

Corporations & Society
BUS 4521 – Social Innovation
Course Outline
Winter 2012

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Classroom: 1B08, Tuesdays & Thursdays, 11:20-12:40 p.m.

Office Hours: Please make an appointment. I am available in person, by phone or on skype.

For all their power and vitality, markets are only tools. They make a good servant but a bad master and a worse religion. Markets are meant to be efficient, not sufficient; aggressively competitive, not fair. Markets were never meant to achieve community or integrity, beauty or justice, sustainability or sacredness – and, by themselves, they don't.

Paul Hawken, Amory Lovins L. Hunter Lovins
Natural Capitalism: Creating the Next Industrial Revolution. 1999, p. 262.

Course Objectives

The emphasis of many HBA classes has been on market efficiency. You've learned how you can change your firm's strategy, leadership, operations, management systems, financial reporting, and human resources to maximize financial performance. Often missing from this mix are societal and environmental expectations, which even the most efficient markets can neither anticipate nor address. In this course, you will have the opportunity to enrich your strategic thinking by incorporating social and environmental dimensions into your strategic decisions and actions. Our joint task is to learn how each of you become an authentic Ivey leader, and hone your ability to think globally and act strategically in ways that also add the most value to the societies within which you will operate.

By studying and thinking deeply about the material presented in this course, you will be able to:

1. Overcome the liabilities of irresponsible behaviours – however you set your bar, there is a strong negative link between single-minded financial gain at the expense of the environment and the society, and a firm's ability to endure – by profiting, by building trust, by strengthening their brand and legitimacy in an increasingly global and environmentally and socially-minded marketplace.

You will NOT learn in this course what's right and wrong; beyond illegal acts, right and wrong may depend on the context, may be hard to change, and is ultimately a matter of opinion. Hopefully, through this course, you will learn more about what you think is acceptable and what is not – and you will gain experience managing through tough trade-offs.

2. Understand the origins of the corporation, the forks between economic-social and environmental value, and efforts over the past decade to rejoin them into more holistic approaches to business strategy. We will revisit two classic crossings in strategic analysis and action that have set important precedents in how contemporary corporations approach sustainability strategies and practices. Our task is to relive the decisions, reweight their consequences, and experience the trade-offs (and synergies) involved. We will use in-class simulations to activate your assumptions, voice your concerns and unearth your biases -- in so doing, my hope is that your interactions will ready you for the more complex, and possibly unexpected dilemmas awaiting for your input.

This course is decision oriented. While we will discuss some theory, it is not a theoretical course. You will learn about the complexity of decision-making – the relationship between societal, organizational, and personal objectives. No decision impacts only financial performance; all decisions also have societal and personal repercussions. You will learn that you do not and cannot operate individually within organisations and society; others will react and be influenced by your decision, and you will react to theirs. Organizations are becoming increasingly interconnected and integrated through globalization, financial markets, information and communication technologies, and demographic changes. You will also learn that you have considerable discretion in making decisions. How you use that discretion is up to you.

3. Learn how to make strategic decisions in complex situations, involving multiple stakeholders, multiple horizons of value creation, distribution and capture, layered value chains and controversial political influences. Learn to anticipate constraints and create competitive opportunities in a marketplace of escalating green and pro-social expectations by consumers and eco, life-cycle designs by your competitors. Learn how markets respond to mindful and mindless approaches to society; and learn how to outcompete your rivals in this emerging strategic space.

This course places in sharp focus the intimate connection among individuals, corporations, and society. Our task is to prepare each of you to anticipate, integrate, analyze and enact this connection through your strategic decisions.

4. Offer you an interactive format in which you can discern social movements from social trends, and make informed decisions about your position for or against specific causes. With the exception of the two classic cases which not only withstood the test of time in any executive suite (not just in the classroom) but also make history over the last decades, the material you will see in the course is fresh, cutting-edge and forward looking. In keeping with a master class concept, our goal is not to educate but to hone your own talent and intuition. You will have the opportunity to shake hands with some of the people making these decisions in real life – we do not expect you to concur with their choices, but these are rare opportunity to look strategy in the eye. We expect you to go along for the ride, but never lose sight of your own perspective. Keep in mind that our main goal is you – your decisions, and the foundations (values, biases, expectations) on which you will be making these decisions. Give our cases and our guests the opportunity to inform those decisions – but don't forego your responsibility for holding your own. And be prepared to give 'solo' auditions in front of the class, and our guests.

Course Overview

This course offers a three-dimensional path through the last two-three decades of strategic thinking and practice of corporate social responsibility to explain how firms, large and small, traditional and entrepreneurial, can anticipate and adapt to changing social expectations so they can not only “act strategically” but also “contribute to the societies in which they operate”.

Focused at the intersection of markets and social movements, the course will explore *Social Innovation*, asking how organizations can rethink their strategies to attain and sustain a competitive advantage as investors, consumers, and stakeholders are adopting/demanding ever more stringent social and environmental considerations. The course deepens the notions of value creation, value capture and value distribution central to strategy; maps out the complex and evolving interactions between business and society along the value chain; explores market dynamics with and without profit motives; and unpacks promising sources of disruptive innovation. Students contemplating careers in strategy or sustainability consulting, executive positions in industries that are experiencing radical shifts due to social movements (e.g. energy, transportation, manufacturing, retail, design, agriculture, even banking and IT), and entrepreneurs with a social or ecological bend will find this course an engaging platform for building knowledge about the past, anticipating future social and market trends, and developing the multifaceted skills needed to envision and enact successful business models, strategies and practices.

Markets take eco-social expectations into account. Eco-social expectations carve out new markets. Social movements from Fair Trade, Human Rights and Environmental Justice, to Anti-consumerism or Counter-culture, increasingly ask what business means, how business is done, and how business could promote more equitable market transactions. Changing environmental and social expectations encourage radical innovations – not just product and process innovations, but also innovations in business models, value chains, and strategies. Even global brands are being redefined by their social responsiveness and/or their ecological appeal. Markets reward the mainstreaming of green sourcing practicing and the explosive growth of hybrid business models. Markets also penalize social irresponsibility.

The objectives of the course are to enable students to a) apply conceptual frameworks and toolkits to evaluating social and environmental (ir)responsibility; and b) understand when and how businesses may do better by doing good; so they can c) anticipate new market opportunities to develop a competitive advantage in an era of higher social and environmental expectations.

The course consists of four modules linked together in an overarching framework (see Figure 1, page 13). As we move through the first two modules, our focus is on strategy – what organizations could or should do to operate sustainably. As we transition to our last two modules, we take a closer look at us as strategic leaders – what we could or should do to build more sustainable organizations and the markets of the future.

The first two modules – shared among all three Winter 2012 sections of the required Corporations & Society elective – 4521: Social Innovation (Professor Oana Branzei); 4522: Managing the Triple Bottom Line (Professor Stephan Vachon) and 4538: Women in Leadership (Professor Alison Konrad) – explain how firms become more socially and environmentally responsible – or when and why some may choose not to. Our overarching goal is to dimensionalize your view and practice of strategy by moving from a one-dimensional (financial performance) approach to a tri-dimensional (triple bottom line) lens.

The first module lays out the building blocks of corporate social responsibility and triple bottom line organizing by tracing the evolution of social issues likely to (re)shape corporate strategy. We start with an overview of the changing role of corporations in society and then delve deeper into the evolution of four specific social issues: child labour, the HIV/AIDS epidemic, the financial crisis and addiction.

Our second module introduces the basic toolkit any future strategist needs to understand and overcome the limits of markets. We use an experiential approach to understand market failures. We move on to discuss the internalization of externalities in markets for renewable resources (fisheries), carbon markets (permit trading), and clean energy markets (solar, wind, tidal, geothermal, nuclear and biogas). We end the common core with an exemplary organization, which embodies and brings to life Ivey's values by marrying traditional metrics of success and profitability with socially and environmentally-responsible innovation.

The third and fourth modules explore the intersection of markets and movements. Our overarching goal in the second half of the course is to bring your voice, values and virtues to the foreground of strategy.

The third module explains how social movements precede and pattern market responses, enriching the well-accepted hypothesis of market efficiency to explain how markets come to respond to issues that matter to society. We delve into the dynamics of social value creation and destruction as industries rise and fall; in addition to the example of smoking which we have already seen in our first half of the course and the crisis and renaissance in the automotive sector which we examine a little later, we sample modern social movements that have challenged and come to redefine 'business as usual'. We lay the building blocks by examining the history and future of social movements. We then discuss an interactive social-media case of Occupy – the movement of our time. We move on to three well-established movements: Fast Food/ Obesity, Organic/Local and Fair-trade, going back in time to understand their roots to explore how organizations grew (or lost ground) due to these movements, and going forward in time to think about what types of business we can these movements may spawn in the near future.

The fourth module brings markets and movements together to examine the emergence, evolution and impact of social innovations that create social change across the value chain (Wal-Mart), within a given industry or sector (Ford's Model T & the Tata Nano), cross-sector (Better Place), at the system-level (One Laptop per Child) and for the eco-system (Water Fund).

