

NBA 6030
SUSTAINABLE GLOBAL ENTERPRISE

Professor Glen Dowell
350 Sage Hall, 255-3800, gwd39@cornell.edu

Section 1: Monday-Wednesday 10:10-11:25
Section 2: Monday-Wednesday 11:55-1:10

B-05 Sage Hall

Winter Half Semester (January-March) 2011

Welcome to Sustainable Global Enterprise. In this course, we have two broad, ambitious goals:

1. We want to come to some understanding of the enormous challenges facing the world as humans try to come to grips with the effects of overuse of natural resources, both renewable and non-renewable, with unsustainably inequitable distribution of wealth among and within countries, and with threatening, possibly irreversible damage to ecosystems and natural systems. As a class offered within a business school, we will examine these issues with an eye on how such challenges affect business in general, and some industries and sectors specifically.
2. Our more hopeful goal is to gain an understanding of the role that business can, and must, play in moving to a more sustainable future. For-profit enterprises are the only organizations on the planet with the resources, the ingenuity, and the incentives to enact changes that can move us from our current path to one in which all forms of life can flourish into the future. This is not to say that unfettered capitalism is a panacea, but rather that there is no viable solution to the issues we face without the cooperation of, and leadership from, for-profit enterprises.

We will attempt to attain these goals by combining readings that I assign with research that you undertake and open, vigorous discussion in the classroom. This is not a course in which the professor stands at the front and imparts all the knowledge, but rather it is a course in which we, together, work toward understanding a complex and evolving topic.

The fate of the planet rests in our hands. No pressure...

Course Materials

A coursepack containing cases and readings is available at Center Sage. There is also one required book for the class. Additional books are recommended for those seeking additional depth. I will assume that you have read all of the assigned materials before each class and will expect you to integrate the readings. Overheads from each class will also be made available. The required and recommended books are as follows:

Required

Hart, S. 2007. Capitalism at the Crossroads: Aligning Business, Earth and Humanity. Upper Saddle River, NJ: Wharton School Publishing.

Schendler, Auden. 2009. "Getting Green Done: Hard Truths from the Frontline of the Sustainability Revolution." New York, NY: PublicAffairs

Course Pack at Center Sage

Course Responsibilities

Class participation (30% of the final grade). Class participation is the key factor for not only your success in the class, but also the success of the course itself. Class time is our chance to learn about important issues, build a shared knowledge base, develop more insightful questions, and exercise our intellectual curiosity in the hopes of becoming better managers in the future. Absence from these sessions not only results in missed information for you, but also deprives the rest of the class of a learning opportunity based on your contribution. As a result, students must plan to attend every class session in the section for which they are registered (not the section that is most convenient that day). Absence will result in a failing grade for participation in that session. If you must miss a class, come late for a class, or leave a class early, please send us an email in advance. If an unavoidable conflict does arise with your regularly scheduled section, you may attend an alternate section up to two times during the course. *No more than two absences will be considered acceptable.*

Simply attending class is only a small part of the participation grade. Everyone is expected to make meaningful contributions and openly share their knowledge and perspectives during the class. This will not be a course geared to "passive learning." Quality participation is valued over quantity. Students are expected to read and reflect on readings as well as analyze and discuss cases prior to class, both individually and with their team or classmates. Unpreparedness or silence will adversely affect one's participation grade.

A few other rules regarding attendance and class participation:

- Class will begin and end on time. If you arrive late, you must enter through the back door and sit in the back row.
- Laptops are not to be used during class time.
- Kindly use your name card every class.

Individual Assignment (20% of final grade)

This year, there is one individual assignment, due on **February 21**. In this assignment, you will address the following question:

1. You have just joined a packaged foods company. The brand manager for one of the core product lines comes into your office, and announces that the company is under a lot of pressure to ‘be more sustainable.’ The primary input to the product is beef, and the brand manager tells you that NGOs and consumers are increasingly pressuring the company to offer organic beef hot dogs. She wants you to help her understand the sustainability benefits of making this change. You need to (a) understand what the requirements are for organic beef, and (b) analyze the sustainability benefits, and potential costs, of switching to organic hot dogs.

There are many ways to approach the above question. You might, for example, want to assume a certain level of production (number of cattle, e.g.) and go from there. The key is for you to come to an understanding of the issues involved and the complexity of these issues.

The following apply:

- a. Maximum 7 pages, double-spaced, 12 point font. Exhibits such as tables and graphs do not count against this page limit.
- b. The grade will be determined by (a) logic of your answer to the questions, (b) quality and originality of analysis, (c) demonstration of mastery of the relevant literature from the course and application to the question, and (c) presentation of your answer, including grammar and spelling.

Team Projects (50% of the final grade). Each section will be divided into teams of 4-5 people depending on class size. Teams will be announced in class on January 28th. You are responsible for making sure that you know what team you are in. To help encourage teamwork and positive team dynamics, I will ask that teammates sit together for each class.

1. **Sector Sustainability Reports (20%).** At two of our sessions, you will note a label “Break from Cases: Sector Report.” For one of those sessions, your group will prepare a short report and presentation on a sector of your choosing (there will be no repeats and groups will get sectors based upon a first-come-first-served basis).

