to follow in approaching the game.

February 3, 2020 | Class 3 - Economic Inequality

*Materials:*

- Rouen, Ethan, and Akari Furukawa. "Income Inequality and the CEO Pay Ratio at TJX Cos." Harvard Business School Case 120-063, December 2019.
- Rouen, Ethan, and Akari Furukawa. "Income Inequity and Income Inequality." Harvard Business School Case 120-062, March 2020.

*Assignment:*

1. Why is the CEO pay ratio at TJX so high?
2. What would you do about the pay ratio if you were Meyrowitz? What can the company do to lower the pay ratio? What would be the economic consequences to the firm (provide calculations if applicable)?
3. Is the pay ratio a sufficient measure? Should TJX disclose alternative/additional measures?
4. What are the underlying beliefs that explain the current structure of corporate pay and its disparity among executives and lower level employees?

February 4, 2020 | Class 4 - Action is Possible Now

*Materials:*

- Henderson, Rebecca, and Frederik Nellemann. "[Sustainable Tea at Unilever](#)." Harvard Business School Case 712-438, December 2011.

*Assignment:*

1. Does Unilever have a business model in mind with respect to sustainable tea? If so, what is it? Is it plausible?
2. Has the introduction of sustainable tea been a success? Pay attention to the numbers relating to the supply chain costs and the marketing efforts.
3. Why has Paul Polman announced such aggressive sustainability goals? Does he have a business model in mind? If so, what is it?
4. What should Unilever do with respect to sustainable tea in the Indian market?

**Part 2. Institutions**

February 10, 2020 | Class 5 - Capitalism around the World

*Materials:*

- Rose, Clayton, and Rebecca Henderson. "[Note on Comparative Capitalism](#)." Harvard Business School Case 315-077, January 2018.

*Assignment:*

1. What are the most meaningful differences across the different versions of capitalism? What is the "role of business" in each version?
2. Which version of capitalism is best equipped to deal with "big problems" like environmental degradation, inequality, and crony capitalism?
3. Are inclusive institutions better for business? For which businesses?
4. How do you get inclusive institutions? What is the role of business in getting and keeping them?

February 11, 2020 | Class 6 - Changing Minds

*Materials:*

- Toffel, Michael, and Sarah Gulick. "[Fossil Fuel Divestment](#)." Harvard Business School Case 620-093, January 2020.
- "[Why Good People Are Divided by Politics and Religion](#)" Jonathan Haidt (Ch. 2 & 9)

*Assignment:*

1. How effective is divestment as a tool for social change?
2. What are the plausible mechanisms for change? What are the potential costs and for whom?
3. How important do you think "elephants" are in driving your own decision making? In driving decision making in society in general? In business?
4. How important is groupish behavior in business?

## February 12, 2020 | Class 7 - Short-Termism

### *Materials:*

- Rose, Clayton, and Rebecca Henderson. “[Investor “Short-Termism”: Really A Shackle?](#)” Harvard Business School Background Note 315-084, January 2015.
- Barton, Dominic, Bailey, Jonathan, and Joshua Zoffer. “[Rising to the challenge of short-termism.](#)” FCLT Global.

### *Assignment:*

1. How would you define short-termism? What is short and what is long-term?
2. What are the drivers of short-termism in organizations and markets?
3. What can management do to avoid short-termism?
4. Is short-termism a real problem?

### *Post- Class Supplementary Readings:*

- Kotsantonis, S., Rehnberg, C., Serafeim, G., Ward, B. and Tomlinson, B. (2019), [The Economic Significance of Long-Term Plans](#). *Journal of Applied Corporate Finance*, 31: 22-33.
- Brochet, Francois, Serafeim, George, and Maria Loumioti, “[Short-Termism: Don't Blame Investors.](#)” *Harvard Business Review*, June 2012.
- Serafeim, George, Saltzman, Daniela, and Bronagh Ward. “[How Laws and Culture Hold Back Socially Minded Companies.](#)” *Harvard Business Review*, May 2017.

## February 18, 2020 | Class 8 - Looking Into the Future

### *Materials:*

- Serafeim, George, Rajgopal, Shivaram, and David Freiberg. “[ExxonMobil: Business as Usual?](#)” Harvard Business School Case 117-046, February 2017.
- Serafeim, George, and David Freiberg. “[The Future of Mobility: Economic, Environmental, and Social Implications.](#)” Harvard Business School Background Note 118-008, July 2017.

