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BMGT 491.05: Issues in Business & Sustainability

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BMGT 491: Issues in Bus & Sustainability

Fall 2013: Three credits, Traditional Grading

Course Pre-requisites: Junior standing

Available for Graduate Credit

T/H 2:10 – 3:30 PM GBB 201

Instructor: Dr. Suzanne Tilleman
Office: GBB 369
Office hours: Tues. & Thurs. 8:30 AM – 9:30 AM
And by appointment
Phone: 406-243-2915
Email: suzanne.tilleman@business.umt.edu

School of Business Administration Mission Statement

The University of Montana's School of Business Administration is a collegial learning community dedicated to the teaching, exploration, and application of the knowledge and skills necessary to succeed in a competitive marketplace.

School of Business Administration / Assessment and Assurance of Learning

As part of our assessment process and assurance-of-learning standards, the School of Business Administration (SoBA) has adopted seven learning goals for its undergraduate students.

- Will possess fundamental business knowledge
- Will be able to integrate business knowledge
- Will be effective communicators
- Will possess problem solving skills
- Will have an ethical awareness
- Will be proficient users of technology
- Will understand the global business environment in which they operate

Course Summary and Objectives

This course explores how changing perceptions around environmental and social issues influence current business practices. Through this exploration, we discuss the impact these influences have on business and how adept firms can gain competitive advantage through embracing and integrating them into their core strategies. Though environmental and social issues have gained prominence in recent years and have even spawned conversations around concepts – e.g., sustainability, sustainable strategy, sustainable development - many firms remain ill-equipped to successfully address these issues through their actions. Thus, this course focuses on developing your understanding of these opportunities, what you can do to develop more sustainably aware action in your personal and professional lives, and how firms can profitably integrate environmental and social issues into their strategies and actions.

In particular, the specific objectives of this course include:

1. Developing an understanding and appreciation of the complex interaction of economic, regulatory, technological, and social factors that shape how businesses react and respond to sustainability
2. Applying concepts from our readings, discussions, and case studies in ways that create value for organizations who adopt these sustainability perspectives into their actions

3. Analyzing and developing effective strategies for gaining competitive advantage
4. Developing an individual perspective on how these issues impact you as you engage in your personal and professional lives

Course Format and Expectations:

- Our class time will be devoted to lecture, discussion, and case analysis.
- Preparation expected before class:
 - All reading and assignments for the day have been completed
 - You have given thought to the topics to be discussed
 - You are prepared with questions about *relevant* issues you want to discuss, explore, or challenge
- All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or disciplinary sanction by the University. All students need to be familiar with the Student Conduct Code. The Code is available for review online at http://life.umt.edu/vpsa/student_conduct.php
- Laptop computers may be used for note taking in class, but not for e-mailing, stock trading, gaming, or other non-class activities. If not used appropriately, a student risks losing the privilege to use electronics for the rest of the semester. Students are expected to abide by the SoBA Code of Professional Conduct <http://www.business.umt.edu/Soba/SoBAEthics/CodeofProfessionalConduct.aspx>.
- Electronic devices must be turned to silent during class time.
- The University of Montana assures equal access to instruction through collaboration between students with disabilities, instructors, and Disability Services for Students. If you think you may have a disability adversely affecting your academic performance, and you have not already registered with Disability Services, please contact Disability Services in Lommasson Center 154 or 406.243.2243. I will work with you and Disability Services to provide an appropriate modification. Please contact me within the first couple of weeks to arrange for accommodations.

Course Materials

Many of the readings are available through the Moodle course site. The cases can be purchased directly from HBP. In addition to readings and cases, we will use:

- *Green to Gold*, by Daniel C. Esty and Andrew Winston, Yale University Press, Revised edition, 2009. ISBN: # 978-0470393741 paperback. You are welcome to buy the electronic version as well.
- *Business Cases*. students purchase cases for in-class analysis from the Harvard Business site. The link <https://cb.hbsp.harvard.edu/cbmp/access/39966809> to access and pay for the cases used specifically in this course. Students pay for cases via the HBS Publishers' website. There is an app for the iPad, once you purchase the cases that allows you to read them on that platform as well as your computer. You may choose to print the cases once they are downloaded. The cost should be \$23.70.
- *Students are encouraged to subscribe to the Wall Street Journal*

Deliverables

Participation and Deportment

Class participation is a function of preparation, skills, attitude, and a willingness to share one's ideas with the class. Frequent and ongoing evaluation will be made in this area, and credit will be given for progress over the term. It is difficult to score well in Participation if a student misses more than a couple of classes.

