

Syllabus

Class Meets:
Monday and Wednesday
1:00 pm – 2:30 pm
Dates: October 25-December 8

Room: R1230
13 sessions

Professor Andrew Hoffman
Room R4390, Ross
Email: ajhoff@umich.edu
Phone: 734-763-9455

Office hours: Thursdays from 8:30-9:30am or by appointment

GSI: Colton Babladelis

Email: coltonba@umich.edu

Office hours: Wednesdays from 3:00-4:00pm or by appointment

Course Overview

Sustainability has become mainstream in both management practice and management research. Firms incorporate sustainability strategies into their core mission. University administrators promote sustainability as central to their curricula. Scholars pursue sustainability as a bona fide field of research inquiry. Given this level of attention and action, the world should be on the road to a sustainable future.

But it is not. In spite of the myriad of new programs under the rubric of sustainability, problems of social and environmental sustainability continue to worsen. Sustainability activities have been integrated into corporate practice without serious changes in core beliefs that underpin the root cause of the problems, such that the resultant solutions do not actually solve the core problems. If progress is to be made, it is important to look critically at the shape of corporate sustainability that is now emerging: what problems it seeks to address, what changes it entails, and what it means for the corporate organization and the market system as a whole. This next iteration in the distinctive waves of management frameworks will redefine the role of the corporation within society.

Where Part I (Enterprise Integration) looks at ways in which corporations fit sustainability within the parameters of the market, Part II (Market Transformation) looks at some new and emergent developments in the ways that markets are or may be transforming to address the critical sustainability issues of our day. Where Part I looks at the shifting role of the corporation within the market, Part II looks at the ways in which the market is and must shift if we are to fully address the sustainability challenges we face. As we do this, we will explore the shifting role of the corporation within society. We will explore this topic together. Sessions are designed around key topics and readings, videos and cases are assigned. But you are challenged to be a participant and bring additional materials to class to add to our discussion.

In the end, the market is the most powerful institution on earth, and the corporation is the most powerful entity within it (which also includes the government and civil society). So, if we are to solve out sustainability challenges, those solutions will have to come from business.

Course Expectations

Because this class depends on our interactive dialogue, class participation is essential, both for your and your classmate's learning. If you have reservations about speaking in class, you may wish to carefully consider your taking this class. When you speak in class, your emphasis should be on quality as opposed to quantity. Your comments should be focused on one point and should be backed up with sound reasoning. Comments should transcend the "I feel" syndrome. This is too easy a topic to drift into easy platitudes and reactionary statements. You should build your comments on models, evidence or analysis of inherent tradeoffs. In other words, the comments should demonstrate some reflective thinking. Generally a high participation grade is difficult to achieve if you are absent. Therefore, class attendance is critically important. If you must miss a class, please inform me in advance.

In this course you will be expected to do a lot of reading. On such a topical and emergent issue, discussion without solid analysis and evocative case examples would likely digress into a fruitless exchange of unsupported opinions. We will take a slightly different approach to reading in this class than you may be familiar with in other classes. There are many articles, videos and webpages (with [hyperlinks](#)). You are expected to review this material but are strongly encouraged to find additional materials on the topic of each class and bring that material to the class discussion. In this way, we will learn together.

Course Requirements

Requirement #1 – Class Citizenship (Individual)

A portion of your grade is based on class citizenship, which includes active participation and careful attention to mutual respect, fairness and professionalism in the classroom and in any virtual spaces we may use. It is critical not only for your personal learning, but also for the learning of your fellow classmates. Much of the value of the class comes from prepared, thoughtful, and informed dialogue between you and your classmates. This includes preparing for each class session, being an active participant in small-group and full-class discussions, completing class assignments, demonstrating respect for all course participants, and communicating with the professor and teaching assistant in a timely manner regarding any issues that arise that may inhibit your ability to fully participate.

Every session. Involves discussion, so you should be prepared to share your ideas and your questions and carefully listen for opportunities to learn and contribute to the learning of others. In a class like this, it is not always possible to call on every person who would like to speak. If you have a question you would like to discuss further, you can always reach out to the professor or teaching assistant. When you are called upon, your contribution to class discussion will be evaluated more by the quality of your comments than their quantity. Quality comments often possess one or more of the following:

- Offer a relevant perspective with clear reasoning and careful analysis
- Apply the theory and concepts offered in the readings and lectures correctly.
- Advance discussion forward by building on previous contributions with original insights and/or powerful, provocative questions – do not merely restate points already made by others.
- Helps other students contribute their ideas
- Shares your own personal experiences in a way that adds to our understanding of the topic being discussed
- Talk with appropriate frequency (i.e., neither dominating the conversation nor being too passive).