Taken together (see Table 1, page 14), the four modules come together to explore the social limitations and the social functions of markets, as we (don't) know them and prepare each of you to exercise (more sustainable) strategic leadership, consistent with both the times you will lead in and your own values.

Schedule

We meet Tuesdays and Thursdays, 11:20-12:40 pm in 1B08. Table 1 summarizes the dates and topics for our 20 sessions. The materials, reading assignments and discussion questions appear on eZone. Please check e-Zone regularly for this information and other course news as changes may be made throughout the term.

Materials

The Custom Course Pack includes only the assigned readings that could not be made available electronically on eZone. The required readings generally consist of one case for each class session and one assigned reading accessible through weblinks posted in ezone. Using these links saves both money and the environment (depending on your printing habits), but must be accessed on the UWO campus to bypass security logins. We also have an online library for the course; as back-up, a full set of readings is on reserve at the Business Library. Should you have difficulties accessing the required materials, please be in touch with Debbie Zoccano at dzoccano@ivey.uwo.ca.

There is no textbook required for this course because the landscape of knowledge on Corporations & Society is changing rapidly and often radically, and thus in as much as possible I prefer to use timely debates and live cases instead of dated wisdom; the required readings provide good coverage of existing frameworks along with thoughtful critiques and anticipatory views.

For anyone wishing to go deeper, I have recommended several optional resources for each session that can provoke further reflection. I will also be glad to suggest additional readings, depending on your specific goals. For example, for anyone interested in business strategies for climate change, one reading that I have used in the past and has been welcomed by audiences at all levels is: *Climate Change: What's Your Business Strategy?* by Hoffman & Woody, HBR eBook (this can be purchased online). There are also documentaries or talks for those who prefer more interactive formats. If you'd like to pursue any topic further, please contact me so we can set up a meeting and explore your own interests.

Expectations

You are expected to be fully engaged in the entire learning process. This means devoting time and energy to preparation before class, including team meetings, listening to others during class discussions and engaging in class discussions. Collective reasoning and discovery are critical to the successful application of the case method. Prior to any case discussion, engaging in discussions with (or examining notes from) others who may have already experienced a case is a clear violation of Ivey norms.

As a professional school, we place great emphasis on keeping regular commitments such as arriving to class and other events on time, attendance at every class, appropriate preparation for class, and submission of assignments on time. Our experiential learning process is premised on an expectation that a student will attend all scheduled classes and other assigned events that are part of the program. Missing a class cannot be fully compensated by an individual student, even if we ensure that the student has done the relevant individual and learning team preparation. As a professional courtesy, if you cannot be in class, please let me know in advance. Under University regulations, I may determine at what point absenteeism has become excessive and thus can prevent you from passing the course.

Using your computer during class for personal activities such as reading/writing email, writing letters, surfing the Web, playing games, etc. is distracting, counter productive and violates Ivey norms. Please refrain from such activities.

Plagiarism

You are reminded that plagiarism (representing another person's ideas, writings, etc., as one's own) is a serious academic offence; the penalty can be as severe as expulsion.

Students must write their essays and assignments (at Ivey this includes case exams and reports) in their own words. Whenever students take an idea, or a passage from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a major academic offence (see Scholastic Offense Policy in the Western Academic Calendar).

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (www.turnitin.com).

Course Evaluation

Each component of your grade in this course will be assigned a percentage grade. Your final grade will be a weighted average of each of the components adjusted to meet the overall class average specified by the program. The grade for this course will be computed from the following components (each component is described in more detail below):

Class Contribution	40%
“State of the World” - Group Project <i>6-minute Video</i> <i>Executive Summary</i>	30%
Reflection Paper - Individual Project	30%

NOTE: For the group project (6-minute Video and Executive Summary), each member of the team will receive the same grade unless a majority of the members of the group inform their professor, in writing, that one or more members of the team have not contributed a reasonably proportionate share of the work. If a request is made for members of a group to receive anything other than the same grade, I will use a 360-degree peer-review process that allows every group member to evaluate every other group member. I will then consider everyone’s input and incorporate the results of the 360-peer review process in my evaluation of each team members’ contribution.

Class Contribution (40%)

Class contribution is a key factor in the success of the course. This portion of the grade recognizes your *contribution* to the learning of your classmates. Having to articulate your own views and critically listening to the views of others will enhance the learning process.

Your contribution to the learning of others, through the experience and insights you have, is a key part of this learning process. We will follow the usual Ivey norms: class attendance is mandatory; you are expected to come to each class, with the case and/or readings prepared and to contribute to the class discussion, either by starting the class session or by building on the contributions of others to move it ahead. People will be called upon to contribute, but it is safe to assume that waiting to be “cold-called” will not earn you a satisfactory contribution grade. You will need to contribute voluntarily.

Because much of the learning will be delivered through case studies, films, simulations, guest speakers, and lectures, in-class contribution is not merely about repeating facts, prior points of discussion, or simply agreeing with your classmates. A meaningful contribution is when you explain why you think the way you do, so that others can access and assess your argument. Focus on providing thoughtful and convincing arguments, which involve and integrate others’ viewpoint towards a higher collective learning ground.

I consider meaningful contributions to class discussion to include any comments, questions, or analyses which advance the general class understanding of the case, concept or issue, the major problems, key factors to consider, and appropriate decisions or plans of action that could be undertaken.

Come in with an open mind and a willingness to share your learning and participate in the learning of others, and you’ll find the classroom experience enriching. While it is not possible for all students to contribute to every class, in grading class contribution, I will be assessing the extent to which you have established a meaningful presence in the classroom, over the course of the semester, by making solid contributions on a regular basis.

Evaluation Process

In grading class contribution, I will be assessing the extent to which you have established a meaningful presence in the class, over the entire course, not just a single class. The **quality, quantity and consistency** of your comments all count. Quantity matters, but quality and consistency are important to establish your presence in the class. Keep in mind, however, that I cannot judge quality without some quantity; greater consistency typically enables a better evaluation of your contributions as well.

I reward contributions that start us off productively, shape our discussion usefully, help change direction when needed, provoke useful debate, and summarize the comments of others. To build on the comments of others requires you to listen and to consider the timing of your contribution. Your goal should be to provide insights that pass the "so-what" test. This can range from helping to sort out the key facts in a complex case to developing an analysis that builds on prior comments, thereby moving the class discussion forward. Repeating comments without adding additional value is not positively assessed.

In-class contribution, worth 40% of your final mark, will be evaluated on the following scale:

- 90-100: applies, analyzes, synthesizes course material
 - is willing to take risks in attempting to answer difficult questions
 - offers relevant, succinct input to class that advances the discussion
- 80-89: provides constructive feedback to group discussion
 - demonstrates ability to analyze/apply course material
- 70-79: offers clear, concise information relevant to class assignments
- 60-69: occasionally offers topical information of limited relevance
- 0-59: is not regularly in class (misses 25% or more classes)
 - provides little or no contribution to discussions
 - is disruptive or distracting to class
 - fails to follow flow of conversation
 - input is irrelevant, unrelated to topic or non-existent

Each day after class I review each student's contribution to that class. In keeping with Ivey best practice, evaluations by your classroom peers will be one input to my grading. At the end of the course, I sum the daily points and rank the class by these totals. I use these scores as the first cut to assign grades based on my judgment of how good the top-scoring student is, how bad the lowest-scoring student is, where I should make grade breaks between the extremes, and individual strengths, weaknesses, and trends.

Peer Evaluators

Appointment of peer evaluators to classes is done by random assignment, and each of you will have one opportunity to evaluate your peers' performance in a class over the course of the term.

When your turn comes, you will receive a seating chart at the beginning of the class. Please keep track of everyone contributions and, at the end of the class, take 5 minutes to assign each participant a score according to the grading chart below (for your convenience, this grading chart will be copied on the back of the seating chart you receive). For the class in which you take this evaluator role, you will automatically receive a contribution mark of 2 (Significant) – over and above the points you have earned that day. *You are encouraged, to try and contribute in every class – including the class when you are a peer evaluator.*

Please return your marked contribution sheet to me at the end of the class or if it takes you longer to complete, please drop it off at my office right after classes end that same day. Please clearly write down who was absent that day; please also make note of any contributions that stand out for you (good or bad).

	Category	Components of in-class contribution
4	Outstanding	Several times a term, a student may make a truly grounded and ground-breaking contribution that lifts the learning experience to a new level of personal and professional meaning for all the participants. These are memorable, one-of-a-kind, in-the-moment “aha”-s that truly punctuate how a class gets to experience strategy. These contributions are rare and extremely valuable beyond the teaching point at hand.
3	Excellent	Comments add substantial value to the discussion. Student demonstrates willingness to take risks in attempting to answer difficult or unpopular questions. Student breaks new ground and raises the flow of discussion to a higher level, often by synthesizing material and applying multiple lenses/techniques. Adds energy and enthusiasm.
2	Significant	Comments add value to the discussion, beyond case facts. There is evidence of analysis rather than just the expression of opinion (although some espousal of opinion is acceptable, even necessary at times). Comments are linked to those of others, facilitating the flow of the discussion. Student demonstrates knowledge of readings and other relevant course material. Student incorporates relevant insights from other courses or current affairs.
1	Good	Comments advance the flow of the discussion (including responses to questions from the instructor). Student demonstrates clear grasp of case material. Information presented is relevant to the discussion.
0	Neutral	Statement of case facts; relevance not made clear. Present, listening, but silent. Absent from class.
-1	Unsatisfactory	Lack of preparation for class discussion; failure to listen. Criticisms are directed at others versus towards their ideas. Defensive or disruptive behaviour (e.g., aggression or withdrawal) is exhibited Drains energy from class goals. Inappropriate use of laptop, cell phone, iPod, Blackberry or other devices.

