Syllabus: MGB 290, MGT 290, MGP 290: Fall 2010 Business Context
Rev 18 August 2010

Course Description:

The purpose of this class is to not only provide a context for business, but also to provide a context for each student’s two or three years of school at the Graduate School of Management. The course is a series of eight self-contained modules that are taught by different faculty members, each of whom have specific expertise in the area of that module. In addition, there are several guest speakers who will provide additional context.

The Business Context course introduces you to business organizations from a global perspective, with the goal of developing an understanding of the complete context within which businesses operate. You gain experience with an integrated framework that addresses the international and macro-economic business environment as well as strategic concerns and the identification of market opportunities. You are also introduced to the theory and practice of leadership, teamwork, and communication. The study of business ethics forms a prominent component. The course provides the contextual foundations for the remaining core courses, which explore specific aspects of business in greater detail.

Several key points to the students:

- Class attendance is required. If, for whatever reason, you cannot attend one or more modules in your regularly scheduled section, there are several options available to you. See the class policy section for the options.
- Homework is due at the beginning of each module. Homework must be submitted in paper form to the faculty as class begins. While there are group discussions, each student must individually complete the assignment. If you end up attending another section, your homework is due at the beginning of your “home section”.
- This is a “no open laptop” class. That is, laptops are not allowed to be open during the class, even to take notes. This is to provide the best educational environment.
- Much of your GSM educational experience will be team oriented. To get the class started, we will pre-assign students to groups for this class. These teams are used for conversation before class and for several exercises during class.
- There is a seven question final exam during the last 75 minutes of module 8.

Faculty:

<table>
<thead>
<tr>
<th>Faculty</th>
<th>Module</th>
<th>Section Topic</th>
<th>Email address</th>
</tr>
</thead>
<tbody>
<tr>
<td>H. Bhargava</td>
<td>1</td>
<td>Intro to Course and Business Education</td>
<td><a href="mailto:hkbhargava@ucdavis.edu">hkbhargava@ucdavis.edu</a></td>
</tr>
<tr>
<td>D. Kennedy</td>
<td>2</td>
<td>Communications</td>
<td><a href="mailto:dnykennedy@ucdavis.edu">dnykennedy@ucdavis.edu</a></td>
</tr>
<tr>
<td>B. Grant</td>
<td>3</td>
<td>Leadership &amp; leadership exercise</td>
<td><a href="mailto:bdgrant@ucdavis.edu">bdgrant@ucdavis.edu</a></td>
</tr>
<tr>
<td>R. Castanias, P. Naik, D. Woodruff</td>
<td>4</td>
<td>Integration of functional areas</td>
<td><a href="mailto:dlwoodruff@ucdavis.edu">dlwoodruff@ucdavis.edu</a></td>
</tr>
<tr>
<td>C. Yang</td>
<td>5</td>
<td>Business Data and Technology</td>
<td><a href="mailto:yiyang@ucdavis.edu">yiyang@ucdavis.edu</a></td>
</tr>
<tr>
<td>J Hancock</td>
<td>6</td>
<td>International &amp; Macro Econ</td>
<td>jdh <a href="mailto:Hancock@ucdavis.edu">Hancock@ucdavis.edu</a></td>
</tr>
<tr>
<td>J Suran &amp; M Maher</td>
<td>7</td>
<td>Ethics &amp; ethics exercise</td>
<td><a href="mailto:mwmaher@ucdavis.edu">mwmaher@ucdavis.edu</a></td>
</tr>
<tr>
<td>M. Lowe</td>
<td>8</td>
<td>Product Strategy &amp; strategy exercise</td>
<td><a href="mailto:mdlowe@ucdavis.edu">mdlowe@ucdavis.edu</a></td>
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</tbody>
</table>
**Grading:**

The Business Context Class will be graded on a 100-point scale. There are eight homework questions, each worth 7 points. There will be one final exam given during the last module. The exam will have seven questions with each question worth 6 or 7 points.

Note that there is a one-point deduction for each module you miss and do not make up via one of the several options. This deduction will be done at the very end of the course.

You will be able to see the grade for each homework assignment, one grade for the final exam and attendance recognition on smartsite.