Requirement #2 – Sustainability Case Study (Group)

In this assignment you will write a case study of a business challenge related to market transformation. You will be placed in groups of 4-6 members, asked to pick a company and the challenge they are facing and write a case study that you might expect to read in class. In fact, the best papers will be turned into formal case studies that will be used in subsequent year's classes (with proper attribution). You must write a (minimum) **8 page case** and (minimum) **4 page teaching note** (each single spaced 12 point font). For the former, follow the format of cases you will see in this class and other classes – it has a central question that opens and closes the case; there is a protagonist that must make a decision; and the material inside the case provides the necessary information for answering the question, but it does not answer it. The Teaching Note provides the analysis that you think students will have to go through to answer the question, and the key learnings that you think students should take away from the experience. Some elements of the case might include the business challenge of the case (for the protagonist), the sustainability issues at play, the financial, technical, marketing, political, public relations, or other strategic considerations necessary for considering the full scope of the challenge. You may base your case on only secondary data (i.e. literature review) or primary data (i.e. interviews). Be creative in your writing. Remember, your classmates may be reading this in the future; what might you appreciate if your predecessors had written one for you to read? Please use footnotes (at the bottom of the page) and cite any sources per the citation guide at the back of this syllabus. Your final paper is due before **session #12**; your selected topic should be submitted before **session #4**. A few good sources of tips on writing case studies are posted on Canvas and listed here:

- How to write a business case study: https://wdi-publishing.com/wp-content/uploads/2016/08/How-to-Write-A-Business-Case_8-11-2017.pdf
- How to write a teaching note: https://wdi-publishing.com/wp-content/uploads/2016/08/HowToWriteaTeachingNote_8-11-2017.pdf

Requirement #3 – Position Papers (Individual)

Throughout the course, one-page single spaced position papers are assigned to each class related to the evening's readings. The topics are listed at the bottom of each week's assignment. Each student must complete Position Paper #1 and Position Paper #12 – note that they are the same question and you will answer it at the beginning and again at the end of the course. In between, you will be assigned two papers to complete over the course of the semester and be prepared to discuss in class. Thus, you will write four position papers total. These papers are meant to challenge you on some fundamental aspects of the future market transformation around sustainability. Treat them as something that you might submit to the *Wall Street Journal* or *New York Times* op/ed page. They must be no longer than **1 page** single spaced and must simply present a sound, yet unique argument taking a stand on the issue.

Requirement #4 – Reflective Journal Summary (Individual)

To aid you in the reflection process inherent in a class such as this, you will keep a journal of your thoughts as we progress through the semester. This journal will help you sort out issues that the course raises. You will not be asked to actually hand in your journals but the contents will inform your final assignment. You will be required to submit a **3 page** summary at the end of class. It will consist of the following: (1) one page that offers bullet points of your key takeaways from the class sessions, (2) a visualization or drawing that integrates concepts and ideas from your bulleted list into a cohesive visual model that explains how class concepts will impact your career, and (3) a one page written summary describing your visual model. This assignment must be grounded in some sense by

the distant signals that we can already see in the market. This cannot be simply your value projection of how things “ought” to be. To help, it should address to some degree the first and last position paper: Can business management be completely compatible with environmental protection? Your assignment will be due at 6:00pm on the evening of session #11 and we will discuss on session #12.

Final grade is composed of:

- Position papers (4) 20% Due **ON CANVAS** before class on the assigned day.
- Class citizenship 20%
- Reflective Journal 20% Due **ON CANVAS** before 6pm on December 1.
- Case study 40% Due **ON CANVAS** before 1pm on December 6.

Required Course Materials

There is a course packet of cases that you must purchase. All other readings are presented as hyperlinks in this syllabus. I recommend you be careful in how many times you click on a link as some outlets (i.e. *Harvard Business Review*) allow you a certain number of free views per month. These readings should be supplemented by steady reading of contemporary environmental issues as published in *The New York Times*, *Wall Street Journal*, *Business Week* etc.

There is also an optional book that some students have reported they liked as a way to return to course material in the future. You do not have to acquire it, and you can always acquire it later. It is completely optional:

- Hoffman, A. (2021) *Management as a Calling: Leading Business, Serving Society*, (Palo Alto, CA: Stanford University Press).

Academic Integrity and Community Values

Personal integrity and professionalism are fundamental values of the Ross School community. You have a duty to be familiar with and understand the Ross School’s Statement of Community Values, the Ross School Academic Honor Code, and the Ross School Code of Student Conduct including all campus public health policies. **In light of COVID our community has enhanced the Code of Student Conduct to include our commitment to each other and adherence to campus and School public health policies.** Each of these, including a Statement of Student Rights and Responsibilities, may be found in the Ross School Impact on [Ross Community Values](#). In addition every student at the University of Michigan accepts the rights and responsibilities of membership in the University’s academic and social community. These rights and responsibilities are clearly laid out in [The Statement](#). By enrolling in this course you confirm that you have read and understood these statements and policies, and further that you agree to abide by them. The Ross Community Values site contains valuable information and links on writing and how to check to make sure you have not plagiarized the work of others. Claimed ignorance of these codes and policies will be viewed as invalid should a violation take place. In all cases if you have questions please address them with the professor as far **in advance** as possible.

Any violation of the Ross School Academic Honor Code such as plagiarism, otherwise passing off anyone else’s work as your own, unauthorized collaboration, use of materials generated for use during past offerings of this course, or any form of cheating will be referred to the Community Values Committee. Possible penalties include course failure with a permanent notation of an honor policy violation on your transcript and even expulsion. As a community we are all still adapting and learning how this applies to hybrid and remote learning environments, but the same principles of academic integrity apply.