Peer scores. Please be fair in your assessments; the scores you assign as a peer evaluator remain confidential to your peers; I rely only on the average of all peer evaluators’ scores and my own evaluation of your performance that day. Because correlations between these two scores usually exceed 90%, each student always receives the *highest* one of the two, for each session.

Privileged information. Prior experience with the industry/firm puts you in a privileged position. This information can be used to assist in the learning of your classmates, but can also compromise the collective reasoning and discovery process that are so critical to the success of the case method. For situations in which you have privileged information about a company, please let the instructor know by email in advance of class. This will give us the opportunity to draw on your experiences appropriately. If you do have privileged information because of your previous experiences, please take the learning process into consideration before you offer a comment. If you happen to know ‘what happened’ based on your own insights/experience of the firm, please refrain from sharing this information.

Attendance. Attendance in all sessions of this course is mandatory. If you miss a class, you will not receive any contribution credit for that class; there is no way to “make up” for a missed day. A grade of zero will be assigned to those classes (notifications requirements must be met – see below). If absenteeism has reached 25 percent (i.e., more than 5 classes), you are not eligible to write the final exam/report and you will fail the course. This UWO policy is outlined at www.uwo.ca/univsec/handbook/exam/attend.pdf. Missed classes *with the exception of religious holidays with advance notice or extended absences approved by the program office*, will be included in the overall calculation for contribution. If you must miss a class, please inform the instructor in advance of class.

“State of the World” Group Project (30%)

We cover a broad range of issues very quickly throughout the course, and cannot fully explore the business implications of any of these. To encourage you to explore additional dimensions of sustainability, the course includes a group video project accompanied by an executive summary.

Please be original. Follow your own passion. Pick your own topic. Use your own voice and style.

A fun example of a “State of the World” Group Project can be pre-viewed on YouTube:

<http://www.youtube.com/watch?v=-7sK86Xz3qQ>

This group project – the 6-minute Video and the Executive Summary – is the same across all sections of the Corporations & Society course; all submissions are graded simultaneously by the three instructors to ensure fairness across sections.

For the “State of the World” project, work in a *group of four to six people*. All team members must be enrolled in 4521 – Social Innovation. Please choose your group members carefully and actively manage your group processes. The norm is for the work to be fairly shared and the project grade to be distributed equally among the team members; should I receive concerns about uneven contributions in your group, I will use the 360 peer-review process described in detail above to ensure the grade is fair to everyone.

Samples of prior C&S projects will be shown in class and posted on e-zone. Please note, however, that any duplication of ideas from prior C&S projects is actively discouraged. Relying on prior ideas may ‘date’ your submission since social and environmental issues evolve rapidly. We reserve the right to cross-check the originality of your idea against all prior C&S projects.

All submissions are checked for plagiarism. As a guideline, video or audio segments ‘borrowed’ from other sources cannot exceed 30 seconds in length. Please credit all your sources.

Frequently Asked Questions about the “State of the World” group project:

1. *Can our group be smaller than 4 or larger than 6 people?*

The ideal number is 5. 4-6 provides some flexibility. If you want to have 7 people, you can (not 8 – that can be 2 groups of 4). If you want as few as 3 people, you can (not 2 – groups of 2 can combine with groups of 4). That being said, small groups will be expected to submit projects that are just as high in quality as other groups. Large groups will be expected to manage scheduling complexities and equitable distribution of workload. In other words, if you decide to have a group of 3 or 7, you have to take responsibility for managing the possible problems that arise from deviating from the 4 to 6 group size. Any impacts those problems might have on your ultimate grade are also your responsibility.

2. *How is the grade allocated between the Video and the executive summary?*

The video contributes 75% of the “State of World” project grade (equivalent to 22.5% of the course mark); the executive summary contributes the remaining 25% (equivalent to 7.5% of the course mark). Please allocate your efforts accordingly. Please do not repeat content in the video or the executive summary – treat them as complementary.

3. *Should the executive summary include information about the team?*

Yes. Please use the chosen name for your team as the file name. Please include the full names and student numbers of your team members on the front page (these are not part of the word count).

4. *Should the executive summary also include an abstract?*

No.

5. *Are references counted as part of the word limit for the executive summary?*

No. Include as many references as needed but note that references are not graded separately.

6. *Can you include graphs or pictures in the executive summary?*

Please don't. If you feel you must, please also explain the key idea in words in the body of the executive summary. Please note that graphs or pictures are not graded on their own.

7. *What style works best for the executive summary?*

Please provide an editorial-style narrative that complements but does not duplicate the material you have included in the video. Samples are provided on e-zone; however, please feel free to use your own style to convey your idea and your findings.

8. *Are there penalties for exceeding the word limit for the executive summary?*

No. As in other courses a buffer of 10% is acceptable. We stop reading after words.

9. *Are there penalties for exceeding the length limit for the Video?*

In response to prior questions about video length across different sections of C&S, we have decided that you can have as much as 6 minutes and 29 seconds. In other words, if you are a few seconds over 6 minutes, we'll "round down" and indicate that you've met the 6-minute criterion. Please do not go beyond this length. To keep the comparison fair to all groups, any footage exceeding 6 minute and 29 seconds will not be graded.

10. *Are the credits included in this length limit for the video?*

No. Please include any credits at the end of the video; there is no time restriction on the credits and the credits do not count as part of your 6 minute requirement (nor the additional 29 second buffer).

11. *Will your video be shown in class (your class or future cohorts)?*

Not unless we receive explicit permission from your team. If you are willing to have me and/or other C&S instructors show your video submission in class (*your grade will never be disclosed but our past practice has been to show only show A-level submissions*) please indicate consent on behalf of the entire team at the time of submission. If you consent but you'd like the presentation to be restricted in any way (by instructor or by year) please do specify those constraints at the time of submission.

Should your group have any other questions not covered by the FAQ above, please do not hesitate to ask.

Deadlines

By 9 a.m. Thursday, February 9, one person from each team should email me your group's membership and a paragraph describing the social or environmental issue being explored in your video. Please cc all team members on this message, list their full names and indicate which section they are enrolled in, and pick a team name of your own choosing (e.g. Alpha).

By 9 a.m. Thursday, March 1, both components of the "State of the World" group project -- the 6-minute Video and the Executive Summary -- are due. *Late submissions will have points deducted.*

Please save the 6-minute Video on the stick your team has received on February 28th and drop it off at my office (1N54). Either Debbie or I will be there to safely receive your submission.

Before you submit, please verify that both audio and image work well on either windows and mac computers; and provide the cell number of a team member who will be 'on call' on Friday, March 2nd and Saturday, March 3rd from 9 am to 5 pm should we encounter any difficulties viewing your file.

Please upload your Executive Summary on e-zone using only the chosen team name (e.g. Alpha). No paper copies please. You will receive an automatic confirmation and either Debbie or I will re-confirm safe receipt by 11 a.m.

Suggestions

Your task is to produce a video within a 4 - 6 person team of up to 6 minutes in length on a topic related to the first 10 sessions of the course (the common core) and to submit a written Executive Summary that highlights the key points that the video conveys.

1. **Choose an issue.** Teams should select a pressing environmental or societal issue with direct relevance to business. Pay attention to scope: you will want to choose an issue that is not too vast and intractable, but not too small and trivial. Best to choose an issue that your team cares a lot about. Here are some illustrative examples:

- Environmental issues: climate change, air pollution, deforestation, marine pollution, oceanic dead zones, aquaculture, overfishing, food safety, urban food supply, water scarcity, bio diversity, acid rain, toxic waste, overconsumption, livestock management, species extinction, fossil fuel mining, green energy, privatization of water and energy infrastructure.
- Societal issues: state censorship, privacy, (illegal) immigration, labour exploitation, sweatshops, fertility business, organ trading, genetic testing, human cloning, homelessness, poverty and disease, pharmaceutical drug patents, workplace diversity, pay equity, executive compensation, sexual harassment, obesity, spamming, identity fraud, employee drug testing, workplace surveillance, HIV/AIDS, government corruption, insider trading, ethical investing, social entrepreneurship.

2. **Describe the issue today.** Inform your audience about the issue. Discuss the fundamental tensions, trade-offs and perspectives that exist. Choose the most salient facts to help us understand the nature of the issue, its magnitude and importance. Present the tensions impactfully.