<table>
<thead>
<tr>
<th>Module</th>
<th>Section Topic</th>
<th>Homework Points</th>
<th>Final Exam Points</th>
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<tbody>
<tr>
<td>1</td>
<td>Intro to Course and Business Education</td>
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<td></td>
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<tr>
<td>2</td>
<td>Communications</td>
<td>7</td>
<td>6</td>
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<td>3</td>
<td>Leadership &amp; leadership exercise</td>
<td>7</td>
<td>6</td>
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<td>4</td>
<td>Integration of functional areas</td>
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<td>Business Data and Technology</td>
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<td>Product Strategy &amp; strategy exercise</td>
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<td><strong>Total</strong></td>
<td><strong>56</strong></td>
<td><strong>44</strong></td>
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**Readings:**

**There is one case that will be used as an anchor throughout the course.** The case is: “Merck & Pfizer “Strategy in the 21st Century Pharmaceutical Industry” This case includes elements of strategy, corporate social responsibility, leadership of two different types of companies and the international element.

**Augmenting this case and used in specific modules is:**

- Module 2: Merck: Global Health and Access to Medicines (535.20K)
- Module 3: Discovering Your Authentic Leadership (214.09K)
- Module 4: The ‘big pharma’ dilemma: develop new drugs or promote existing ones?
- Module 5: Data, Data Everywhere (740.95K)
- Module 6:
  - Ch. 1 & App 1.1-Managing in a Global Economy (2.44M)
  - Ch. 2-Managing in a Global Economy (2.65M)
  - Ch. 6-Managing in a Global Economy (2.18M)
  - Ch. 12-Managing in a Global Economy (3.46M)
- Module 7: Ch 4 from The Ethics of Management by LaRue Tone Hosmer (934.29K)

**All of these readings are available on study.net**
Class Schedule:

This is the schedule for the **working professional** students. Note that there are both Sacramento and San Ramon locations with the exception of September 11th where all working professional students meet in Davis.

<table>
<thead>
<tr>
<th>Date</th>
<th>Times</th>
<th>Hrs</th>
<th>Module</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, September 7, 10</td>
<td>6-9 pm</td>
<td>3</td>
<td>Sac. #1</td>
<td>Sacramento</td>
</tr>
<tr>
<td>Wednesday, September 8, 10</td>
<td>6-9 pm</td>
<td>3</td>
<td>Sac. #2</td>
<td>Sacramento</td>
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<tr>
<td>Friday, September 10, 10</td>
<td>2-5 pm</td>
<td>3</td>
<td>Bay #1</td>
<td>San Ramon</td>
</tr>
<tr>
<td>Friday, September 10, 10</td>
<td>6-9 pm</td>
<td>3</td>
<td>Bay #2</td>
<td>San Ramon</td>
</tr>
<tr>
<td>Saturday, September 11, 10</td>
<td>9am-1 pm</td>
<td>4</td>
<td>Bay #3/Sac. #3</td>
<td>Davis</td>
</tr>
<tr>
<td>Saturday, September 11, 10</td>
<td>2-6 pm</td>
<td>4</td>
<td>Bay #4/Sac. #4</td>
<td>Davis</td>
</tr>
<tr>
<td>Tuesday, September 14, 10</td>
<td>6-9 pm</td>
<td>3</td>
<td>Sac. #5</td>
<td>Sacramento</td>
</tr>
<tr>
<td>Wednesday, September 15, 10</td>
<td>6-9 pm</td>
<td>3</td>
<td>Sac. #6</td>
<td>Sacramento</td>
</tr>
<tr>
<td>Friday, September 17, 10</td>
<td>2-5 pm</td>
<td>3</td>
<td>Bay #5</td>
<td>San Ramon</td>
</tr>
<tr>
<td>Friday, September 17, 10</td>
<td>6-9 pm</td>
<td>3</td>
<td>Bay #6</td>
<td>San Ramon</td>
</tr>
<tr>
<td>Saturday, September 18, 10</td>
<td>9am-1 pm</td>
<td>4</td>
<td>Bay #7</td>
<td>San Ramon</td>
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<tr>
<td>Saturday, September 18, 10</td>
<td>2-6 pm</td>
<td>4</td>
<td>Bay #8 + final</td>
<td>San Ramon</td>
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<tr>
<td>Tuesday, September 21, 10</td>
<td>6-10 pm</td>
<td>4</td>
<td>Sac. #7</td>
<td>Sacramento</td>
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<tr>
<td>Wednesday, September 22, 10</td>
<td>6-10 pm</td>
<td>4</td>
<td>Sac. #8 + final</td>
<td>Sacramento</td>
</tr>
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</table>

The **Daytime program** is Wednesdays from 3 to 6PM in the Fall Quarter. The class will run for eight consecutive weeks – with several of the modules extending to 7PM (those that are 4 hour modules and denoted with a star below). The schedule for the fall is set so that ending at 7PM does not impede on other classes. Note that the last two weeks of General GSM classes has no business context class meetings.