Virtual Office Hours

Office hours will be held remote via Zoom. To book an appointment slot. Go to “Virtual Office Hours” or “Assistant Office Hours” on Canvas. There, you will be directed to a calendar appointment page. Click only an open appointment slot with the course name on it to sign up. If no slots are available, please try a different time range. To cancel an appointment slot you've already booked, leave this sign-up page and delete the event from your own calendar." If those times do not work for you, please contact the Professor or Graduate Student Instructor (GSI) directly for a time to meet.

Accommodations

The University of Michigan is committed to providing equal opportunity for participation in all programs, services and activities. Students wishing to receive testing accommodations must register with the University of Michigan [Services for Students with Disabilities \(SSD\)](#) office as soon as possible. Students must then submit their Verified Individualized Services and Accommodations (VISA) form online as early as possible, **but no later than two weeks prior to the first test or quiz for which accommodations are requested**. Accommodations arrangements are not guaranteed for students who submit their VISA form with less than two weeks' notice.

Requests must be sent using the [Ross Accommodations Request Form](#) and must include a scanned or photographed copy of the VISA form. This form only needs to be submitted once during your academic career with Ross unless your accommodations eligibility expires.

In rare cases, the need for an accommodation arises after the two week deadline has passed (example: a broken wrist). In these cases, students should still contact SSD and the Ross Accommodations Coordinator. However, due to logistical constraints, we cannot guarantee that an accommodation can be made after the two week deadline has passed.

Questions can be directed to the Ross Accommodations Coordinator at RossAccommodationsCoordinator@umich.edu.

Class Materials and Policy Related to their Use

To enhance health and safety, improve sustainability, and ensure equal learning access, all materials for Ross courses will be made available in electronic format only. Printed copies of course paks (“TextPaks”) are available in addition to the electronic version. Please see our course Canvas site and/or contact the [Kresge Library](#) for further information.

All materials generated for the course including slides, handouts, review materials and assignments, or any other materials prepared by you or the professor for this course are intended for use by current students in this class only, unless you have the permission of your instructor. You are not permitted to use materials related to the class that were generated by the professor or students in previous versions of this course. A violation of this policy may be a violation of the Ross Community Values Code and may result in disciplinary action.

STRAT 565/EAS 513: Class Schedule

Session #1	<i>Reexamining Capitalism</i>	Monday, October 25
READINGS:	<ul style="list-style-type: none">• <i>Business Sustainability as Systems Change</i>, 2019, WDI/Erb Institute conceptual note #5-720-388.• Hoffman, A. (2018) "The next phase of business sustainability," <i>Stanford Social Innovation Review</i>, Spring.• Hoffman, A. (2020) "Business education as if people and the planet really matter," <i>Strategic Organization</i>.• Bravard, C., J. Pontillo and A. Hoffman (2021) "How to be a purpose-driven leader in a capitalist world," <i>Harvard Business Review</i>, June 10.• Henderson, R. (2021) "Reimagining capitalism," <i>Management and Business Review</i>, Winter.• Yaffe-Bellany, D. (2019) "Shareholder value is no longer everything, Top CEOs say," <i>The New York Times</i>, August 19.• Schwab, K. (2020) <i>Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution</i>, (Davos, Switzerland: World Economic Forum)• Fink, L. (2019) <i>A Fundamental Reshaping of Finance</i>, BlackRock• Beinhocker, E. and N. Hanauer (2014) "Redefining capitalism," <i>McKinsey Quarterly</i>, McKinsey & Co.• Levin, Y. (2010) "Recovering the case for capitalism," <i>National Affairs</i>, January 11.• Monastersky, R. (2015) "Anthropocene: The human age," <i>Nature</i>, March 12 (519): 144-147	
POSITION PAPER:	<ul style="list-style-type: none">• Can we achieve sustainability within a capitalist system? Naomi Klein says that we need to "shred the free-market ideology that has dominated the global economy for more than three decades." Is this realistic? Are our sustainability challenges (like climate change) the outcome of a consumerist market system run rampant? If so, must the result be a call to replace capitalism with a new system that will correct our present ills with regulations to curb market excesses?	
Session #2	<i>Corporate Leadership</i>	Wednesday, October 27
READINGS:	<ul style="list-style-type: none">• Mendoza, M. (2015) "Nestle admits slavery and coercion used in catching its seafood," <i>CBC News</i>, November 23• Transparency International• UN Sustainable Development Goals.• Ansett, S. (2013) "Raise the curtain: Human rights in retail supply chains," <i>Shift</i>, September.	
CASE:	<ul style="list-style-type: none">• <i>Intel: Undermining the Conflict Mineral Industry</i>, 2015, WDI/Erb Institute case study #1-429-411.	
QUESTIONS:	<ul style="list-style-type: none">• Are human rights and social issues areas for competitive advantage or are they to be addressed strictly as noncompetitive? Identify the pros and cons of each side of the argument. Describe why Intel would engage with competitors when it can gain a competitive advantage under current SEC regulations with its head start in supply chain transparency and auditing. Explain the largest risks in a supply chain from a public relations	

perspective. Consider other issues associated with mining, such as labor rights and environmental justice.