Comments in Class

Simply attending class is necessary but not sufficient. This course has a large case component and thus requires more of students than a conventional, lecture-based course. Not only should you be familiar with the fundamental concepts presented in the accompanying text for each class, but even more importantly, you should also be intimately familiar with the details of the case. You should identify the critical problems presented in the case, calculate and assimilate appropriate financial figures, generate and evaluate alternate courses of action, and be able to select and defend your choice. Please bring all case materials, including notes, calculations, and/or outlines you've generated during your preparation, to class. Keep in mind while analyzing cases that there is no single right answer, but some answers are better than others. To find those, apply strategic concepts and critical thinking to the situations presented.

You may be 'cold called' upon to state your major conclusions and then to provide evidence and analysis in support. Even if the situation appears ambiguous, it is important to examine data, reasons, and assumptions that make some answers better than others. Managers usually have limited information or face ambiguous situations when making decisions. For class discussion, you will be expected to draw from all the relevant readings and class discussions to date. Also, please respectfully listen to your classmates and suggest supporting or alternative views. Thoughtful debate is highly encouraged.

Speaker Questions

It is critical to engage with the guest speakers in a meaningful manner. Preparing relevant and interesting questions ahead of class greatly increases the probability this will occur. You must submit three questions in Moodle prior to the day the speaker joins our class. I strongly suggest you keep an electronic or paper copy of the questions to prompt your memory when in class.

Peer Assessed Participation

Team members are required to evaluate each other on group participation. Each student will have 100 points to distribute among the members of their group including themselves, based on how they felt the other members of the group participated in the group process. This evaluation is due by 5 pm of Monday, December 14.

Finally, if a team member is not performing, the group may agree to remove that member. This may be done only after consulting with the professor and making repeated attempts to motivate the team member. A team member who is removed from a team must complete the assignments individually and forfeits one-half of the possible course participation points.

Potential for Extra Credit

Taking a pre/post survey on-line in the first week of class and again in the last week of class. I will not know your responses, just whether you take if both pre and post and the timing of when you take it. I will give you extra credit participation points if you choose to participate in the survey. The survey is available at

https://umt.co1.qualtrics.com/SE/?SID=SV_7NYzLdXOOrn8Gm9

It does require you to install the Inquisit Web Plug-In, you will be prompted to install it when you follow the link.

Pecha Kucha Presentation

Sustainability is a broad and ever deepening field. It is nearly impossible for one individual or resource to be familiar with all areas. To further your own understanding of sustainability issues

and to educate your fellow students, teams will present a Pecha Kucha style presentation. Pecha Kucha style presentations have 20 slides, shown for 20 seconds each. The topic must be related to environmental sustainability. Please send your topic request to me for approval by September 8. This way I can assure we do not have repeat topics. For a list of potential topics look at the issues addressed in Chapter 2 of *Green to Gold*.

Case Analyses

To aid in your analysis of the assigned cases, questions are provided at the end of the syllabus for each case that you should answer. Your written case analyses must be typed. The analyses are limited to no more than 3 double-spaced, 12-point font, pages. Case analyses are graded on a 20 point scale as shown in the attached rubric. **They are due in Moodle, they must be submitted prior to the start of that class period. You must do this work individually!**

Many students are not familiar with case analysis. So I have developed a few tips. When reading the case, it is best to read a day or two prior to answering the questions. This will give you a chance to consider the underlying problems and context for the case. When answering the questions be sure to show me the quality of your thinking. Only highlighting specific examples without a cohesive or comprehensive statement about them does not show thinking on your part, only regurgitation. Engage in the case! Think! If you want to receive a C grade you must at least show understanding of the case and the situation. You must answer the question posed and show some reflection or thought. If you want to receive an A grade you must contribute more. Examples include applying a strategic concept from this or another class, synthesize information on the situation, make an astute speculation, and provide new incite.

Sustainability Project

Your team’s task is to develop three strong ideas to increase the rate of bottle returns to Bayern Brewing. You will be assigned a channel to focus on. In the first stage you need to bring 6 ideas for possible ways to increase rate of return within your assigned channel. After a meeting with the Bayern representative and myself, we will point you in the direction of the three we want your team to focus more in depth. In your final presentation you will provide Bayern with your presentation with annotated notes on your work.

Channels currently identified are listed below but if you have another avenue, please put it forward.