3. **Project an alternative future (heaven or hell).** How will the world look in 50 years as a result of the issue? Your video should describe alternative futures pertaining to your issue. Think in terms of “plausible extremes”, i.e., a worst (but imaginable) case or a best (and also imaginable) case. This will require a balance between discipline and creativity.

4. **Connect heaven or hell with the present.** In your video, you may consider possible events – again make these plausible – that could lead to the Heaven or Hell scenarios that you have identified. We should be able to understand your chain of logic, reasoning, and causality.

5. **Identify and describe how corporations should respond to the issue.** What can corporations do realistically to balance the tensions around an issue? Who needs to act? Where can resistance be expected? What can be done to overcome it? You may provide some examples of for-profit companies who are leading the way in your chosen issue area. Choose your cases carefully to illuminate best practices in the issue area and, if possible, how the firm itself is benefiting by addressing the issue or incorporating relevant practices into its business strategy and operations. (Note: if you wish, you may address these aspects in the write up rather than the video.)

6. **Evaluation.** Your project will be assessed by a panel of C&S faculty members. The panel will focus on two broad criteria:

- **Substance:** the degree to which you inform the viewer about the issue. The fundamental question that the faculty will ask in assessing your project is: How much did the viewer learn? There are many factors that will contribute to learning, of course, from the quality of your research, to your discipline in keeping topical focus, to the way you present the information. How credible and accurate is your message? Use evidence and facts to support your assertions, so the message is convincing. (Remember to include credits, either at the beginning or end, to acknowledge the work of the team’s members and usage of sources.)
- **Style:** the degree to which you engage the viewer with your video. Again, there are many factors that will contribute to engagement and learning, and your team will have to make decisions about this. One hint: do not go to extremes in your video. Humour, for example, is most effective in small doses. Avoid farce. Do not let style undermine substance; let style contribute to substance. Keep your videos professional and appropriate to the audience.

Reflection Paper -- Individual Project (30%)

For the individual report, due by 9 am on Thursday, April 5th, please develop a short (1500 word maximum plus any exhibits and references) high-impact editorial outlining your position and thoughts on how one particular firm has responded (or failed to) to a specific social or environmental issue. Please take a stance, develop a briefing about specific actions and outcomes.

Substance

I expect sufficient depth to demonstrate and pass on your understanding of key course concepts. Please be consequential – your submission should be attempting to bend others' opinion towards or against a firm.

You can choose between two different options:

Option 1: Evaluate one company's competitive vulnerabilities *or* opportunities brought about by eco-friendly or socially minded social issue/trend emerging in/around its industry. You can tackle a broad set of related innovations *or* focus on a very specific vulnerability or opportunity that the entire company or a strategic business unit currently faces. What are the critical drivers that may exacerbate these vulnerabilities or amplify these opportunities (e.g. technology, legislation, social movements)? What are the main internal hurdles that are slowing down or distorting the chosen company's responses (e.g. leadership, values, governance, culture, functional specialties, inertia, sunk costs)? How do you see these internal hurdles shape the framing of the social issue and/or the timing and nature of the social innovation in response?

Option 2: Identify one organization (excluding any of the cases we have explored in the 4521) that provides a good learning opportunity for others in its industry (or other sectors). If this is an organization you have analyzed in other classes – either as a case or as an assignment, please provide copies of these materials along with your submission. While you are welcome indeed encouraged to build on prior learning and ideas, the 4521 assignment has to be both new and different from your prior work; reflect your own thinking; and not duplicate anyone's else prior work. The organization you choose to analyze might have attracted your attention either because it is extremely good at how they strategically pursue opportunities associated with corporate social responsibility or because it is extremely bad, i.e. slow to embark on new social trends and/or re reluctant to address legitimate stakeholder demands – simply put, they destroy economic value by ignoring a strategic case for corporate social responsibility. Provide a short background on what the selected organization has done. Explain why this provides a good learning opportunity for others. Draw 3-5 key lessons. Specify how each of these lessons might align strategically with the economic, social and environmental mandate of your organization or department. Then outline specific implementation steps, and propose a metric or measurement approach to evaluate the success of the implementation.

Style

Please take creative license – you are offering your own thoughts to an audience of your choosing. Some of the assigned readings offer good templates. New York Times editorials are also good examples. The content and style of managerial publications such as Business Week, Fortune and the Globe & Mail could also serve as a guide. You are welcome to write about an organization you are familiar with but your submission must not be a repetition of any other course work.

Questions or Issues

My office is Room 1N54, and you can reach me by phone, 519-661-4114, or e-mail, obranzei@ivey.uwo.ca. If you have any questions or concerns, please stop by any time during office hours or make an appointment.

Oana Branzei, October 31st, 2011

I encourage you to have fun, work hard, reflect critically and 'try on' new thinking & practice.

TABLE 1: Session Summary

	Session	Date	Topic	Please note:
Module 1 Social Issues	1	January 10	<u>Corporations in Society</u>	Video: The Corporation
	2	January 12	<u>The Path to Responsibility</u>	Multi-part Case
	3	January 17	<u>(Un)sustainable Innovation</u>	Debate
	4	January 19	<u>(Un)sustainable Investing</u>	Video: The Inside Job
	5	January 24	<u>(Un)sustainable Consumption</u>	Case
Module 2 Markets	6	January 26	<u>The Limits of Markets</u>	Parallel Sessions; Simulation
	7	January 31	<u>Making Markets Work</u>	Live Case; Guest Speaker
	8	February 2	<u>Carbon Markets</u>	Exercise, 18 teams
	9	February 7	<u>Renewable Energy Markets</u>	Live Case; Guest Speaker
	10	February 9	<u>Sustainability on Dragons' Den</u>	Live Case; Guest Speaker
Module 3 Movements	11	February 28	<u>Markets & Movements</u>	Retrospective & Prospective
	12	March 1	<u>Occupy (Wall Street)</u>	Multimedia <u>C&S Video due @ 9 am</u>
	13	March 6	<u>Obesity – MacDonald's</u>	Case
	14	March 8	<u>Organic – Whole Foods</u>	Case
	15	March 13	<u>Fair Trade - Starbucks</u>	Live Cases; Guest Speakers
Module 4 Social Innovation	16	March 15	<u>Value Chain -- Wal-mart</u>	<u>Upload your team's slides by 11:20 am.</u>
	17	March 20	<u>Sector – Model T & Tata Nano</u>	Debate
	18	March 22	<u>Cross-Sector – Better Place</u>	Case
	19	March 27	<u>System - OLPC</u>	Interactive Case
	20	March 29	<u>Ecosystem – Water Funds</u>	Interactive Case

Parallel sessions: January 26th – this simulation will run in three classrooms. Please check e-zone for your classroom and team assignments; go directly to the classroom assigned and follow the seating charts and signs.

Recommended events: Social Innovation @ Ivey, February, March 9th, 1R40, 9 am - 5 pm.

Session 1: The Role of Corporations in Society

January 10, 2012

Format: Debate.

The first class contrasts traditional and changing views of the corporation's role in society.

We will review, discuss and contrast several excerpts from the award winning documentary *The Corporation* with video-clips from the *1987 Wall Street* and the *2010 sequel: Money Never Sleeps*.

Case:

[The Business of Sustainability: McKinsey Global Survey Results](#), McKinsey Quarterly, October 2011.

This opinion piece argues that businesses can no longer treat sustainability as disconnected from core strategy: “more companies are managing sustainability to improve processes, pursue growth, and add value to their companies rather than focusing on reputation alone” according to a survey administered by McKinsey in July 2011 which received responses from 3,203 executives representing the full range of regions, industries, tenures, company sizes, and functional specialties.

Debate

Come to class ready to debate the proposition that ‘The pursuit of profit is good for society’. Where do you stand in this debate? Be prepared to explain, substantiate and defend *your* position.

Preparation

1. When and how could profit-motivated behaviour help advance societal goals?
2. What types of profit-motivated corporate behaviour may harm the broader public interest?
3. How effective can various institutions – such as government, activists, NGOs, consumers – be in curtailing the negative effects of private sector operations?

Assigned Readings

[The Sustainable Economy](#), Harvard Business Review, October 2011 (R1110B)

[The Good Company: Then & Now](#), Harvard Business Review, November 2011, Infographic

Optional Resources

[It's Hard to be Good](#), Harvard Business Review, November 2011, 9 pages (R111E)

[The Case against Corporate Social Responsibility](#), Wall Street Journal, August 23, 2010

Session 2: The Path to Responsibility

January 12, 2012

Format: Case.

The second class explores how companies could or should respond to social issues. The assigned reading adds a social dimension to the strategic backbone of competitive advantage by explaining how social issues develop and how the progression of social issues across their life-cycle shapes both the strategic choices firms make and the consequences the chosen strategies. Part A of the case examines how Bayer strategically approached the contentious issue of child labour in India since early 2003. Part B provides a behind the scenes account of the decisions made, the steps taken, the lessons learned, and their implications for Bayer and beyond.