- POSITION PAPER:**
- **What business does an individual business have in addressing collective problems like conflict minerals?** If you were going to try to convince your boss at a large multi-national company that conflict minerals (or human trafficking, slave labor, child labor, working conditions, species extinction, ocean acidification, deforestation, water scarcity, healthy food, education, broadband access...the list goes on) is an individual corporate concern, how would you do it? How might you counter an argument that these issues are so big that they lie within the domain of government responsibility? Isn't this the role of government? Where is the line between the domain of corporate and government responsibility?

Session #3 *Pre-Competitive Collaboration* **Monday, November 1**

GUEST: • **Imagine Masters Project Team: Naomi Barker, Douglas Ely, Nick Galvin, Anya Shapiro, and Adrienne Watts.**

- READINGS:**
- [Imagine](#) webpage
 - Enright, S., C. Oger, P. Michael PruzanJorgensen, and A. Farrag-Thibault. (2018). [PrivateSector Collaboration for Sustainable Development](#). BSR, San Francisco. [Executive Summary only]
 - Bradbury-Huang, H., B. Lichtenstein, J. Carroll, and P. Senge. (2010) "[Relational Space and Learning Experiments: The Heart of Sustainability Collaborations](#)" in W. Pasmore, A. Shani, and R. Woodman (ed.) Research in Organizational Change and Development, Volume 18, Emerald Group Publishing Limited, pp.109-148.
 - Episode 4: "[The Urgency of Collaboration — with Paul Polman](#)" [16 minute podcast]
 - Accenture, (2019) [Threads That Bind: Transforming the fashion supply chain through transparency and traceability](#)
 - Aziz, A. (2020) "[Paul Polman on courageous CEOs and how purpose is the growth story of the century](#)," *Forbes*, May 25.
 - World Wildlife Fund (2019) [The Business Case for Pre-Competitive Collaboration: The Global Salmon Initiative](#) (GSI)

- POSITION PAPER:**
- **What is “pre-competitive collaboration” and how does it fit with other tools that are used to use the power of the market to solve our environmental challenges?** The “theory of change” for IMAGINE and the WWF Markets Institute and Global Salmon Initiative is “pre-competitive collaboration. But what does that mean? Do we want companies to compete or collaborate to spur innovation on sustainability issues? Certainly, market incentives (like cap and trade) are meant to spur competition on issues like greenhouse gas reductions by setting a price on carbon. But collaboration seems to pursue another direction. Are there circumstances when collaboration works better than competition, and visa versa? When does collaboration become competitive versus pre-competitive? Does any effort in this domain require close collaboration with anti-trust attorneys?

Session #4	<i>The Activist CEO</i>	Wednesday, November 3
READINGS:	<ul style="list-style-type: none"> • Mufson, S. (2015) "Shell oil will drop its membership in ALEC, citing differences over climate change," <i>Washington Post</i>, August 7. • Horwitz, P. (2014) "Hobby Lobby is only the beginning," <i>New York Times</i>, July 1. • Berry, W. (2011) "Compromise, hell!" <i>Orion Magazine</i>. • Hoffman, A. (2020) "The activist CEO," <i>Stanford Social Innovation Review</i>, Spring • Stewart, E. (2021) "Corporations aren't going to save America," <i>Vox</i>, July 26. • Chatterji, A. and M. Toffel (2018) "The new CEO activists," <i>Harvard Business Review</i>, January-February 	
CASE:	<ul style="list-style-type: none"> • <i>Blurring the Lines Between Business and Government: Salesforce and CEO Activism</i>, 2019, WDI/Erb Institute case study 2-027-758. 	
QUESTIONS:	<ul style="list-style-type: none"> • Why was this the right issue for Benioff to advocate? Was it his place to do so? Did Salesforce do enough or should it have pushed for more change? Did the company stop too soon? Did it give up? Is the level of change Salesforce achieved appropriate for the Indiana context? Are activist CEOs appropriate leaders for all corporations or more appropriate for some versus others? Are some issues better suited to CEO activism than others? What's the social equivalent of greenwashing? How credible is a CEO's activism if their company is not willing to change its business model? Should businesses have the power to change political decisions? If government ceded power to businesses, how would that affect society? What types of investments and influence in the public commons (media outlets, hospitals, schools) are appropriate for CEOs? 	
POSITION PAPER:	<ul style="list-style-type: none"> • Should companies be political actors? Are they by definition? Or, should they stick strictly to running their operations, selling their goods and services, hiring employees and providing wages, and paying their taxes? Should companies get involved in referenda on gay marriage, abortion, and the election process? Or, do they have no choice? 	

Session #5	<i>The Future of Food</i>	Monday, November 8
READINGS:	<ul style="list-style-type: none"> • Carrington, D. (2018) "Avoiding meat and dairy is 'single biggest way' to reduce your impact on Earth," <i>The Guardian</i>, May 31. • Will, J. (2017) "We can feed the world with the food we waste," <i>Quench</i>, April 22. • Carrington, D. (2017) "Eat insects and fake meat to cut impact of livestock on the planet – study," <i>The Guardian</i>, May 5. • Carrington, D. (2019) "Most 'meat' in 2040 will not come from dead animals, says report," <i>The Guardian</i>, June 12. 	
CASE:	<ul style="list-style-type: none"> • <i>JUST, Inc., Clean Meat and the Future of Protein Alternatives</i>, 2020, WDI/Erb Institute case study #9-972-749. 	
QUESTIONS:	<ul style="list-style-type: none"> • Is JUST, Inc. best suited to pursue clean meat, plant-based meat, edible insects, or expand its plant-based product line? Which market provides the best business opportunity and why? Given JUST's and Tetrick's controversial pasts, would their entrance as a first mover into the clean meat industry increase regulatory and public skepticism and reduce adoption of clean meat products? How do the respective value 	

propositions of clean meat products differ from plant-based meat products or edible insects? What are the biggest logistical challenges JUST might face if it decides to enter the clean meat market? What about plant-based meat? Insect proteins? If JUST pursues one of these options, what is its entry strategy and what are the immediate next steps?