### *Assignment:*

1. Why has Exxon Mobil not recognized impairments on the value of their assets while many companies have?
2. How could climate change impact Exxon Mobil's business? Over what time horizon?
3. What are the competitive advantages that Exxon Mobil has to turn climate change from a risk to an opportunity? What capabilities would need to be developed?
4. As the new CEO, how would you change the company to succeed in a low carbon economy?

### *Post- Class Supplementary Readings:*

- Serafeim, George, Rajgopal, Shivaram, and David Freiberg. “[ExxonMobil: Business as Usual? \(B\)](#)” Harvard Business School Case 117-047, June 2017.



- Otto, Ilona M. et al. "[Social tipping dynamics for stabilizing Earth's climate by 2050.](#)" *PNAS*, January 2020.
- Henderson, Rebecca, and George Serafeim. "[Tackling Climate Change Requires Organizational Purpose.](#)" *AEA Papers and Proceedings* (2020).
- Serafeim, George, and Sakis Kotsantonis. "[ExxonMobil's Shareholder Vote Is a Tipping Point for Climate Issues.](#)" *Harvard Business Review*, June 2017.

February 19, 2020 | Class 9 - Metrics and Decision Making

*Materials:*

- Serafeim, George, Henderson, Rebecca, and David Freiberg. "[Shanghai: GDP Apostasy.](#)" Harvard Business School Case 115-042, March 2015.

*Assignment:*

1. Is abandoning GDP as the core metric to guide public policy a good idea? Why or why not?
2. What alternative metrics could Shanghai use to guide its decision making?
3. What would a "strategy map" for the city of Shanghai look like? (See Exhibits 11 and 12 for strategy maps for other cities.) Design your own map and identify metrics that could help Shanghai in its strategy execution. Use data from Exhibits 8 and 13 to inform your map. Bring your map to class and be prepared to present your ideas. As a guide think:
  - What is Shanghai's overarching vision?
  - What are its learning and growth themes and what are the metrics they should use to track progress against these themes?
  - Which internal processes are these likely to affect? What are the metrics that they should track to ensure they are making progress?
  - What are the stakeholder outcomes that these processes should drive and that citizens are most likely to care about?

*Post- Class Supplementary Readings:*

- Coyle, D. (2014, July 4). [Has GDP outgrown its use?](#) *Financial Times*.
- Cassidy, J. (2020, February 3). [Can We Have Prosperity Without Growth?](#) *The New Yorker*.

### **Part 3. What is the Purpose of the Corporation?**

February 24, 2020 | Class 10 - Exploring the Role of Business

*Materials:*

- Friedman M. (1970). [The Social Responsibility of Business Is to Increase Its Profits](#). In: Zimmerli W.C., Holzinger M., Richter K. (eds) Corporate Ethics and Corporate Governance. Springer, Berlin, Heidelberg.
- Gomory, R., & Sylla, R. (2013). [The American Corporation](#). *Daedalus*, 142(2), 102-118.
- Stout, L.A. (2012). [The Problem of Corporate Purpose](#). *Issues in Governance Studies*, 48, 1-14.

*Assignment:*

1. Why does Friedman assert so passionately that "the social responsibility of business is to increase its profits?" Why does he believe that appeals to "social responsibility" are so dangerous? What are the normative commitments (deeply held values) that underlie his argument? On what assumption does his argument rely? Would he approve of Unilever's actions?
2. Why do corporations as described by Gomory and Sylla seem to have such a very different view of their goals and ends than modern US corporations?
3. What is the business of business? On what normative commitments and assumptions do you draw in answering this question? Can Gomory/Sylla and Friedman be reconciled?

February 25, 2020 | Class 11 - Understanding Impact

*Materials:*

- Rivkin, Jan, and Ryan Lee. "[Southwire and 12 for Life: Scaling Up? \(A\)](#)" Harvard Business School Case 714-434, October 2013.
- Henderson, Rebecca. "[Relational Contracts and the Roots of Sustained Competitive Advantage](#)" Harvard Business School Background Note 313-105, April 2013.

*Assignment:*

1. How does 12 for Life benefit the kids that enroll in it?
2. How has Southwire been able to generate these benefits? Which elements of the program are central, and which are peripheral?
3. What has made the program successful to date?

*Post- Class Supplementary Readings:*

- Rivkin, Jan, and Ryan Lee. "[Southwire and 12 for Life: Scaling Up? \(B\)](#)" Harvard Business School Case 714-435, October 2013.

March 2, 2020 | Class 12 - Business Strategy

*Materials:*

- Serafeim, George, Dessain, Vincent, and Mette Fuglsang Hjortshøj. “[Sustainable Product Management at Solvay](#).” Harvard Business School Case 120-081, February 2020.