Case:

Bayer Crop Science in India (A): Against Child Labour, Ivey Publishing – 9B10M061

Bayer Group, one of the founding members of the United Nations Global Compact and a pioneer in sustainable development programs since its inception in 1863, found itself at the center of a child labor controversy soon after its December 2002 acquisition of India-based Aventis CropScience. By 2007, reports that some of the Bayer-contracted farms employed children had become front-page news in India and reached its Western consumers and investors. Bayer had to decide how it should best address the intensifying pressures from local and global NGOs, global investors, international rating agencies, and government bodies. The case reviews several complaints and campaigns against Bayer in India and Europe from 2002 to 2007, focusing on Bayer's attempts to constructively resolve the crisis.

Preparation

1. What do you recommend Bayer do – should Bayer work in step with other industry players or take the issue in their own hands? Why?
2. Could Bayer divest? How does Bayer's corporate social responsibility factor into its decision to stay or exit the cottonseed production business?
3. Why are multinationals (Monsanto, Bayer, Unilever) singled out by the NGO reports?
4. What are the responsibilities of multinational corporations in emerging markets? Should they try to address social issues for practices that are legal and traditional in emerging markets?
5. Is dealing with child labour easy or hard for Bayer's leaders? Would it be easier or harder if the company did not have a tradition of ethical leadership and corporate social responsibility?
6. Why does it take Bayer four years to reach a decision point? Is the delay worthwhile?

Separate Distribution:

Bayer Crop Science in India (B): Value-driven Strategy, Ivey Publishing – 9B10M062

Questions

1. What has Bayer done to make their decision 'right' – internally and externally?
2. Why did Bayer leaders another two years to implement the 'right' decision?
3. Was two years too long, too short or just right to formulate a comprehensive strategy?

Assigned Readings

[The Path to Corporate Responsibility](#), Harvard Business Review, December 2004 (R0412J)

Optional Resources

[Investing in the Future of Our Children](#)

[UNICEF: Convention on the Rights of the Child](#)

Session 3: (Un)sustainable Innovation

January 17, 2012

Format: Case.

The third class asks whether, when and how companies can (re)balance economic and social goals to create sustainable value for themselves and for the societies in which they operate. We start with a case that re-enacts the contentious decision to withhold HIV-AIDS drugs to millions who could not afford to pay, at the peak of the epidemic. We end with an optimistic discussion on the role social innovation can play in ushering positive social change – we explore innovative models in healthcare and beyond (education & development).

Case

Life, Death, and Property Rights: The Pharmaceutical Industry Faces AIDS in Africa, HBS-702049

In the final years of the 20th century, the world was hit by a plague of epidemic proportions--AIDS, a life-threatening disease that remained stubbornly immune to any cure or vaccine. In the developed nations of the West, AIDS was slowly brought under control through a combination of education, prevention, and cutting-edge medicines. But in the developing world, where health care expenditures were often paltry, AIDS continued to rampage. By the year 2000, 25 million people in Africa alone were infected with the disease. Millions had already died. Nearly all of the medicines that treated AIDS had been developed – at great expense – by the major western pharmaceutical firms. These medicines were expensive to produce and often difficult to administer. They demanded levels of income and structures of distribution that often were sorely lacking in the developing world. Increasingly, activist groups were demanding that the pharmaceutical companies respond to the AIDS epidemic with drastic measures, giving their drugs away for free or abandoning the patent rights that had long protected their intellectual property. The pharmaceutical firms needed to respond to their critics. The question was, how?

Preparation

1. How should the pharmaceutical companies respond to the plague of AIDS in Africa?
2. What strategy should they follow to protect their intellectual property rights?
3. How far should they be willing to go? What are the costs and benefits?

Assigned Readings

[Disruptive Innovation for Social Change](#), Harvard Business Review, December 2006 (R0612E)

Optional Resources

[The end of AIDS?](#) The Economist, June 2, 2011 (11 min audio interview with the Science Editor)

[The Research Imperative: Fighting AIDS, TB and Malaria](#), November 17, 2004, Tropical Medicine & International Health, 9(11): 1139-1141.

[Bill Gates on Mosquitos, Malaria and Education](#), Ted Talks, February 2009.

Session 4: (Un)sustainable Investing

January 19, 2012

Format: Video

In this session we take a close look at the 2008 global financial crisis with an emphasis on the role of business played both in creating. We first examine some of the effects of the crisis; then touch on the highly interconnected set of circumstances that triggered/escalated the crisis to better understand what motivated those businesses/leaders who played a role in the crisis to act the way they did. The class is organized around clips from the Academy Award winning documentary “Inside Job”, which we use to spark discussion and debate on whether and business should be accountable. We end with updates on the aftermath of the crisis and attempts at its resolution, asking again: what role business could or should play?

Video

[The Inside Job](#)

The video a comprehensive analysis of the global financial crisis of 2008, the worst recession the world has experienced since the Great Depression, with a cost of \$20 trillion and global ripples still being felt across economies and sectors. The movie attributes the crises to “the rise of a rogue industry which has corrupted politics, regulation, and academia”.

Preparation

1. What were and still are some of the societal implications of the 2008 financial crisis?
2. What caused the financial crisis?
3. What was business’ role in the creation of the crisis?
4. Why did business engage in behaviour that ultimately had some profound negative implications for society?
5. Should big business be banned from lobbying government? What might be a balanced approach to limiting the power of business in influencing government policy decisions?

Assigned Readings

[Rational Irrationality](#), The New Yorker, October 5th, 2009.

[Government for Sale: How Lobbyists Shaped the Financial Reform Bill](#), Time, July 1, 2010.

Optional Resources

[The Economist’s Reply to the “Inside Job”](#), The Economist Forum, October 8, 2010.

[Europe’s Rescue Plan](#), The Economist, October 29, 2011.

Session 5: (Un)sustainable Consumption

January 24, 2012

Format: Debate.

This session uses a debate format to examine how companies wrong (or right) their stakeholders. The case of Philip Morris USA examines when and why society may suspend a firm's license to operate as well as renew such license when businesses make concerted efforts to respond to legitimate concerns. We start with a debate on the marketing and promotion of harmful products. To prepare your side of the debate, please evaluate the strategic opportunities of a health advocacy organization; assess the crisis management actions of a corporation marketing controversial products; and examine the threats and opportunities created by anonymous whistleblowing. We then discuss changes in societal expectations towards the consumption of harmful products using the example of the Master Settlement Agreement.

Debate (Separate Distribution of Assigned Roles)

R. J. Reynolds's Dakota Cigarette: Designed for Young Women – A1 vs A2

The debate juxtaposes the tactical strategies of the public health advocates against the defensive strategies of R. J. Reynolds which is preparing a marketing plan for the launch of a new cigarette designed to recapture a portion of the 18- to 24-year-old female market from Philip Morris's rival Marlboro.

Philip Morris USA Life after the Master Settlement Agreement (B), Darden Business Publishing, UVA-S-0158

This is the second of a two-case series 'UVA-S-0157 to UVA-S-0158'. In the midst of the public controversy over tobacco and smoking, culminating in the MSA (Master Settlement Agreement) between four major tobacco companies and 46 states, Philip Morris USA's (PMUSA) president and CEO Michael Symanczyk drafted a new 'Mission and Values' statement. The (B) case describes the statement and details how it was used as a compass for new actions taken by PMUSA to not only comply with but to go well beyond the requirements of the MSA. The case also raises questions from critics about the sincerity of the company's new statement and measures.

Preparation

1. When and why did Philip Morris respond to public outrage? How did it re-engage the public?
2. What roles did Symanczyk's values and experience play in this turnaround?
3. How do you reconcile the statement that PMUSA will still be in the cigarette business 20 years from now with the corporate commitment to sustainability?

Assigned Readings

Philip Morris USA Life after the Master Settlement Agreement (A), Darden Business Publishing, UVA-S-0157

The (A) case reviews the social and economic history of tobacco and smoking in the United States and provides context surrounding the crisis related to the Master Settlement Agreement (MSA) between four major tobacco companies, including PMUSA, and 46 states.

Optional Resources

[The Insider](#)

[Thank You for Smoking](#)

[Consumption & Identity](#) by Russell Belk, Chapter 8 in *The Cambridge Handbook of Psychology and Economic Behaviour*, Edited by Alan Lewis, Cambridge University Press, 2008.

Session 6: The Limits of Markets

January 26, 2012

Format: Simulation.

The sixth class focuses on the tension between corporate actions and the natural environment. We will run an interactive team-based simulation exercise, *Fishbanks*, which illustrates when and how fundamental market conditions may generate non-optimal social and environmental outcomes.

Simulation:

Fishbanks

This game illustrates under what conditions natural resources can be used effectively and prudently. The teams manage independent fishing companies. Each fishing company starts the game with equal assets, operating costs and technology. At the beginning of every simulated year, the teams make decisions about buying or selling ships, whether to fish or not, and where to fish. The object of the game for each company is to maximize assets.

Preparation

1. Individually decide on your goals and approach (before the class starts).
2. Decide on a team strategy (during class).
3. Play 8-10 rounds of the Fishbanks simulation (during class).

Assigned Readings

Carefully read the simulation instructions posted on e-zone prior to coming to class.
Double-check the room and team for this simulation exercise posted on e-zone.