- POSITION PAPER:**
- **How far do you think we can go in changing our dietary habits?** Food is a very personal and cultural aspect of our daily lives. Are you ready to be a vegetarian? Are you already? Are you ready to eat insects? If not, how might a marketer convince you otherwise? If you are, how might you convince others to do otherwise? Keep in mind the deep cultural aspects of food – regional delicacies, your grandmother’s secret recipe, the traditional meals that form the identity of so many cultures. That is a lot to overcome. How might you do it to create a more sustainable future?

Session #6 *Innovative Corporate Forms* **Wednesday, November 10**

- READINGS**
- [What is a Benefit Corporation?](#)
 - [B Corporation](#)
 - Will, J. (2018) [“The last harvest: My stepfather and the demise of the family farm,”](#) *The Globe & Mail*, December 7.
 - Specht, J. (2019) [“The price of plenty: How beef changed America,”](#) *The Guardian*, May 7.
 - Keegan, P. (2015) [“Here's what really happened at that company that set a \\$70,000 minimum wage,”](#) Inc., November.
- CASE:**
- *Argus Farm Stop: Can a Low-Profit LLC be Scaled to Save the Family Farm?*, 2019, WDI/Erb Institute case study #1-543-605.
- QUESTIONS:**
- Who gets to decide what we eat; producers or distributors? Does it matter? What about consumers? As climates change, how resilient are current agriculture supply chains? Are these supply chains environmentally and financially sustainable? What is the connection between land and products? Do margins move in tandem or at odds with this connection? What about prices? What is it that customers really value when it comes to local food? Would you eat these same products from the farmers market if they were frozen and sold at a large retail chain? Would you pay a premium for locally-produced, fresh food? Should the Argus owners continue to scale in the Ann Arbor community? If so, how? What are the growth challenges/opportunities? What are the advantages and disadvantages of the L3C corporate governance structure? How could other businesses replicate the Argus model in their own community? What would the Argus “everyday farmers market” model look like outside of Ann Arbor? Is it possible for Argus Farm Stop to support farmers while turning a profit? If the Argus expansion is limited by its unique context, how could the owners play a role in facilitating a shift in the market and in supporting other ventures that share a similar mission? How would a company go about partnering with a traditional grocery store or specialty market in order to have a section dedicated to local products, operating like a “store within a store?”
- POSITION PAPER:**
- **Creative destruction?** Joseph Schumpeter is famous for his term, creative destruction - the dismantling of long-standing practices in order to make way for innovation and improve efficiency and production. But is it to be

applied to every circumstance and every situation? Does it matter if people, communities and local economies are destroyed along with those long-standing practices? And is that destruction always the product of market forces or technological advances, or are they also the product of explicit or implicit regulation and market power? How do we strike the right balance?

Session #7 **Short-Termism** **Monday, November 15**

- READINGS:**
- Pozen, R. (2014) [Curbing Short-Termism in Corporate America: Focus on Executive Compensation](#) (Brookings Institution).
 - Confino, J. (2012) [“Unilever’s Paul Pollman: Challenging the corporate status quo,”](#) *The Guardian*, April 24.
 - Stout, L. (2012) [“The problem of corporate purpose,”](#) *Issues in Governance Studies*, Brookings Institution.
 - Denning, S. (2013) [“The origin of ‘the world’s dumbest idea’: Milton Friedman,”](#) *Forbes*, June 26.
 - Ross Sorkin, A. (2020) [“A free market manifesto that changed the world, reconsidered,”](#) *New York Times*, September 11.
 - Farrell, P. (2012) [“Myth of perpetual growth is killing America,”](#) *Wall Street Journal*, June 12.
 - United Nations (2018) [Short-termism impedes progress of hundreds of millions of people, United Nations report says.](#) April 13.
- CASE:**
- *Ending the Woes of Short-Termism: Eric Ries and the Long-Term Stock Exchange, 2017*, WDI/Erb Institute case study #1-430-504.
- QUESTIONS:**
- Why do you think an IPO is so important for a company? Are there any disadvantages of being a public company? Why do you think financial markets are so important for the global economy? What are the reasons for creating capital markets? What is the difference between primary and secondary markets? What is the value proposition of Stock Exchange’s business model? What are the reasons for investors to buy stocks, shares and bonds? How did corporate short-termism emerge? What are the benefits for ending short-termism for innovation and sustainability? Who are the stakeholders affected by short-termism and how are they affected? Is Eric Ries the right person to start the LTSE? Why or why not? What are his strengths and weaknesses? What are the key requirements of LTSE and how do they combat short-termism and foster long-term growth? Which value metrics currently employed by firms pose a barrier to systems change? What role do network effects play in financial exchanges? What regulatory challenges does LTSE face as it seeks approval of this new form of financial exchange? Has technology made opening a new financial exchange easier or harder?
- POSITION PAPER:**
- **Which metrics and concepts from your other classes are unsustainable?** This is not a malicious question. You are learning a myriad of models and concepts in your classes (particularly in business management, but also other schools). Think carefully about the underlying values that they are based on. For example, Gross Domestic Product is based on an underlying assumption that the more money that is flowing in the economy, the better their state of well-being. Or, a discount rate of 5% says that anything beyond 20 years from now is worthless. How does the