*Assignment:*

1. How is the Solvay Portfolio Management tool useful in Kadri’s effort to position Solvay for success?
2. What is your hypothesis about why solutions products might be growing faster than challenged products?
3. Is Solvay well positioned for a future with \$75 carbon tax? What would be the likely effects on Solvay’s revenues and costs under different scenarios?
4. Should Kadri sell the soda ash business? If no, why not? If yes, what should she invest in?

March 3, 2020 | Class 13 - A First Look at Changing the Rules of the Game

*Materials:*

- Serafeim, George, and Shannon Gombos. “[Turnaround at Norsk Gjenvinning](#).” Harvard Business School Case 116-012, August 2015.
- Healy, Paul M., and George Serafeim. “[How to Scandal-Proof Your Company](#).” *Harvard Business Review* 97, no. 4 (July–August 2019): 42–50.

*Assignment:*

1. Why was Erik so surprised about the true state of affairs inside the company?
2. What is the main competitive challenge that Erik is facing and what can he do about it?
3. Do you think that NG is on the right track towards defeating corruption in the Norwegian waste processing industry?

*Post- Class Supplementary Readings:*

- Serafeim, George, and David Freiberg. “[Turnaround at Norsk Gjenvinning \(B\)](#).” Harvard Business School Case 118-033, October 2017.

March 4, 2020 | Class 14 - Developing Disclosure Standards

*Materials:*

- Serafeim, George, and David Freiberg. “[JetBlue: Relevant Sustainability Leadership](#).” Harvard Business School Case 118-030, October 2017.
- Serafeim, George, and Jody Grewal. “[ESG Metrics: Reshaping Capitalism?](#)” Harvard Business School Background Note 116-037, April 2019.

*Assignment:*

1. Why did JetBlue adopt SASB standards?
2. Are the issues identified by SASB indeed 'material'? If no, why not? If yes, why not other airlines disclose that information?

3. Is standardization of ESG reporting a good idea?
4. How could ESG reporting reshape capitalism?

*Post-Class Supplementary Readings:*

- Serafeim, George, and David Freiberg. "[JetBlue: Relevant Sustainability Leadership \(B\)](#)." Harvard Business School Case 119-044, October 2018.
- Grewal, Jody, Clarissa Hauptmann, and George Serafeim. 2020. "[Material Sustainability Information and Stock Price Informativeness](#)." *Journal of Business Ethics*.
- Khan, Mozaffar, George Serafeim, and Aaron Yoon. "[Corporate Sustainability: First Evidence on Materiality](#)." *Accounting Review* 91, no. 6 (November 2016).

March 9, 2020 | Class 15 - Reflection

*No Materials*

#### **Part 4. What is the Purpose of Capital?**

March 10, 2020 | Class 16 - Purpose

*Materials:*

- Deshpande, Rohit, Dey, Aiyasha, and George Serafeim. "[Blackrock: Linking Purpose to Profit](#)." Harvard Business School Case 120-042, January 2020.

*Assignment:*

1. Does Blackrock's stewardship efforts on corporate purpose help companies and/or the market?
2. What 'teeth' does Blackrock have in playing the role of a governance agent in shaping corporate purpose and policies?
3. How do you think the role of Blackrock should evolve going forward? Do you agree with their current strategy? Should they have more stringent engagement policies?
4. What would you advise Edkins and Novick to solve the Goldilocks' dilemma? Do more or do less?

*Post-Class Supplementary Readings:*

- Serafeim, George. (2017). “[Investors as Stewards of the Commons?](#)” *Journal of Applied Corporate Finance*, 30(2).
- Gartenberg, Claudine, Andrea Prat, and George Serafeim. “[Corporate Purpose and Financial Performance.](#)” *Organization Science* 30, no. 1 (January–February 2019): 1–18.
- Gartenberg, Claudine, and George Serafeim. “[Corporate Purpose and Firm Ownership.](#)” Harvard Business School Working Paper, No. 20-024, August 2019.

March 23, 2020 | Class 17 - Incentives

*Materials:*

- Palepu, Krishna, Serafeim, George, and David Lane. “[Aperture Investors.](#)” Harvard Business School Case 119-053, April 2019.
- Strine, Leo. (2014). “[The Social Responsibility of Boards of Directors and Stockholders in Change of Control Transactions: Is There Any ‘There’ There](#)” *Southern California Law Review*, 75, 1169-2002.