Optional Resources

[What Do Markets Do?](#) Chapter 1 in *Why Some Things Should Not Be for Sale: The Moral Limits of Markets* by Debra Satz, p. 15-35.

or

[Lecture on the Moral Limits of the Markets](#) by [Debra Satz](#), the Martha Sutton Weeks Professor of Ethics in Society and Director of the Bowen H. McCoy Family Center for Ethics in Society (35 minutes, from 12:12 to 47:48 min).

Session 7: Making Markets Work

January 31, 2012

Format: Interactive, Live Case, Guest Speaker.

Simulation Debrief

The seventh session debriefs the *Fishbanks* simulation, explaining when and why a valuable and renewable natural resource such as a fish population may be exhausted and then unpacking the market dynamics associated with natural resource depletion in other settings.

Preparation

1. Your team's strategy: What was your strategy? Did it work as expected? Was it a good or bad strategy? Did you adjust your strategy during the game? If so, why and how?
2. When did you realise that depletion was occurring? How did your team react?
3. Overall industry results: were you surprised at what happened to the fish stocks?
4. What would you do differently next time? Why?
5. What would it take for everyone to win? Is a win-win scenario possible? Feasible? Likely?
6. What alternatives do you see? Regulation? Consumption bans? New business models?
7. What can we do to make markets work to replenish rather than deplete natural resources?

We then use two live cases to discuss sustainable alternatives and introduce the important concepts of “natural capital”, “carrying capacity” and “ecological footprint”, and explore their implications for natural eco-systems, regulators, and markets (organizations and consumers).

Video-case

[Dan Barber: How I fell in love with a fish](#)

Live case

[Hooked](#) is a different fish store.

First - like the leading chefs, we bypass the major distributors that supply the markets, chain restaurants and grocery stores and go right to the source; the fisherman. That way, we are sure we know the whole story behind every item we sell.

Second, we use the same rigorous standards as top restaurants in the way we handle our fish. We control the shipping and handling; we keep them cold and handle them with care.

Next, we hire only experienced culinary graduates who can help you make the right choices and answer your questions about how to cook your seafood. We have incorporated a teaching kitchen right into the store that offers hands on instruction on how to select, handle and cook the various kinds of seafood. We workshop on everything from menu planning to wine matching. To complete the picture, we will sell cookware and tools specific to seafood as well as cookbooks and prepared foods.

Assigned Readings

[Global Fisheries Crisis](#), National Geographic, April 2007

[Time for a Seachange](#), National Geographic, October 2010

[Fishing for Sustainability](#), McKinsey Quarterly, October 2011

Optional Resources

[Making Markets Work](#), Chapter 13 in *Natural Capitalism: Creating the Next Industrial Revolution*, by Paul Hawken, Amory Lovins, and L. Hunter Lovins.

Session 8: Carbon Markets

February 2, 2012

Format: Exercise.

The eight session relies on a real-time exercise contrasting alternate instruments. Eighteen teams representing 6 different companies calculate and report their results in real time. Handouts and instructions are provided to each team at the beginning of the class.

Exercise: **Permit Trading**

Read the primer. Do a practice run. Come prepared to calculate, report, and discuss your results in real time.

[Cap and Trade 101: A Federal Climate Policy Primer](#) – e-zone.

This policy primer goes over all the basics, such as:

1. How does cap and trade work?
2. What does a good system look like?
3. How do we make sure it's fair for everyone?
4. What about offsets?
5. Why not use a carbon tax?
6. What's the rest of the world doing?

Preparation

1. Review on Cap and Trade 101 - especially p. 4-9 and p. 28-32; recap the [highlights](#).
2. Please check e-zone for your assigned team and classroom seating.
3. Go over the calculation guide and formula posted on e-zone (please do a practice run).

Assigned Readings

[A New Look at Carbon Offsets](#), McKinsey Quarterly, February 2010.

Optional Resources

[Building a Green Economy](#), New York Times, April 7, 2010.

[Obama's Cap-and-Trade Plan](#), Business Week, March 5, 2009.

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Session 9: Renewable Energy

February 7, 2012

Format: Role Play, Real-time Case and Q&A with Guest Speaker.

The eight session introduces business models for renewable energy. We first review market trends for clean energy (locally and globally). We then use a role play to engages the class in a broader discussion on the stand-alone and relative merits of different renewable energy technologies and debate the risks and opportunities associated with starting a clean tech venture in Ontario, Canada. Using a real-time local case we then unpack how market trends for clean energy emerge and evolve through a dynamic interplay between technology and regulation. We end with updates and Q&A with the clean tech entrepreneur.

Case

Renewable Energy Co., Ivey Publishing 9B09M043

The case illustrates the tensions, trade-offs and adaptation challenges involved in designing a clean technology venture in a changing regulatory, funding and competitive context (Ontario, Canada, 2006-2008). Beyond understanding the specific challenges faced by the venturing team, students are asked to grapple with the controversies and priorities for Canada's environmental policies in the energy sector, discuss competitive tension or symbiotic relationships between incumbents and disruptors, and actively align new venture design and strategy with a rapidly morphing regulatory, technological and competitive environment. The case discussion also opens up a broader platform for exploring the role of incumbents and disruptive business models in informing provincial and national responses to climate change, and, more generally, the role of cleantech venturing and venture capital in fostering climate change readiness and greener energy solutions. It also explores the challenges and risks that private sector investors confront in the pursuit of environmentally-friendly business plans. Students compare and contrast the technologies available, discuss their pros and cons, and articulate a compelling business proposition.

Preparation

Your assignment is to select a single renewable technology (from the options presented in the Renewable Energy Case) that would warrant investment by an outside investor/private equity group. You are less concerned with detailed financial analysis at this point, and more with whether the business model makes sense given.

1. What trends should we consider? Which technology is the most attractive?
2. What are the key opportunities and/or risks for the new firm?
3. What strategies will Renewable Energy Co implement to address these risks/opportunities?
4. How profitable would you expect this venture to be?

Optional Resources

[The Future of Capitalism: Building a Sustainable Energy Future](#), McKinsey Quarterly, December 2009.
[Clean Energy Trends 2011](#), March 2011.

Session 10: Sustainability on Dragon's Den**February 9, 2012**

Type: Interactive; Live Case; Guest speaker.

Case (Live)

FrogBox

Doug Burgoyne, Founder/President of FrogBox and Ivey HBA alumnus.

FrogBox is a profitable venture which operates in an environmentally-sustainable manner. It has a two-year revenue growth of 753% and is ranking at No. 14 on the PROFIT HOT 50 list.

Doug Burgoyne, Founder/President of FrogBox and Ivey HBA alumnus, will first talk about the genesis of the business model, his appearance on Dragons' Den, and his experience in scaling up the venture. Doug will then engage the class in an interactive live case format to discuss some of the current risks and opportunities FrogBox faces. We end the class (and the common core modules) with practical wisdom on how Ivey leaders can marry traditional market success with social and environmental responsibility.

Preparation

Before the class, please watch Doug's pitch on [Dragons' Den](#); read the [Born to Make a Giant Leap](#) article in Profit, August 29, 2011 and browse through the website (if you have not already been a customer). Come to class with a couple thoughtful questions about the venture itself or the challenges and opportunities in starting a sustainable venture.

Optional Resources

[Moving Box Revolution Buzz](#) – view some of the press releases, media articles and video clips.

[Growing Green: Three Smart Paths to Developing Sustainable Products](#), Harvard Business Review, June 2010.

Session 11: Markets & Movements

February 28, 2012

Format: Retrospective and Prospective on Markets & Movements.

Markets and movements are necessary, but not sufficient; the journey towards sustainability requires a combination of both. This session examines the complementary role of markets and movements – we focus on the conversion of risks into opportunities at the interface between markets and movements.

Learning Goals

1. What is a social movement?
2. How do social movements work?
3. What are the goals and functions of social movements?
4. How can movements convert social problems into social opportunities?
5. What role do social movements play in the evolution of markets?

Video

[1993](#)

[1994](#)

[1997](#)

[1997 Holiday](#)

[2002](#)

[2005](#)

[2010](#)

[2011](#)

Case (Separate Distribution)

The Coca-Cola Bears, Ivey Publishing Forthcoming

Coca-Cola is also investing in our real-life polar bear icon. Coca-Cola and World Wildlife Fund (WWF) have successfully [partnered since 2007](#) to increase research in the Arctic, as well as expand awareness of the plight of the polar bear. On [December 2009](#) Muhtar Kent and Carter Roberts, President and CEO of WWF, outline the reasons for the partnership between their two organizations.

Assigned Readings

[Is the environmental movement dying?](#) Globe and Mail, Published Tuesday, August 30, 2011

The Environmental Movement, Chapter 7, in *Social Movements* by Suzanne Staggenborg, Oxford University Press, 2011, p. 100-121.