idea of the “purpose of the corporation” differ between that espoused by Milton Friedman and that espoused by Peter Drucker and Jack Welch; and how does that idea influence other ideas about the role of managers and the corporation? Ultimately, sustainability should influence the metrics for evaluating the value of a firm. Does GRI, CDP or SAM address that issue? Will the MBA Oath take care of it? What other metrics and concepts do you see that lead us away from a sustainable future; and how would you change them?

Session #8 **Promoting Local Economies** **Wednesday, November 17**

- READINGS:**
- [Conscious Capitalism](#)
 - [Transition Towns](#)
 - Witt, S. (2017) [Democratizing Monetary Issue: Vision and Implementation in the Berkshire Region of the U.S.](#) (Great Barrington, MA: Schumacher Center for a New Economics).
- CASE:**
- *BerkShares*, 2019, WDI/Erb Institute case study #1-537-103.
- QUESTIONS:**
- What are the implications of big-box or online retailers for the local community? Consider both the pros and the cons. How do they benefit people? Does that benefit come with a cost? If you have experienced this, what did you observe? Is it futile to resist the growth of big-box or online retailers? Some communities have mobilized to block their entry, others have acquiesced. If one town blocks a Walmart and a neighboring town accepts it, did the original town shoot themselves in the foot? Is a local currency the right answer for a community? How do local currencies work? What are the different models? How does “import-replacement” and “productive loans” fit into the success of local currencies? Can local currencies work without them? What should Rachel Moriarty do next as she faces four challenges? What steps do you suggest she implement to further the Schumacher Center’s goal of economic self-sufficiency through regional currency and entrepreneurship? Could they try creating a debit or credit card? Could they double down on recruitment efforts and onboard more businesses, potentially by changing the economic terms? Could they create more favorable terms for low-income groups, such as creating partnerships with food assistance or other public programs? And, would improving incentives to participate in the local currency movement change the cultural narrative BerkShares has been associated with? Are there untapped grants or philanthropy that could subsidize the currency to make it more attractive in the market? If you were going to start a local currency, what attributes of the local context would you find critical? In what economic, cultural and environmental circumstances might local currencies work best? Is the Berkshires an ideal context, or are there contextual challenges in the region that limit the success of BerkShares?
- POSITION PAPER:**
- **Is sustainability best addressed at the local, national or international scale?** Former Speaker of the House Tip O’Neil famously said “all politics is local.” Must we fully address our sustainability challenges at the community level? Which issues are local, which are national and which are global? This is a tough challenge. On the one hand, climate change requires a globally coordinated response. On the other hand, real change

needs to happen on the ground. But does the global or national economy take agency away from local communities? The organizers of BerkShares seem to think so. Can we create locally resilient communities while also fostering globally coordinated change? How might this question fit with where you choose to direct your life's work?

Session #9	<i>Sustainable Supply Chains and Circularity</i>	Monday, November 22
READINGS:	<ul style="list-style-type: none"> • William McDonough (2005) "Cradle to cradle design," TED Talk. • Explore the Kalundborg Symbiosis • Accenture (2015) Waste to Wealth: The Circular Economy Could Unlock \$4.5 trillion of Economic Growth, September 28. 	
CASE:	<ul style="list-style-type: none"> • <i>Walmart's Blockchain Quest: Integrating New Technology into a Complex Supply Chain</i>, 2021, WDI/Erb Institute case study #4-290-769 	
QUESTIONS:	<ul style="list-style-type: none"> • Should Walmart try to scale blockchain technology and use it for more than improving food safety? If so, why and how? Should Walmart try to scale blockchain technology for all of its food products? If so, why and how? How might Walmart ensure its suppliers adopt the practices necessary for blockchain to be successful? For which stakeholders other than suppliers should Walmart demonstrate value via the blockchain project? If blockchain technology reveals unethical or unsavory practices in Walmart's supply chain, how should the company react? 	
POSITION PAPER:	<ul style="list-style-type: none"> • How far should companies take responsibility for their supply chains? One of the marvels of our present market structure is the ability to create large, global supply chains that connect economic activity in all parts of the globe. On the one hand, isn't this a good thing? Doesn't it allow for lower prices to the consumer and opportunities for people around the world to participate in global markets? On the other hand, does it diffuse responsibility and blind us to some of the problems that lurk in those supply chains (human trafficking, slavery, child labor, environmental pollution, etc.)? Where should the responsibility for setting standards in such supply chains lie? If government, which government? If corporations, which corporations or corporate trade groups? Or, is the consumer the ultimate control? Does information (such as that created through blockchain technology) create complete transparency that allows all within global markets, from suppliers through end-user to see the true impact of these supply chains and make corrections (such as through circular economy models)? And in the end, can we ever completely close the loop? Why? Why not? Does it matter? 	
No Class	<i>Thanksgiving Holiday</i>	Wednesday, November 24

Session #10	<i>Investment and Divestment</i>	Monday, November 29
READINGS:	<ul style="list-style-type: none"> • Pandit, V. and T. Tamhane (2018) A Close Look at Impact Investing, <i>McKinsey Quarterly</i>, February 28. • McKibben, B. (2012) "Global warming's terrifying new math," <i>Rolling Stone</i>, July 19. 	