- glass returned through residents (drop off) [3 teams]
- glass collected through professional services (e.g. curbside recycling) [1 team]
- glass collection offered through communities [1 teams]
- glass return enforced/required as a business model (e.g. National Park Service and its concession companies - "pack out, pack in") [2 teams]
- glass return from businesses/bar/restaurant/hotel [1 team]

Grade Calculation

Requirement	Weight
1. Participation	15%
2. Speaker Questions.....	15%
3. Pecha Kucha Presentation.....	20%
4. Case Analyses	20%
5. Team Sustainability Project	30%

Graduate Reflection Paper

If a student is taking this class for graduate level credit, a final reflection paper is required in addition to the other course work. The paper is due by 5 PM on Tuesday, December 15, 2015. The Reflection Paper entails writing an 8-10 page (normal margins, 12 point Times New Roman font, double-spaced) paper that describes and discusses what you learned from each speaker and the corresponding readings. The paper should include specific quotes from speakers and a critical evaluation of what you learned. Students should demonstrate an understanding of the seminar's assigned readings by integrating these readings with what the speakers say in the seminar. To accomplish this, students must take good notes during speaker sessions and complete all assigned readings. Papers that are vague, do not include specific examples from speakers and readings, and/or are poorly written will be graded accordingly. Papers that focus on only one or two speakers will not receive as high marks as those that demonstrate integration across all speakers. The rubric by which the papers are graded is posted on the Moodle site. Please talk to the professor to receive the instructions.

<u>Requirement</u>	<u>Weight</u>
1. Participation	10%
2. Speaker Questions.....	10%
3. Pecha Kucha Presentation.....	20%
4. Case Analyses	20%
5. Team Sustainability Project	30%
6. Graduate Reflection Paper	10%

Other Information

Email

According to University policy, faculty may only communicate with students regarding academic issues via official UM email accounts. Accordingly, students must use their umontana or umconnect emails. Email from non-UM accounts will likely be flagged as spam and deleted without further response. To avoid violating the Family Educational Rights and Privacy Act, confidential information (including grades and course performance) will not be discussed via phone or email.

Attendance

Students who are registered for a course but do not attend the first two class meetings may be required by the instructor to drop the course. This rule allows for early identification of class vacancies to permit other students to add classes. Students not allowed to remain must complete a drop form or drop the course through CyberBear to avoid receiving a failing grade. Students who know they will be absent should contact the instructor in advance.

Attendance is not required, however, missed or late work will not be accepted. I may excuse brief and occasional absences for documented reasons of illness, injury, family emergency, or participation in a University sponsored activity. (For example, field trips, ASUM service, music or drama performances, and intercollegiate athletics.) I will excuse documented absences for military service and mandatory public service.

Schedule

Since we use many guest speakers the schedule is in constant flux. Please refer to the most recent version which is posted to Moodle.

Case Preparation Questions

Robin Hood Case Preparation Questions

1. What strategic problems does Robin have?
2. What are some issues in the organizational environment?
3. What is the organization's structure? How does that relate to the external environment?
4. How do group values or culture influence strategy making?
5. What strategy can Robin implement?

Revenue Flow and Human Rights: A Paradox for Shell Nigeria

1. What do you think of the evolution of the role that Shell has been playing in Nigeria up until now? Is the company going in the right direction? Why?
2. What are the strengths, weaknesses, threats, and opportunities of Shell's position in Nigeria? (Remember, strengths and weaknesses are internal to the firm, while threats and opportunities are external to the firm.)
3. Given what you have concluded about Shell's current role, how do you think that the company should move forward?

International Rivers Network and the Bujagali Dam Project(A)

1. What will be the impact of the Bujagali Dam on the financial well being of Ugandans? On their social well being? What will be the impact on the Ugandan environment?
2. In your opinion is the Bujagali Dam a good, bad, or both good and bad project?
3. What role should NGOs have in large infrastructure projects?
4. What are the ethical implications of using "leaked" documents?

Monsanto Company – Doing Business in India

1. In the case, what activities does Monsanto state are sustainable?
2. Why does the government structure make it difficult to establish a price for Monsanto's products in India?
3. Steiner outlines four options at the end of the case, which would you pick and why.

Environmental Sustainability at REI

1. Are the company's stated sustainability goals and aspirations (as summarized in Exhibit 3) consistent with its corporate mission and its stated stewardship objectives?
2. From a managerial performance measurement perspective, what are the potential risks to REI adopting the "No Tradeoffs" approach articulated by the corporate social responsibility group?

Toyota Motor Corporation: Launching Prius

1. What buyer value is created with the hybrid powertrain as implemented in the Prius?
2. Why is Toyota pursuing the Prius project? What factors are important to make this project a success?
3. Should Okuda push for an acceleration of the Prius launch?