Optional Resources

[From the Invisible Hand to Joined Hands](#), Chapter 1 in *Market Rebels: How Activists Make or Break Radical Innovations* by Hayagreeva Rao.

or

[How Markets Are Made or Broken by Social Activists](#), Autumn 2009 Interview with Stanford Professor Hayagreeva Rao, author of *Market Rebels: How Activists Make or Break Radical Innovations*

Session 12: Occupy

March 1, 2012

Format: Multimedia Case & Role Play

Multimedia Case

“The Occupy Wall Street is leaderless resistance movement with people of many [colors](#), genders and political persuasions. The one thing we all have in common is that [We Are The 99%](#) that will no longer tolerate the greed and corruption of the 1%. We are using the revolutionary [Arab Spring](#) tactic to achieve our ends and encourage the use of nonviolence to maximize the safety of all participants.”

Video

[Capitalism: A Love Story](#) by Michael Moore

[Think Occupy Wall St. is a Phase? You Don't Get It, CNN October 5, 2011](#)

Audio

[The Occupation: Jian's opening essay Friday October 21, 2011](#)

Editorials

[The Wall Street Journal, September 26, 2011](#)

[New York Times, October 8, 2011](#)

[USA Today, October 11, 2011](#)

[Washington Post, October 11, 2011](#)

Livestream

[The Daily Activist](#)

Roles (Separate Distribution)

[Occupy Wall Street](#)

Debrief

[Occupy Crackdowns in the US November 13, 2011](#)

[Occupy Crackdowns in Canada, CBC's Day Six: Tom Hayden Advice for Occupy \(21:27-28:37\)](#)

Optional Resources

[Social Strategies that Work](#), Harvard Business Review, November 2011.

Session 13: Obesity – MacDonald's**March 6, 2012**

Format: Debate

This session debates whether, when and how companies navigate antagonistic social trends using the example of alleged accusation linking McDonald's fast food with the global obesity epidemic. The discussion explores whether companies such as McDonald's should or should not shoulder social risks when a direct business responsibility for societal harm has not yet been established. We discuss how different societies understand social risk and convert it into business responsibilities for different products, services, or technologies.

Video

[Supersize Me](#)

Case

Obesity and McLawsuits, Stanford Graduate School of Business, P-47

After successful litigation against tobacco companies, a handful of lawyers turned their attention to the fast food industry and its possible connection to obesity. McDonald's was a prime target. Details McDonald's response to the litigation and the question of its role in the rise of obesity in the United States. Study questions guide students in analyzing both the market and nonmarket strategies that McDonald's employed.

Preparation

1. Is McDonald's likely to prevail in courts?
2. In which institutional arenas is McDonald's more likely to be successful?
3. What market and non-market strategies should McDonald's use to address the obesity issue?
4. Should McDonald's fund research on a possible obesity-fast food link, like addiction? If so, should it pledge in advance to disclose the results of research whatever the findings or should it ask for a non-disclosure agreement so it could keep the results secret in case the research supports a link between obesity and fast food?

Assigned Readings

Is the Obesity Epidemic a Consequence of Rational Choices (p.1-20), Excerpt from *Free Market Madness: Why Human Nature is at Odds with Economics – and Why It Matters*, ISBN-13: 978-1-4221-3959-2, 3936BC.

Optional Resources

[Morbidly Obese](#)[Michael Pollan Explains America's Backwards Food System on Oprah](#), January 28, 2010.

Session 14: Organic – Whole Foods**March 8, 2012**

Format: Case.

This session explores how social issues introduced by movements become mainstream using the example of the launch and global expansion of an organic food supermarket – Whole Foods Inc.

Video

[Market Watch Interview with Co-CEO John Mackey](#), The Wall Street Journal, March 3, 2011.

Case

John Mackey and Whole Foods Market, HBS 9-807-111

The case traces the history of organic agriculture from its pre-industrial roots to the present day, and examines the growth of Whole Foods Market in the context of the broader growth of the organic industry. The case also analyzes entrepreneurial agency in the context of a young market and examines the role of social as well as organizational leadership in the 21st century.

Preparation

1. Explain Mackey's model of "conscious capitalism".
2. In what ways does Whole Foods create value for society? How have their efforts to create social value led to business results?
3. How does Whole Foods balance growth and social mission (i.e. what organizational strategies, processes and procedures enable Whole Foods to meet seemingly conflicting goals)?
4. How does social ideology fit with Whole Food's Strategy going forward?

Assigned Readings

[What's So Great About Organic Food?](#), Time, August 18, 2010.

Optional Resources

[How Durable is Sustainable Enterprise? Ecological Sustainability Meets the Reality of Tough Economic Times](#), Business Horizons, March 15, 2011.

Session 15: Fair Trade – Beyond Starbucks**March 13, 2012**

Format: Live Cases; Guest Speakers.

This session explores the fair trade certification movement, contrasting farmers' motivations to pursue certification with the corporate motivations to source/supply fair-trade-certified coffee. Learning goals: (1) to understand the concept of fair trade; (2) to study the growing importance of fair trade in the global supply chains; and (3) to determine whether, when or how fairtrade practices could foster or further corporate social responsibility – for both large and small firms. The optional resources provide a historical overview of the evolution of (un)fair practices for coffee, chocolate and bananas.

Live Case

[**Fireroasted Coffee Company**](#)

Live Case

[**Habitual Chocolate Roasters**](#)

Assigned Readings

[**Collaborating with Activists: How Starbucks Works with NGOs**](#), California Management Review, November 2004, 47(1) – CMR 299.

Optional Resources

[**The Fair Trade Market**](#), Chapter 8 in the *Fair trade: market-driven ethical consumption*, by Alex Nicholls and Charlotte Opal, p. 181-200.

or

[**Black Gold: Wake Up and Smell the Coffee**](#) – Recommended: [**Coffee Calculator**](#)

or

[**Bitter Chocolate: Investigating the Dark Side of the World's Most Seductive Sweet**](#), by Carol Off – Recommended: Excerpt from Epilogue, In *All Fairness*, p. 295-299.

or

[**Banana: The Fate of the Fruit that Changed the World**](#), by David Koepfel – Recommended: A Banana Time Line, p. 243-258.

Session 16: Wal-Mart

March 15, 2012

Format: Juxtaposition of Case Discussion & Documentary.

This session examines how movements shape corporate & competitive strategies and how changes within firms and upstream or downstream the value chain accelerate or decelerate social trends.

Video:

Philanthropy Inc.

Narrated by Jian Ghomeshi, host of CBC Radio's Q, this revealing documentary uses three corporate giant case studies: Coke, Walmart and General Mills to examine who wins and who loses, by speaking to the leaders at the forefront of the philanthropic movement.

Case: **Wal-Mart's Sustainability Strategy**, Stanford Graduate School of Business, OIT-71

In October 2005, in an auditorium filled to capacity in Bentonville, Arkansas, Lee Scott, Wal-Mart's president and CEO, made the first speech in the history of Wal-Mart to be broadcast to the company's 1.6 million associates (employees) in all of its 6,000+ stores worldwide and shared with its 60,000+ suppliers. Scott announced that Wal-Mart was launching a sweeping business sustainability strategy to dramatically reduce the company's impact on the global environment and thus become "the most competitive and innovative company in the world." He argued that, "Being a good steward of the environment and being profitable are not mutually exclusive. They are one and the same." He also committed Wal-Mart to three aspirational goals: "To be supplied 100% by renewable energy; to create zero waste; and to sell products that sustain our resources and the environment." The case examines Wal-Mart's efforts to accomplish these goals in three of the company's primary focus areas (seafood, electronics, and textiles). It describes changes in Wal-Mart's operations and its relationships with customers and suppliers; it also explores how Wal-Mart is measuring progress against these goals and how it communicates its ideas about sustainability to its suppliers, associates, customers, and the public.

Preparation:

This case provides an in-depth history of Wal-Mart and examples of social innovations in three different industries. To understand how social innovations emerge and evolve, and the strategic and competitive dynamics downstream and upstream the value chain, this class relies on in-depth critical analysis of each of the three industries and comparisons across these three industries. To accomplish these goals, each student should first quickly read through the entire case, then carefully read the industry assigned to their team (see below); please meet with your team members on or before March 14th to analyze the assigned industry as a group and be prepared to do a brief presentation in class.

Each team uploads their slides, titled Industry Team #, on e-zone by 11:20 am on March 15th: Teams 1-6 - seafood; Teams 7-12 – organic cotton; Teams 13-18 - electronics.

1. Is the strategy effective? Where, when, and how it may work well (or poorly)?
2. Are there predictable costs and benefits for other organizations along the value chain?
3. How is Wal-Mart opening up to internal and external stakeholders and sharing responsibility for reducing impacts in such a way that everyone derives profit in this industry?

Optional Resources

[Walmartstores.com: Sustainability Sustainability Index](#)

Session 17: Industry – Ford’s Model T & the Tata Nano**March 20, 2011**

Format: Case

This session explores how sustainability can become a source of innovation. We examine how business efforts to address social constraints not only change the competitive landscape but also alter social expectations (which over time may change society).

Case

Nano Tata-Logy: The People’s Car, Ivey 9B08M074.