*Assignment:*

1. Do you agree with Kraus’ assessment that incentives in the active investment management industry are broken?
2. How would you evaluate Aperture’s business model? What are its strengths and weaknesses?
3. If his assessment is correct what are the implications for the “entity model” of the corporation? For the “property model”?
4. If most capital is managed through index funds what are the implications for the idea that shareholders are principals? For the entity model? For the property model?
5. Given these implications how do you now evaluate Blackrock’s engagement and stewardship efforts?

March 24, 2020 | Class 18 - Universal Owners

*Materials:*

- Henderson, Rebecca, Serafeim, George, Lerner, Josh and Naoko Jinjo. “[Should a Pension Fund Try to Change the World? Inside GPIF’s Embrace of ESG.](#)” Harvard Business School Case 319-067, January 2019.

*Assignment:*

1. Why is Hiro/GPIF so committed to the integration of ESG issues in asset management and corporate community?
2. Why have some people questioned whether this push is consistent with GPIF’s fiduciary duty? Are they right?
3. How would you evaluate his progress to date? Where should he double down if he wants to drive further progress?
4. What would be a pay for performance plan for large index asset managers to engage with companies on climate change or inequality at scale? Based on what metrics would you assess performance?

March 30, 2020 | Class 19 - Financing the UN Sustainable Development Goals

*Materials:*

- Serafeim, George, and David Freiberg. “[Summa Equity: Building Purpose-Driven Organizations.](#)” Harvard Business School Case 118-028, November 2017.

*Assignment:*

1. Why did Summa choose the UN Sustainable Development Goals as a useful framework for private equity investing?
2. What is the social impact of Summa?
3. Will Summa's investment approach produce competitive returns?
4. Should Summa sell a company to the highest bidder, even if the buyer is misaligned with Summa's approach?
5. Can the Summa model for private equity be replicated? If yes, would it make a difference?

Post-Class Supplementary Readings:

- Indahl, Reynir, and Hannah Gunvor Jacobsen. (2019). [Private Equity 4.0: Using ESG to Create More Value with Less Risk.](#) *Journal of Applied Corporate Finance*, 31(2), 34-41.
- Porter, Michael E., George Serafeim, and Mark Kramer. ["Where ESG Fails."](#) *Institutional Investor* (October 16, 2019).

**Part 5. Collaboration and Building Institutions**

March 31, 2020 | Class 20 - Self-Regulation: Governance

*Materials:*

- Serafeim, George, Healy, Paul, and Jerome Lenhardt. “[Statoil: Transparency on Payments to Governments.](#)” Harvard Business School Case 115-049, March 2015.

*Assignment:*

1. What are the benefits and costs of disclosing host country government payments?
2. Why did Statoil choose a different disclosure strategy from its competitors?
3. How effective is EITI?

Post-Class Supplementary Readings:

- Healy, Paul M., and George Serafeim. ["Voluntary, Self-Regulatory, and Mandatory Disclosure of Oil and Gas Company Payments to Foreign Governments."](#) *Accounting Horizons* 34, no. 1 (March 2020): 111–129.

April 1, 2020 | Class 21 - Self-Regulation: Environment

*Materials:*

- Henderson, Rebecca, Yew, Hann-Shuin, and Monica Baraldi. “[Gotong Royong: Toward Sustainable Palm Oil.](#)” Harvard Business School Case 316-124, March 2016.

- Henderson, Rebecca, Migdal, Amram, and Tony He. “[Note: Industry Self-Regulation: Sustaining the Commons in the 21<sup>st</sup> Century](#).” Harvard Business School Case 315-074, March 2015.

*Assignment:*

1. Unilever committed to purchasing 100% sustainable palm oil in 2008. At that time it was the only major company to have made such a commitment. But by 2014 nearly all of the major buyers, traders and producers -- 60% of globally traded palm oil -- had made such commitments. What happened and why?
2. How important do you think these commitments have been in shaping the realities on the ground in Indonesia? What more remains to be done? What are the one or two areas where you think Unilever's focused effort might make the most difference?
3. Similar efforts are underway in soy, beef, paper and sugar. Is Jason Clay right? Is this model a plausible way forward for other sectors and other problems?

Post-Class Supplementary Materials:

- Kaplan, Robert S., Serafeim, George, and Eduardo Tugendhat. “[Inclusive Growth: Profitable Strategies for Tackling Poverty and Inequality](#).” Harvard Business Review, January-February 2018.

April 6, 2020 | Class 22 - Building the Ecosystem

*Materials:*

- Serafeim, George, Rouen, Ethan, and David Freiberg. “[SK Group: Social Progress Credits](#).” Harvard Business School Case 120-071, January 2020.