FIJI water and Corporate Social Responsibility

1. What factors contributed to the marketing success of FIJI Water?
2. What does it mean for FIJI Water to go carbon negative? Is the carbon footprint of FIJI Water big compared to other products?
3. Do you think FIJI Water is engaged in greenwashing? What could the company do to gain environmental credibility?
4. Are the Fiji government's concerns about the "negative" contribution of the FIJI Water to the local economy justified? Does the company do enough to improve its relations with the FIJI government and the local community?

Communauto

1. What is carsharing and what are the barriers to its widespread adoption?
2. Is Communauto really helping the environment?
3. Are Communauto's social and environmental goals in sync with its business goals? Can they / how can they be more closely aligned?

Schedule – Revision 2 September 2, 2015

Schedule may change with notice from the instructor. There will be a certain amount of flexing in the class schedule, especially with scheduling guest speakers.

Please note: Readings are to be completed BEFORE coming to class. Written case analyses are due in moodle before they are discussed.

Week 1 - Introduction to the Course & Tragedy of the Commons

Class 1: Sept. 1

Class 2: Sept. 3

Read:

- Hardin, G. 1968. The Tragedy of the Commons. *Science*, 162: 1243-1248.
- Hart, *Beyond Greening* - http://www.stuartlhart.com/sites/stuartlhart.com/files/Beyond%20Greening%20PDF_0.pdf
- Esty, Chapter 1
- If you are not that familiar with ongoing debates about environmental issues that can affect businesses, you may wish to skim Esty's Chapter #2.

Week 2 - Understanding Environmental Economics and Market Failure

Class 3: Sept. 8

Tour: Bayern Brewing,
1507 Montana St, Missoula, MT 59801

Read:

- Esty, Chapter 3
- Friedman, "The Social Responsibility of Business is to Increase Profits"
- Walker, B., et. al. 2009. Looming Global-Scale Failures and Missing Institutions. *Science*: Vol. 325. no. 5946, pp. 1345 – 1346.

Class 4: Sept. 10

Case: **Robin Hood** (This case is available on Moodle)

Week 3 – Pecha Kucha Presentations & Ecosystems**Class 5: Sept. 15****Class presentations**

Read:

- Aronson, D. “Overview of Systems Thinking” by Daniel Aronson.

Online:

- Go to The Natural Step and read more about this [framework](#) by reading both the “Quick Overview” and “Next Steps” sections.

Class 6: Sept. 17**Class presentations****Week 4** - Environmental Collaboration and Stakeholders (A)**Class 7: Sept 22**

Speaker: Jenny Mish – Director of the Sustainable Business Council

Class 8: Sept. 24

Case: **Revenue Flow and Human Rights: A Paradox for Shell Nigeria**

Read:

- Butler, C. D., and W. Oluoch-Kosura. 2006. Linking future ecosystem services and future human well-being. *Ecology and Society* **11**(1): 30. [online] URL: <http://www.ecologyandsociety.org/vol11/iss1/art30/>

Week 5 - Environmental Collaboration and Stakeholders (B)**Class 9: Sept. 29**

Read:

- Foote, Eisenstat, and Fredberg. “The Higher Ambition Leader” HBR

Case: **International Rivers Network and the Bujagali Dam Project(A)**

Class 10: Oct. 1

Case: **Monsanto Company - Doing Business in India**

Read:

- Rondinelli & London, How corporations and environmental groups cooperate: Assessing cross-sector alliances and collaborations, *Academy of Management Executive*, Vol. 17: 61-76: Academy of Management

Week 6 - Green Strategy**Class 11: Oct. 6**

Read:

- Russo, M. Mission Driven Companies. Chapter 3
- Porter. “Creating Shared Value” HBR
- Reinhardt, *Environmental Product Differentiation: Implications for corporate strategy*. California Management Review, 1998 –

- "Sustainability Meets the Profit Motive: Why Sustainability is Winning Over CEOs", Duane Stanford, Bloomberg BusinessWeek, April 4, 2011, p.25+, 2p.

Class 12: Oct. 8

Speaker: Thorsten Geuer, Brewmaster

Bring to class: six ideas for your channel

Week 7 - Operations

Class 13: Oct. 13

Read:

- Esty, Chapter 4
- Esty, Chapter 7
- "Six Products, Six Carbon Footprints", Jeffrey Ball, Wall Street Journal, March 1, 2009, 5p.

Online:

- Find two different carbon footprint calculators. Look through and familiarize yourself with the calculators, the kinds of data you need to have to use the tool, and any caveats that are listed on the site about proper use.