Daytime Schedule:

<table>
<thead>
<tr>
<th>Date</th>
<th>Module #</th>
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<tbody>
<tr>
<td>September 29</td>
<td>1</td>
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<tr>
<td>October 6</td>
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</tr>
<tr>
<td>October 13</td>
<td>3*</td>
</tr>
<tr>
<td>October 20</td>
<td>4*</td>
</tr>
<tr>
<td>October 27</td>
<td>5</td>
</tr>
<tr>
<td>November 3</td>
<td>6</td>
</tr>
<tr>
<td>November 10</td>
<td>7*</td>
</tr>
<tr>
<td>November 17</td>
<td>8 + final*</td>
</tr>
</tbody>
</table>
Class Policies

- **Attendance**: While you are expected to attend all 8 modules at your home campus, if you have an unavoidable conflict you may request permission to makeup a module via one of two methods.
  
  1. You may attend the module at one of the other campuses. For example, a San Ramon student may request permission to make up a module by attending the same module in Sacramento, and the reverse is true. Also, either San Ramon or Sacramento student may request permission to attend a module in the Daytime class in Davis, once it begins in the fall.
  
  2. While making up the class in-person is the strongly preferred method, if a student can not make up a module in-person they may make up the module by meeting in-person two other students who did attend the module. The student will then complete and submit a summary of the material and their learning. This summary is a three-page word document (double space, 10 point). Email the summary to Wil Agatstein at wagatstein@ucdavis.edu

- **Student name/student ID/module number/date.
- The names and email addresses of the two (or more) students whom you worked with in this summary
- The major educational points learned during the lecture/in class exercises (e.g.: knowledge skill gained during the class and beyond the pre-reading
- An assessment of how the student would use this learning in their work.

  - If you have a conflict that requires one of these choices, please contact instructional resources (instructional@gsm.ucdavis.edu) no later than August 15th to request permission to utilize one of these methods.

  - Again, we wanted to highlight the dates and times of the Business Context Class modules and options available if you can not make a specific module. Do keep in mind that we are providing these options for you, but in the end it is your responsibility to balance the options and the outcomes. For every class missed and not made up, there will be a reduction of one point from the 100-point total of the class.

- This is a no-open-laptop class. This is for the best educational experience for everyone and sets the right expectation.

- **Late assignment policy**: Assignments are due at the beginning of class of your “home section”– even if you end up attending another section or utilizing method 2 of the makeup procedure. You must email your homework to the professor of that module before that class is scheduled to begin. There is a 1-point deduction for every day the assignment is late.

- **Final Exam**: The final exam is open-book using any material they have received in class and any notes they may have taken. No laptops and no cell phones are allowed as tools for the final exam. The final will be a paper-final 75 minutes in length on the last class. For the Working Professionals who make up their class via attending the daytime
Module 1 – Bhargava

Guest Speakers:
- Dean Steve Currall
- Cecelia Lakatos Sullivan CEO Pinnacle Telecommunications, Inc. (PTI)

Learning Objectives
1. Intro to Course and GSM.
2. What is the context of business and your next 2/3 years?
3. Introduction to the case - and case-topic presentations by students.
4. What does it mean to manage a business in real life?
5. Understanding change and trade-offs in leading a business.

Pre-class Assignment
Read the case: Merck & Pfizer “Strategy in the 21st Century Pharmaceutical Industry
Meet (by phone is OK) with your team.
Written Assignment: (As in all modules, due in paper-form at the beginning of class)
- One paragraph summary of each of your team-mates interests in getting a MBA.
- One page summary of what strikes you as the most interesting aspect of the case.

Module 2 -- Kennedy

Learning Objectives
1. Management communications: why it’s important
2. What characterizes good business writing?
3. Five self-editing skills for superior business writing.
4. A format for persuasive business writing.
5. Sourcing, including footnotes.
6. PowerPoint presentations that work

Pre-class Assignment

BRING THREE HARD COPIES OF YOUR WRITTEN ASSIGNMENT TO CLASS. WE WILL BE FORMING GROUPS OF THREE TO EXCHANGE, READ AND COMMENT.