- McKibben, B. (2019) "[Money is the oxygen on which the fire of global warming burns](#)," *The New Yorker*, September 17.
 - Shankelman, J. (2020) "[Companies start paying off 'carbon debt' to erase past sins](#)," *Bloomberg*, September 1.
 - Tett, G. (2021) "[Millennial philanthropy may forever change finance](#)," *Financial Times*, May 6.
- CASE:**
- *The University of Michigan Endowment Fund: Divesting from Fossil Fuels*, 2020, WDI/Erb Institute case study #1-764-030
- QUESTIONS:**
- To what extent do public education institutions have a social responsibility beyond their fiduciary duties? Does the fossil fuel industry meet the criteria set by the U-M regents to form a committee to investigate divestment? Is fossil fuel divestment feasible? What alternatives exist to achieve fossil fuel divestment? How should public universities balance their commitments to maximize financial returns with social and environmental responsibility? How should President Schlissel weigh the interests of various stakeholders when considering fossil fuel divestment?
- POSITION PAPER:**
- **Is carbon neutrality a realistic goal?** Divestment is but one piece of a broader focus on reducing or even eliminating our carbon footprint. Many now argue that we need to go carbon neutral – and indeed, the University of Michigan is considering taking this step. But greenhouse gas emissions are endemic to what we do. Right now, you and I are exhaling carbon dioxide. Can we stop? If not, can companies really go carbon neutral? Do they need to? And how do you measure it? How can we think about making our impact on the global climate *neutral*? And, here is the real challenge, can we eventually go carbon negative? How can we think about making our net impact on the global climate *negative*?

Session #11 **Questioning Consumerism** **Wednesday, December 1**

- READINGS:**
- MacKinnon, J.B. (2015) "[Patagonia's anti-growth strategy](#)," *The New Yorker*, May 21.
 - Chua, J. (2020) "[Patagonia wants you to consider buying its clothing used this holiday season](#)," *InStyle*, November 20
 - Cohen, R. (2015) "[Incurable American excess](#)," *New York Times*, August 6.
 - Rysddal, K. (2013) "[Unilever CEO: For sustainable business, go against 'mindless consumption'](#)," *Marketplace*, June 11.
 - Magill, B. (2015) "[Breakup of the century: US emissions and economic growth are really, finally separating](#)," *Grist*, April 29
 - [Lifestyles of Health and Sustainability](#) (LOHAS)
 - WBCSD (2011) [A Vision for Sustainable Consumption](#)
 - Roulet, T., and J. Bothello (2020) "[Why 'de-growth' shouldn't scare businesses](#)," *Harvard Business Review*, February 14.
- CASE:**
- *Patagonia: Encouraging Customers to Buy Used Clothing, (A & B)*, 2012, WDI/Erb Institute case study #1-429-230.
- QUESTIONS:**
- Should Patagonia even be considering [this/these] initiative[s]? Did the company make a mistake when it included "reduce" in the five Rs? Is Patagonia in a unique position not only to pursue such a radical initiative, but to derive value from it as well? Why or why not? Although more ecologically sustainable, will asking customers to reduce the amount of

Patagonia products they buy be economically unsustainable in the long run? Or might it end up winning over even more customers by proving that Patagonia looks beyond the bottom line? If you were Chouinard, what course of action would you take, and why? Should Patagonia have partnered with eBay for this initiative, or should it have tried to do this independently? Are both companies risking and gaining equally from this partnership? Will other companies again follow in Patagonia's footsteps and adopt this latest strategic move? Or is Patagonia moving too far ahead of the curve?

- POSITION PAPER:**
- **Can a company survive while asking consumers to reduce consumption?** There is little disagreement that consumption is at the core of many of our environmental problems. Many say we have to separate consumption from environmental problems, that can we expect people to give up what they have in order to achieve a sustainable future. Others worry that the growing desire (and right) of people in developing countries to enjoy the same standard of living as those in developed countries means that we are facing a serious problem unless people consume less. Is it realistic to ask companies to use their marketing power to convince people to buy less? If not, how do we get where we need to go?

DUE (before 6:00pm): • Individual Assignment: Reflective Journal Summary

Session #12

Monday, December 6

QUESTIONS:

- Be prepared to discuss your individual Reflective Journal Summary as we collectively create a model for market transformation on sustainability.

POSITION PAPER:

- **Can we achieve sustainability within a capitalist system?** Naomi Klein says that we need to “shred the free-market ideology that has dominated the global economy for more than three decades.” Is this realistic? Are our sustainability challenges (like climate change) the outcome of a consumerist market system run rampant? If so, must the result be a call to replace capitalism with a new system that will correct our present ills with regulations to curb market excesses?