*Assignment:*

1. Do you think the introduction of social progress credits would improve the social performance of social enterprises in South Korea?
2. For which social enterprises might the introduction of social progress credits be more beneficial for their social performance? For their financial performance?
3. Do you agree with the measurement methodology? With the reference price?
4. How could SK attract more companies and government agencies and create a secondary market for social progress credits?

Post-Class Supplementary Materials:

- Sun-Moon, Jung, and Jae Yong Shin. (2019). [Double Bottom Line: The Use of Performance Incentives in Mission-Driven Firms](#). Working paper.

April 7, 2020 | Class 23 - Technology and the Ecosystem

*Materials:*

- Di Maggio, Marco, Rouen, Ethan, Serafeim, George, and Aldo Sesia. “[Facebook's Libra: The Privatization of Money?](#)” Harvard Business School Case 120-021, October 2019.
- Khanna, Tarun. “[When Technology Gets Ahead of Society.](#)” Harvard Business Review Article R1804F, July 2018.

*Assignment:*

1. Why is Facebook developing Libra? How does Libra differ from Bitcoin or Ether?
2. Why is Facebook looking to partner with other companies via the Libra Association? If you were the CEO of a company, would you join the Libra Association?
3. What, if any, measures should regulators put into the place as Libra enters the market?
4. Who are the Libra stakeholders? What risks do they face?

**Part 5. Our Choices**

April 8, 2020 | Class 24 - Building a Business I

*Materials:*

- Serafeim, George, Rouen, Ethan, and Sarah Gazzaniga. “Redefining Mogul.” Harvard Business School Case 120-043, March 2020.

*Assignment:*

1. What do you think has been the most important factor in Tiffany Pham’s success for far?
2. How is Mogul achieving its mission?
3. What are the parallels between Mogul and Facebook? What are the differences?
4. Would you bring a corporate partner to scale up or diversify the business to increase Mogul’s impact?

April 13, 2020 | Class 25 - Should I Stay or Should I Go?

*Materials:*

- Serafeim, George, Gombos, Shannon, and Rebecca Henderson. “[Omar Selim: Building a Values-Based Asset Management Firm \(A\).](#)” Harvard Business School Case 115-021, September 2017.

*Assignment:*

1. Would you recommend to Omar that he leave Barclays to set up Arabesque as a separate company? Why or why not?
2. What should Omar do to make Arabesque a success?
3. How open should Omar be about his beliefs and about the ways in which they shape his business decisions in the workplace?
4. Are people born caring more about status, wealth, and power than autonomy, mastery, and purpose, or is this something that is shaped by an individual's life history and context?



*Post-Class Materials:*

- Serafeim, George, Gombos, Shannon, and Rebecca Henderson. [“Omar Selim: Building a Values-Based Asset Management Firm \(B\).”](#) Harvard Business School Case 115-035, September 2017.
- Serafeim, George. [4 Ways Managers Can Exercise Their 'Agency' to Change the World.](#) 24<sup>th</sup> July 2018.

April 14, 2020 | Class 26 - Building a Business II

*Materials:*

- Serafeim, George, and David Freiberg. [“Harlem Capital: Changing the Face of Entrepreneurship \(A\).”](#) Harvard Business School Case 120-040, October 2019.
- Serafeim, George, and David Freiberg. [“Harlem Capital: Changing the Face of Entrepreneurship \(B\).”](#) Harvard Business School Case 120-041, October 2019.

*Assignment:*

1. What are the central assumptions behind Harlem Capital’s central investment thesis?
2. Do you think these assumptions are valid?
3. What is the market opportunity for Harlem Capital? What are the major risks?
4. What do Jarrid and Henri need to do to build the market? In terms of a diverse set of entrepreneurs and a diverse set of talent for Harlem Capital?

April 21, 2020 | Class 27 - Activism

*Materials:*

- Rouen, Ethan, and Akari Furukawa. [“Employee Activism.”](#) Harvard Business School Case 120-104, March 2020.

*Assignment:*

1. What are Liz’s options? Which one is the best course of action? Which one would you pick? If the best course differs from the one you would pick, why?
2. Did Jack make the correct decision? Why or why not?
3. Should Liz take an action that is similar to Jack’s (quitting and sending a letter)? Why or why not?
4. In your own job, what would be a potential tipping point that would lead you to activism? What would you want to do? What would you actually do?

*Post-Class Materials:*

- Rouen, Ethan and Akari Furukawa. [“Employee Activism \(B\).”](#) Harvard Business School Case 120-105, March 2020.

April 22, 2020 | Class 28 - Conclusion & Wrap-Up

*No Class-Materials*