Let’s imagine that you are an executive within an advocacy organization created and funded by the U.S. pharmaceutical industry. Its mission is to advance the industry’s worldwide interests.

Your CEO has accepted an invitation from a globally respected media outlet (think The Economist, The New York Times, The Wall Street Journal) to take a stance, in writing, beneath this provocative banner: “The American pharmaceutical industry: to praise or not to praise.” Your CEO wants to articulate what is praiseworthy about the industry in the
“Pro” column. You expect that the prominent critic and reformer writing the “Con” column will lash out at the pharmaceutical industry, citing greed, research failure, irrational pricing, poor access, and other shortcomings – the standard drumbeat from this individual. Your busy CEO has asked you to draft her opinion piece. She expects quality from you. She figures she can add a few personal style touches and submit it over her signature. You text must be 280 to 300 words; there’s no flex on that. The CEO wants you to propose a headline too, of up to 30 characters, in an effort to control your message. You’ll want to touch on a lot of subjects, because the critic will surely do so as well.

How should one approach this assignment? Here is some help.

You need only use the HBR case, “Strategy in the Twenty-First Century Pharmaceutical Industry,” for your research (but feel free to look elsewhere). Read the case thoughtfully, making notes and organizing the key points for your “Pro” argument. For example, it’s obvious that pharmaceutical researchers must screen a huge number of drug possibilities in order to find one viable, profitable product. Obviously, the cost of all that research must be covered somehow. Not everyone appreciates that. Also, be sure to find compelling accomplishments and related statistics. You probably should address the knotty issue of variable pricing for the same pharmaceutical, depending on the country/continent. Overall, you want this piece to explain and defend, but do more than that. Highlight how successes have saved or changed the lives of millions. Feel free to bring up Merck or Pfizer or other companies by name.

Here is a suggested structure, but you may of course take a different approach.

1) Begin with a strong positive sentence or two, getting right to the point.
2) Support your point in the ensuing paragraphs with stats/examples/facts, demonstrating why the pharmaceutical industry should be praised for its accomplishments. To retain credibility, acknowledge that it’s not a perfect world. In other words, don’t keep using superlatives.
3) Raise one or two of the biggest accusations laid at the doorstep of the pharmaceutical industry, and refute it/them.
4) Wrap up with a strong positive statement that is forward looking, not just a repeat of your open.

Writing hints:

For best results, organize your points first. Then write your draft, and return to it the next day with fresh eyes to improve it. Obviously, you need to write concisely. Break any long, windy sentences of more than 25 words into two.

Given the broad, educated audience, your writing style should be a mix of industry language and fast-moving, everyday words with a lot of dynamics. It shouldn’t read as a scientific paper. Neither should it talk down to people by using only the simplest of terms.
Module 3 – Grant

Guest Speakers:
- Sacramento/San Ramon:
  - Bob Fox, Retired President and CEO Foster Farms
- Davis:
  - Mike Fister, former CEO of Cadence Design Systems

Learning Objectives

Class will begin a conversation about Leadership and views of various Leadership techniques. Themes will include:

1. There are opportunities to Lead at every position in an organization or community
2. There are a set of fundamental consistent traits of good Leaders, however, there are many, varied Leadership techniques and approaches
3. Situations presented in the course of a career will call on an arsenal of Leadership techniques and approaches
4. Effective Leaders recognize situations quickly, utilize effective techniques and stay consistent to their fundamental beliefs

The goal of the class will be to begin a conversation which we expect will continue throughout your GSM experience as you continue to build your own Authentic Leadership.

Pre-class assignment

Read the paper: Discovering Your Authentic Leadership
Meet as a group (phone is OK) to discuss the key points of the paper.
Written Assignment: (As in all modules, due in paper-form at the beginning of class)

The VIOXX crisis provided significant stress on Merck’s relationship with all of the various stakeholders. Describe the leadership techniques that were employed in handling this crisis as described in the Case Study. In a two page paper (double spaced/10 point), describe some leadership techniques that you believe would have been effective in this crisis but were not addressed specifically in the Case Study.
Module 4  Castanias, Naik, Woodruff

Learning Objectives
1. Understand the role of operations management both for the primary product of the organization and for support organizations.
2. Consider a model of the process of planning and scheduling for operations and how it applies to various organizations.
3. Understand issues concerning the relationship between throughput and lead time and how these issues impact all levels if planning.
4. Discuss Finance the issues that arise in the two assigned Pharma readings. These include project evaluation using Net Present Value, business valuation as in the case of pricing entities prior to a merger or acquisition, and disposition of free cash flow.
5. Present examples of other Finance issues and tools that you will study in your courses here at GSM.