Your report will give a brief overview of the industry, and then report on the sustainability challenges facing the industry, and the solutions that have or are in the process of being implemented. Focus on the way that those solutions fit into the quadrants of our sustainability portfolio. Then, briefly, profile one company considered to be a laggard and one considered a leader within the industry.

The presentation time limit will be determined once we have final enrollment and number of groups in the class established.

There is no accompanying paper due – simply submit your slides with a full citation list for sources consulted.

2. Your term assignment is to examine one of the many corporate sustainability rating systems and address the following issues. (1) What are the elements that the rating system takes into account? (2) How does it weight the elements? (3) Examine two companies in the same sector, one that is rated highly and one that has low ratings. Use information from other sources to analyze the companies' activities and discuss what the real differences between the companies are. (4) Discuss your opinion as to the effectiveness of the ratings system in measuring sustainability.

While everyone is expected to contribute to their teams, it is inevitable that some do not carry their fair share of the load. Accordingly, you will be expected to complete and submit a team evaluation form where you can recognize your peers in the event that they contributed more or less than their fair share of the workload.

Note the following schedule:

- One paragraph descriptions of the group projects are due on *February 26th*.
- The final written assessments are due on *March 12th*.

Full details of the expectations for the group projects will be distributed via Blackboard early in the course.

You will need to email one copy to me gwd39@cornell.edu and deliver one hard copy to Faculty Support on the third floor of Sage Hall. Please do not send multiple files. Embed all cover pages, figures, tables, exhibits, and appendices into a single Word or pdf file. Please include your section and group number along with the names of all group members on the cover page. Please submit your peer evaluation forms at the same time.

Honor Code

Every Cornell student is expected to exercise integrity in all academic undertakings. By submitting work for academic credit at the Johnson School, you are affirming that you have abided by Cornell's Code of Academic Integrity.

That paragraph above is boilerplate material. Let's cut to the chase. If you cheat, I'll catch you. If I catch you, I'll fail you. If I fail you, you're less likely to get a job. If you don't get a job, then you'll have to console yourself with the great learning you enjoyed here. But if you cheat, you didn't really learn. So if you cheat, you got nothin'.

Schedule

Monday, 24 January: Course Introduction: Capitalism at the Crossroads
Reading: Hart, Prologue and Chapter 1 (“From Obligation to Opportunity”)

Wednesday, 26 January: Worlds in Collision: New Lenses on the Global Market
Reading: Hart, Chapter 2 (“Worlds in Collision”)
Reading: Ehrenfeld, Chapter 2: “How Good Habits Turn Bad”

Monday, 31 February: The Sustainable Value Portfolio
Reading: Hart, Chapter 3 (The Sustainable Value Portfolio)

Wednesday, 2 February: Applying the Framework
Case: Tandus 2010 (A)
Reading: Hart, Chapter 4 (“Creative Destruction and Sustainability”)

Monday, 7 February
Case: The Monsanto Company: Quest for Sustainability (A) and (B)
Reading: Esty and Whinston, Chapter 3, “Who’s Behind the Green Wave?”

Wednesday, 9 February: No Class – ATTEND AUDEN SCHENDLER TALK
Reading: Getting Green Done

Monday, 14 February: Group Sector Reports Part I

Wednesday, 16 February: Group Sector Reports Part II

Monday, 21 February: Sustainable Entrepreneurship and Institutional Roadblocks
Case: Cape Wind Project
Reading: Friedman, Chapter 16: China for a Day (But not for Two)

Wednesday, 23 February: The Green Product Revolution(?)
Case: SC Johnson GreenList™
Reading: Deloitte Report on Green Consumers (**NOTE: this paper is on Blackboard, not in the course pack**)

Monday, 28 February: What is Greenwashing, and how do you avoid it?
Case: BP
Reading: Lyon and Maxwell, pages 1-6 (**NOTE: this paper is on Blackboard, not in the course pack**)

Wednesday, 2 March: Pushing Sustainability Through the Value Chain
Case: Wal-Mart Sustainability

Monday, 7 March: Reaching the Base of the Pyramid
Case: None – articles will be available prior to class
Reading: Hart, Chapter 5 (“The Great Leap Downward”)

Wednesday, 9 March: Summary and Conclusions: Toward a Sustainable Global Enterprise
Reading: Hart, Chapter 9 (“Toward a Sustainable Global Enterprise”)

Final Projects Due 5:00 PM Friday, 12 March

Materials
NBA 6030
Sustainable Global Enterprise

Cases

Tandus 2010 (A)

The Monsanto Company: Quest for Sustainability (A) and (B)

Global Climate Change and BP Amoco

SC Johnson: Greenlist™

Wal-Mart's Sustainability Strategy

Expanding the Playing Field: Nike's World Shoe Project (A)

Readings (in addition to chapters from "Capitalism at the Crossroads")

Ehrenfeld, John: Sustainability by Design, Chapter 2: "How Good Habits Turn Bad"

Esty, Dan, and Andrew Whinston: Green to Gold, Chapter 3: "Who's Behind the Green Wave?"

Stern Report on Climate Change (2006) Summary and conclusions

Oxfam America (2009): The New Adaptation Marketplace

Deloitte Report: "Finding the Green in Today's Shoppers"

Friedman, Thomas: Hot, Flat, and Crowded, Chapter 16: "China for a Day (But not for two)"