MGP 216 – Managing Professionals:
Budgets, Controls & Ethics

Professor: J.J. Suran

Summer 2005
Tu, 6:00 – 9:00 PM, OCM

Course Abstract

Professional organizations, such as engineering departments, medical centers, law offices
and consulting groups, whether in the private or public sectors, are increasingly regarded
as businesses subject to the same budgetary and productivity disciplines as non-service
businesses. This course deals with budget and ethical control issues in the management of
professional organizations. Topics addressed include: control of budgetary performance
in the face of market uncertainty; ethical dilemmas in the allocation of resources and the
pricing of services; workplace issues such as privacy, health, hiring and firing; liability
for innovative products and services; productivity and quality; ethical dilemmas in
international business. Course work is assigned by team effort and is based upon case
studies. Student teams lead case-study discussions. Knowledge of the use of computer
spreadsheets and basic accounting principles is a prerequisite.

Schedule of Topics

1. 06/21 - Course overview.
   - Principles of managerial budgeting for professional services. SN.
2. 06/28 - Competition and productivity drivers. SN.
   - Resource allocation: politics, strategy and ethics. SN.
3. 07/05 - Cyclic effects, professional flex-time options, outsourcing. SN. S2a.
   - Managing uncertainty, budget controls. SN.
4. 07/12 - Ethical foundations. Introduction to Speigel case. SN; P:Ch.1,2; S2b.
   - Case discussion: C1 (Privacy Issues).
5. 07/19 - Forecasting and managing change. SN; P:Ch 3,4; Q1; S3a.
   - Case discussion: C2 (Environmental Protection).
6. 07/26 - Guest lecture: Ethics and innovation in managing healthcare*. P: Ch5,6.
   - Case discussion: C3 Regulation vs Choice).
7. 08/02 – Professional codes of ethics. SN; P: Ch. 7,8; S3b
   - Case discussion: C4 Occupational Safety).
8. 08/09 - Ethical dilemmas in international business, C7**, P: Ch. 9,10; S3c.
   - Case discussion: C5 (Downsizing Issues).
9. 08/16 - Organizational control of ethics; P; Q2 ; S3d
   - Case discussion: C6 (Conflicts of Interest).
10. 08/23 - Risk analysis and tradeoffs. Catastrophe theory.
    - Speigel case results. Course summary.

*Philip M. Laughlin, MD, MBA, Medical Director, Woodland Healthcare
** Case discussion based on students’ experiences in international business

Supplement: Suran - “MGP 216 Supplement”, Summer 2005 (SN)
MGP 216 - Managing Professionals - Budgets, Controls and Ethics

Additional References:
Paine, “Leadership Ethics and Organizational Integrity”, Irwin, 1997
And Sciences, 2005

Cases:
(S2) Creighton Laboratory Included in SUPPLEMENT
(S3) Speigel Division Included in SUPPLEMENT
(S4) RADCO Included in SUPPLEMENT
(S5) Minicases on Ethics Included in SUPPLEMENT

Schedule of Assignments

<table>
<thead>
<tr>
<th>CASE</th>
<th>WRITTEN</th>
<th>ORAL</th>
<th>DATE DUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creighton Lab - part A (S2a)</td>
<td>S2a</td>
<td></td>
<td>07/05</td>
</tr>
<tr>
<td>Creighton Lab - part B (S2b)</td>
<td>S2b</td>
<td></td>
<td>07/12</td>
</tr>
<tr>
<td>Case 1</td>
<td></td>
<td>C1</td>
<td>07/12</td>
</tr>
<tr>
<td>Quiz 1</td>
<td></td>
<td>Q1</td>
<td>07/19</td>
</tr>
<tr>
<td>Speigel Division (S3) *</td>
<td>S3a</td>
<td></td>
<td>07/19</td>
</tr>
<tr>
<td>Case 2</td>
<td></td>
<td>C2</td>
<td>07/19</td>
</tr>
<tr>
<td>Case 3</td>
<td></td>
<td>C3</td>
<td>07/26</td>
</tr>
<tr>
<td>Speigel Division (S3) *</td>
<td>S3b</td>
<td></td>
<td>08/02</td>
</tr>
<tr>
<td>Case 4</td>
<td></td>
<td>C4</td>
<td>08/02</td>
</tr>
<tr>
<td>Speigel Division (S3) *</td>
<td>S3c</td>
<td></td>
<td>08/09</td>
</tr>
<tr>
<td>Cases 5, 7</td>
<td></td>
<td>C5 , C7</td>
<td>08/09</td>
</tr>
<tr>
<td>Speigel Division (S3)*</td>
<td>S3d</td>
<td></td>
<td>08/16</td>
</tr>
<tr>
<td>Case 6</td>
<td></td>
<td>C6</td>
<td>08/16</td>
</tr>
<tr>
<td>Quiz 2</td>
<td></td>
<td>Q2</td>
<td>08/16</td>
</tr>
</tbody>
</table>

*NOTE:* The Speigel Division case (S3a-d) is a single budget-control computer simulation spread out over 4 weeks. Its total grading weight is 20 points, but the case will be graded as a single paper after the final part has been handed in. All parts of this case must be completed to receive any credit. Seventy percent of the grade will be based upon the quality of control decisions made during the exercise while thirty percent will be based upon how close the operating results are to the budget objectives.

Notations
P = Ross Text, Si = Suran Supplement Case i, SN = Suran Supplement Notes, Ci = student-led case discussion of Case i, Qi = quiz. i.
MGP 216 - Managing Professionals: Budgets, Controls And Ethics

Grading

A course letter grade will be assigned according to the following assignment weights:

One oral presentation ........................................................... 15
Two written cases:
Creighton Laboratory ........................................................... 20
   Creighton Lab - A .......... 10
   Creighton Lab - B .......... 10
Speigel Division ................................................................. 20
   Speigel Div. - A .......... 7.0
   Speigel Div. - B .......... 7.0
   Speigel Div. - C .......... 3
   Speigel Div. - D .......... 3
Quiz 1 .............................................................................. 20
Quiz 2 .............................................................................. 20
Class participation ................................................................. 5

TOTAL .................................................................................. 100

It is recommended that all written cases be turned in as team papers. A single team grade will be given to each of the team members. Each team must turn in the papers in accordance with the assignment schedule. Each team will be responsible for only one oral presentation, but each team member is required to participate in the oral presentation. In general, the oral presentation will be graded on the basis of individual performance. Total time of each case presentation should be about 45 minutes in length. Class discussion of the case, led by the team responsible for the presentation of the case, may be another 20 minutes. Attendance of classes, unless excused by prior notification to the instructor, and participation in class discussions are factored into the class-participation grade.

Syllabus Flexibility

Since MGP 216 is an elective course, it is not possible to determine how many students will take the class in advance of the dropout date. Consequently, the syllabus and grading described above is subject to change, depending on the class size. The class will be capped at 21 students maximum, on a first-come, first-served basis.

Instructor Office Hours

Office hours are by special appointment. The instructor is available by email at: jjsuran@ucdavis.edu.