Required Reading: The 'big pharma' dilemma: develop new drugs or promote existing ones?

Written Assignment: (As in all modules, due in paper-form at the beginning of class)

For each of the two firms in the case "Merck & Pfizer "Strategy in the 21st Century Pharmaceutical Industry", what would be the percentage increase in net profit corresponding to a 1% decrease on Cost of Goods Sold?

Module 5  Yang

Learning Objectives
1. Abundance of data
2. How to convert data to Information
3. Business value of data and IT
4. Data management
5. Data privacy and Ethics

Pre-class assignment
Required Reading: The Economist article “Data, Data Everywhere”

Written Assignment: (As in all modules, due in paper-form at the beginning of class)

Please carefully read through the Economist article, and answer the following questions.
1. The article has discussions on how different industries and companies leverage their data. Please list 10 such industries (or companies) mentioned in the article. (Note: you can mix industries and companies on the list.)

2. Please identify five important issues companies face when designing systems to collect data, process data and extract useful information from data?
3. Please pick an industry or a company (other than Google), do some Internet search, and write a one page report on how the industry or company leverages its data.

Module 6 -- Hancock

Learning Objectives
1. Measurement of economic performance
2. The role of fiscal policy
3. The role of monetary policy
4. Discount rate
5. International trade and exchange rates
6. Business risk in the international market

Pre-class assignment

Required Reading:
Chapters 1, 2, 6 and 12 from John E. Marthinson, Managing in a Global Economy (South •western)

Meet as a group (phone is OK) to discuss the key points of bookd

Written Assignment: (As in all modules, due in paper-form at the beginning of class)

Select one country from the 15 countries identified in Appendix 1.1 in the Marthinson text and provide an executive summary of economic history covering a 5 year period. Performance measures addressed must include real GDP and related growth rates, inflations rates, imports and exports, exchange rates, and government surpluses or deficits. Characteristics such as primary industries, resources and exports should be considered. The text of the executive summary should not exceed 2 pages in length, with attached exhibits containing data, graphs and charts allowed as needed.
Module 7  Suran/Maher

Learning Objectives

Fundamentals of ethics and professional codes of ethics and how that affects your choices as a business leader

Pre-class assignment

Required Reading: Ch 4 from The Ethics of Management by LaRue Tone Hosmer

Written Assignment: (As in all modules, due in paper-form at the beginning of class)

The assignment is for each student to individually consider an ethical issue or ethical dilemma that you have confronted in either your business or personal lives. Then, you should apply any two of four ethical philosophies described in Chapter 4 and write a single page of how you did, or should have, confronted the ethical issue of concern. The four ethical philosophies are utilitarianism, universalism, personal liberty and distributive justice. If the student has not had such a personal ethical issue in their lives as yet, or choose not to air the issue publically, you can use one which any of their family, friends or business associates had to contend with, but not a fellow student in class.

Module 8  -Lowe
Learning objectives

Successful products are an intimate translation of a wide array of customer needs which enable them to stand apart from competitive solutions. This module will provide frameworks for entering MBA students to “think differently” about designing & delivering solutions that delight customer

Conscious investment and resource allocation decisions are made across every aspect of the enterprise which determine the commercial success or failure of products & services. This module will provide context for the study of the core & breadth elements of the MBA program by integrating the multitude of discreet business decisions into the overarching framework of the Profit & Loss (P&L) Statement – the general manager’s tool for planning, monitoring, and evaluating business performance.

Pre-class assignment

Written Assignment: (As in all modules, due in paper-form at the beginning of class)

In the HBS case study, "Strategy in the 21st Century Pharmaceutical Industry", Merck and Pfizer clearly have two divergent approaches with respect to product development and go-to-market strategies. In up to 2 pages double-spaced, compare and contrast the two approaches. How are their differences in strategies manifested in their Financial Performance as presented in Exhibit 13a of the case study?