Class 14: Oct. 15

Case: **Environmental Sustainability at REI**

Week 8 - Supply Chain Management

Class 15: Oct. 20

Speaker: Karen Tempkin – Consultant in change management

Class 16: Oct. 22

Read:

- Esty, Chapter 8
- Greene, C. Dimitri, C., Lin, B., McBride, W., Oberholtzer, L. Smith, T. 2009. Emerging Issues in the U.S. Organic Industry. U.S. Department of Agriculture. June.

Online:

- Review Wal-Mart's Supplier Sustainability Assessment that is posted and the Supplier Questions the company provides to its suppliers. Look at both the content and issues covered, as well as the information Wal-Mart is providing to its suppliers in the business value from each area, tools and resources to assist them, and finally how each section is scored.

Week 9 - Customer Value, Targeting, and Brand Management

Class 17: Oct 27

Read:

- Esty, Chapter 5
- Gunther, *A New Green Sheriff in Town* - <http://www.marcgunther.com/2009/02/12/a-new-green-sheriff-in-town/>
- Mininni, *Clorox Goes Green?* - <http://www.mpdailyfix.com/clorox-going-green/>
- NYTimes, *Clorox Courts Sierra Club* - http://www.nytimes.com/2008/03/26/business/businessspecial2/26cleanser.html?_r=1

Class 18: Oct 29

Case: **Toyota: Launching Prius**

Week 10 - Marketing, Messaging, and Greenwashing**Class 19: Nov. 3**

Read:

- Russo, M. Mission Driven Companies, Chapter 4
- Ottman, J., Stafford, E. R., & Hartman, C. L. 2006. Avoiding Green Marketing Myopia. Environment, 48(5): 23-36. - <http://www.greenmarketing.com/files/articles/Stafford-MyopiaJune06.pdf>

Online:

- Familiarize yourself with the Seven Sins of Greenwashing on the [Terrachoice website](#). Once you think you understand the ideas, play the "Name That Sin" game that you can find on the home page. See how you do.
- Familiarize yourself with EnviroMedia's [Greenwashing Index](#). On the site under "About Greenwashing," read the items on the right hand side of the page titled "How Do I Spot It?," "GWI Scoring Criteria" and "Purpose of the GWI". Under "View/Rate Ads", look at three or four ads that are posted, from scores of 5 (Bogus) to 1 (Authentic) and see what conclusions you would draw. See if you agree with the GWI score.

Class 20: Nov. 5

Case: **FIJI Water and Corporate Social Responsibility**

Week 11 – Consulting and Service Organizations**Class 21: Nov. 10**

Speaker: Maggie Angle – Environmental Issues in Healthcare

Class 22: Nov. 12

Speaker: Nicole Miller – Biomimicry 2.0 – combined class in GBB 122

Week 12 - Product Design, Delivery, and Recovery**Class 23: Nov. 17**

Read:

- Schenck, LCA for Mere Mortals
- EPA, LCA Principles and Practice, pp. 1-19, 46-47, 54-58
- "Clothes Makers Join to Set 'Green Score'", Tom Zeller Jr., [The New York Times](#), March 1, 2011, p. B1+, 3p.

Online:

- Review the work being done by the Eco Index, the group that is working to identify the footprint and environmental impact of firms in the outdoor industry by looking through <http://www.ecoindexbeta.org/>
- Go to [Ecolabel Index](#) and under the ecolabels tab you will find a list of industry sectors on the far right. Pick one of those sectors and then pick up to three labels to compare. Understand what the label means, how the certification or verification process works, who manages the process, and who pays for the process. Come prepared to discuss what you found.

Class 24: Nov. 19

TBD

Week 13 - Social and Sustainable Entrepreneurship, and B Corporations

Class 25: Nov. 24

Read:

- Lash, "Competitive Advantage on a Warming Planet"
- Dees, *The meaning of social entrepreneurship*.
- Prahalad, C. K. & Hart, S. 2002. The fortune at the bottom of the pyramid. *strategy+business*, First quarter(26). - <http://www.cs.berkeley.edu/~brewer/ict4b/Fortune-BoP.pdf>

Class 26: Nov. 26 HOLIDAY

Week 14 - Putting it all together: Strategy and Action

Class 27: Dec. 1

Speaker: Scott Pankratz – Ecology Project International

Class 28: Dec. 3 - team time (Professor at conference)

Week 15 - Course Discussion and Wrap Up

Class 29: Dec 8

Read:

- Russo, M. Chapter 5
- "A Sea of Dollars", Charles Fishman, *Fast Company*, April 2011, p. 95+. 8p.
- Schwartz, *The Art of the Long View*

Class 30: Dec 10

Presentations for Sustainability Project