DUE (before 1:00pm): • Group Assignment: Case Study and Teaching Note.

Session #13

Discern Your Calling

Wednesday, December 8

- READINGS:**
- Hoffman, A. (2020) “[Business education as if people and the planet really matter](https://doi.org/10.1177/1476127020967638),” *Strategic Organization*. doi.org/10.1177/1476127020967638
 - Shepard, H. (2010). “[A path with a heart: The cultural context of learning about careers](#).” *Appreciative Inquiry*.
 - Berry, T. (1999) “[The great work: Our way into the future](#).” *Pragmatic Inquiry*, *Arc of Pragmatic Inquiry*.
 - Hoffman, A. (2012) “[Finding hope for a sustainable world](#),” *Perspective: Sustainability Blog from the Erb Institute*, December 10.
 - Hoffman, A. (2013) “[Reflections on a theory of change](#),” *Perspective: Sustainability Blog from the Erb Institute*, December 18.
 - Hoffman, A. (2015) “[Finding your model of leadership and change](#),” *Perspective: Sustainability Blog from the Erb Institute*, April 17
 - Hoffman, A. (2015) “[It’s not just what you know; it’s what you believe](#),” *Perspective: Sustainability Blog from the Erb Institute*, May 1.

EXERCISE:

- Hoffman, A. (2014) "[Valuing economy and environment: Why we care,](#)" *Triple Pundit*, July 1
- REREAD - Meyerson, D. (2004) "[The Tempered Radicals: How employees push their companies– little by little – to be more socially responsible,](#)" *Stanford Social Innovation Review*, Fall.
- REREAD - Hoffman, A. (2018) "[Management as a calling,](#)" *Stanford Social Innovation Review*, September 4.
- In class, you will write a letter to your future self. There are several platforms for doing this and I'll leave it to you to choose which one.
- [Tips for Writing a Letter to Your Future Self](#), *Personal Excellence*
 - [Future Me](#)
 - [The Self Club](#)
 - [Letter to My Future Self](#)

Style Guide for References

Please use endnotes for all references in your papers. The form of entries should fit the following format.

Book entries follow this form: Authors' or Editors' Last Names, Initials. Year. *Title of book*. (Italic, lowercase except for the first letter of the first word and the first word after a long dash or colon). City Where Published, with abbreviation for state or province (North America) or full name of country, only if needed to identify a small city: Name of Publisher. Examples:

Granovetter, M.S. 1965. *Getting a job: A study of contracts and careers*. Chicago: University of Chicago Press.

Kahn, R. L., & Boulding, E. (Eds.). 1964. *Power and conflict in organizations*. Glencoe, IL: Free Press.

R. Harbridge (Ed.) *Employment contracts: New Zealand experiences*. Wellington, New Zealand: Victoria University Press.

National Center for Education Statistics. 1992. *Digest of education statistics*. Washington DC: National Center for Education Statistics.

Periodical entries follow this form: Authors' Last Names, Initials. Year. Title of article or paper (in lowercase letters except for the first letter of the first word and the first word after a long dash or colon). *Name of Periodical*, volume number (issue number, *if needed*—see below): page numbers. Examples:

Shrivastava, P. 1995. The role of corporations in achieving ecological sustainability. *Academy of Management Review*, 20: 936-960.

Nonaka, I. 1991. The knowledge-creating company. *Harvard Business Review*, 69(6): 96-104.

Include an issue number *only* if every issue of the referenced periodical begins with a page numbered 1. (Look at more than one issue to check.)

If an article has no author, the periodical or producing body is referenced:

BusinessWeek. 1998. The best B-schools. October 19: 86-94

Chapters in books (including annuals) follow this form: Authors' Last Names, Initials. Year. Title of chapter (in lowercase letters except for the first letter of the first word and first word after a colon). In Editors' Initials and Last Names (Eds.), *Title of book*: page numbers. City Where Published, State or Country (only if necessary to identify the city): Name of Publisher. Examples:

Levitt, B., & March, J.G. 1988. Organizational learning. In W.R. Scott & J.F. Short (Ed.), *Annual review of sociology*, vol. 14: 319-340. Palo Alto, CA: Annual Reviews.

Dutton, J., Bartunek, J., & Gersick, C. 1996. Growing a personal, professional collaboration. In P. Frost & S. Taylor (Eds.), *Rhythms of academic life*: 239-248. Newbury Park, CA: Sage.

For *unpublished* papers, dissertations, and papers presented at meetings:

Duncan, R. G. 1971. *Multiple decision-making structures in adapting to environmental uncertainty*. Working paper no. 54-71, Northwestern University Graduate School of Management, Evanston, IL.

Smith, M. H. 1980. *A multidimensional approach to individual differences in empathy*. Unpublished doctoral dissertation, University of Texas, Austin.

Wall, J. P. 1983. *Work and nonwork correlates of the career plateau*. Paper presented at the annual meeting of the Academy of Management, Dallas.

For an *electronic document*, include the author's name, if known; the full title of the document; the full title of the work it is part of; the ftp, http, or other address; and the date the document was posted or accessed.