The case illustrates the opportunities, challenges and trade-offs involved in the design, prototyping, and marketing of the Nano – the People’s Car – by Tata Motors Ltd (TML), a Tata Group Company. The case is set nine months after the January 2008 unveiling of the Nano concept car in New Delhi, India. The company’s managing director faces multiple dilemmas in rolling the Nano off the production lines at the manufacturing plant in Singur, including growing local and global competition in the emerging low-cost, low-emission market, rising manufacturing costs, and stakeholder pressures. The decision reviews critical developments in global automotive markets from the point of view of TML’s and Tata Group’s deeply ingrained values for sustainable economic development and Indian-grown competitive advantage. It plots the promise of a rampant market growth and the emergence of an India-based small car cluster against international outcry about the proliferation of urban transportation, congestion, and pollution in emerging markets (particularly India and China). Students are asked whether Nano is a disruptive or sustainable innovation for the company and the group, and respectively for the Indian and global automotive industry. Smaller and cleaner than its well-established rival in the west, the Toyota Prius, the Nano promises reliable, safe transportation to India’s emergent middle class as a fraction of the cost; the Nano is also 1.5-4 times cheaper than its Indian based rivals. However, production bottlenecks threaten Nano’s launch in the last quarter of 2008. Speculating that first mover advantage may sway customer perception and breed loyalty, several competitors are quickly setting up India-based manufacturing of competing models. Market projections estimate over one million adoptions, mostly by prior two-wheeler motorists, and limited switches from higher emission options for fuel and emission conscious consumers. The case addresses the issue of carbon neutrality, and more broadly the role of emerging market companies in addressing global climate change issues.

Preparation

1. What are the strategic and the social implications of launching the Nano?
2. How does the Nano incorporate and promote “the Tata way” of doing business?
3. Will Tata Motors or the Tata Group change with the Nano? How?
4. Will the Nano change the global automotive industry? The auto makers in India? How?

Assigned Readings

[Why Sustainability Is Now the Key Driver of Innovation](#), HBR 2009 (R0909E)

[Tata’s Nano: The Third World’s Model T?](#) January 30, 2008

Optional Readings

[What Ferrari, Nano Have in Common](#)

[A Tata Nano Takes Manhattan](#)

Session 18: Cross-sector – Better Place**March 22, 2011**

Format: Case.

This session will explore how social innovations are designed and implemented across-sector. Using three different examples from the automotive industry: Better Place (assigned case), Think, and Zenn (optional online resources) we discuss the role of automotive companies in creating greener cities.

Video

[Timeline](#)[Who Killed the Electric Car](#)

Case

Better Place: Shifting Paradigms in the Automotive Industry

In a bold bid to dramatically reshape the automotive industry, start-up company Better Place is attempting to shift transportation from reliance on the environmentally destructive internal combustion engine to electric power from renewable sources. In order to overcome the limitations of current technology and utilize off-the-shelf hardware, Better Place is rolling out an extensive infrastructure to provide ubiquitous charging opportunities in the hope that this would satisfy virtually all driver requirements. In pursuing this massive transformation, Better Place is promoting a paradigm shift in the business model for personal transportation, by shifting sales from products (cars and gasoline) to services, by selling its customers “miles”. The end goal is to truly make the world a better place by substantially reducing the environmental and social impacts of the transportation sector’s reliance on petroleum.

The case highlights the challenges of transforming a mature industry which is central to modern society. It includes a brief history of the automotive industry to date, illustrates various unintended consequences of its expansion, as well as provides overviews of various competing automotive technologies (hybrids, hydrogen fuel cells, etc.). The case surveys the various aspects of the Better Place model, and probes its advantages and shortcomings. It also examines the Better Place rollout strategy, as an upstart entrepreneurial company attempting to grow and expand internationally at a very rapid pace. Besides a complex economic business model specifying large upfront investments in multiple dispersed international locations, key challenges include: How to convince established automotive producers (or newcomers) that EVs are the way forward? Whether and how to coordinate infrastructure and standards? And, not least, how to convince consumers to make the leap of faith and switch to an electric car.

Preparation

1. Describe the Better Place business model, its scalability and/or replicability.
2. What drives Better Place (i.e. the ideology, the business model, the brand)?
3. What are the key challenges to attaining and sustaining commercial viability?
4. What strategies would you recommend for second-mover competitive advantage?
5. Which business models compete with (or complement) Better Place’s offering? How?

Optional Resources

[THINK: THINK delivers its first U.S.-built electric cars](#), December 16, 2010.[cityZENN : ZENN Motor Company Details Plans for Highway Capable ZENN Powered by EEStor!](#), March 28, 2008.

Session 19: System – One Laptop Per Child (OLPC)

March 27, 2012

Format: Case.

This session asks how social innovation can reconfigure social systems. We explore whether and how a social innovation in education, the One Laptop per Child (OLPC), may tackle extreme poverty.

“We can’t wait. As a businessman, I’ve seen that companies can tap new markets right now, even if conditions aren’t ideal. And as a philanthropist, I’ve found that our caring for others compels us to help people right now. The longer we wait, the more people suffer needlessly. [...]

More than 30 years ago, Paul Allen and I started Microsoft because we wanted to be part of a movement to put a computer on every desk and in every home. Ten years ago, Melinda and I started our foundation because we want to be part of a different movement – this time, to help create a world where no one has to live on a dollar a day or die from disease we know how to prevent. Creative capitalism can help make it happen. I hope more people will join the cause.”

Bill Gates, In His Words, Time, August 11, 2008, p. 33.

Video

Negroponte Takes OLPC to Colombia, Ted Talks, Filmed December 2008.

Case

Quanta Computer and the One Laptop per Child Initiative, HBP 608102.

When Quanta Computer, Inc., the world's largest manufacturer of laptop computers, first joined the One Laptop Per Child (OLPC) initiative, it faced a challenge trying to balance the cost objectives of a laptop computer targeted at children of the developing world with the escalating content demands from the marketplace and the non-profit OLPC Foundation. It also had to fit the project into its company business model which served global lead PC brands like Apple as a high volume, low cost ODM provider. The case is a vehicle for discussing new market disruption and the impact of modularity and the evolution of the value network in the global PC supply chain.

Preparation

1. What is the value proposition of the OLPC?
2. Do you think the OLPC represents a threat to the standard notebook PC market? How about the Eee PC?
3. How do you explain the shift in the basis of competition in notebooks?
4. If you were Dell, would you respond to the situation, and if so, how? Microsoft? Apple?

Assigned Reading

Identifying Market Opportunities in Ten Great Divides: How Social Entrepreneurs Are Creating the Markets of the Future, Excerpt from *The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World*, 8026BC.

In this chapter, the authors look at the ten great divides between the fortunate and the not-so-fortunate to emerge from the UN's Millennium Development Goals--including demographics, finance, health and the environment--as pointers to tomorrow's market opportunities. They outline the relevant challenges of each divide and sketch some of the ways that social and environmental entrepreneurs are working to address them.

Optional Resources

[One More Great Lesson From Steve Jobs: Innovation Begins As A Social Movement](#), Design, October 17, 2011.

Session 20: Ecosystem – Water Fund

March 29, 2011

Format: Interactive Case

Our last class looks at the ways in which social innovation can tackle major eco-system challenges en route towards creating the (more sustainable) markets of the future. We first sample and discuss payment for ecosystem services (PES) programs and use the case of water funds to debate the economic value of natural ecosystems to a range of stakeholders, and ways in which this value can be captured.

Video

[Blue Gold: World Water Wars](#)

The film takes viewers through the causes of the water crisis—mining, pollution, wetland destruction—and blocks out the potential effects of a water shortage. F

Case

Water Funds: Financing Nature's Ability to Protect Water Supplies, Stanford OIT-104.

Nature plays an important role in maintaining the flow and purity of water. Human activities often degrade the quality and/or quantity of water flowing to downstream users, but maintaining natural ecosystems, and sound conservation management by those living upstream in watersheds can help provide a clean, reliable supply of water for downstream water users. Water funds are a way for downstream water users to preserve their water supply by paying to restore and conserve natural ecosystems. They also enable upstream and downstream communities to work together for mutual benefit, preserving or restoring nature's ability to improve water quality and reliable flow, while providing economic opportunities for upstream communities. This case introduces the concept of ecosystem services (the role that natural ecosystems play in sustaining and fulfilling human life) and "payment for ecosystem services (PES)," in which stakeholders pay in order to preserve or restore the ability of nature to provide these services. It describes water funds and other PES arrangements, together with some of the challenges that water funds face.

Preparation

1. What other ecosystem services could the water fund model be used for? Which ones are more conducive to this model? Why?
2. What are the relative merits of a water fund model that pays upstream communities on an ongoing basis, versus making initial investments but no cash payments?
3. What metrics should one use to evaluate the success of a water fund? What are the merits of, and potential issues with, each metric?
4. Imagine starting an ecosystem service fund in an area where you lived. In addition to the sorts of investors mentioned in the case, who else might be interested? What would their incentives be for participating in your fund? What time horizon would each investor take?

Optional Resources

[Five Documentaries on the Water Crisis](#)

[Overcoming Short-Termism: Mental Time Travel, Delayed Gratification and How Not to Discount the Future](#), Australian Accounting Review, No. 51, Vol. 19, Issue 4, 2009.