

EXECUTIVE COMMITTEE SCHULICH SCHOOL OF BUSINESS

A regular meeting of the Executive Committee of Faculty Council for the 2020-21 academic year will be held remotely (via Zoom) on Friday November 27th at 11:30am.

AGENDA

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1. Welcome & Chair's Remarks	
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3. PhD/GBC/UBS Initiatives	
4. Discussion re: Budget Consultation, Fall 2020 (<i>senior leadership to attend December 11th Faculty Council</i>)	
5. Motion: Creation of the CPA Ontario Centre in Digital Financial Information at the Schulich School of Business, York University (<i>D. Neu</i>)	3 – 5
6. Agenda for Special Meeting of Faculty Council on November 27th	
7. Agenda for Regular Meeting of Faculty Council on December 11th	
8. Adjournment	

PROPOSED FACULTY COUNCIL CONSENT AGENDA

A consent agenda item is deemed to be approved unless, at any moment before or during the meeting, a member of the Faculty Council of the Schulich School of Business advises the Chair of his or her request to debate it.

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2. MGMT 2050 3.00 Business Analytics II (<i>title, description, content, format, rubric</i>)	
3. OMIS 2010 3.00 Operations Management (<i>pre-req., title, description, content</i>)	
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3. Master Programs Committee (<i>M. Annisette</i>)	
a) Program Changes	
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4. Minutes of the Last Meeting: 2020.10.23	132-134

Upcoming Meeting Dates for 2020-2021:

Schulich Executive Committee:

Friday, January 22, 2021
Friday, February 26, 2021
Friday, April 9, 2021

Schulich Faculty Council:

Friday, December 11, 2020 (10:30am start)
Friday, February 5, 2021
Friday, March 12, 2021
Friday, April 16, 2021

Schulich School of Business Memorandum

To: Faculty Council, Schulich School of Business

From: Dean Neu

Date: October 23, 2020

Re: Creation of the CPA Ontario Centre in Digital Financial Information at the Schulich School of Business, York University

MOTION

That Faculty Council approve the establishment of an academic unit within the Schulich School of Business named the **CPA Ontario Centre in Digital Financial Information**.

RATIONALE

Digital technologies are changing how accounting information is stored, disseminated and used. The Schulich School of Business proposes to enter into a strategic initiative with CPA Ontario, staged over three years, focused on digital financial information. The Centre will build expertise, deliver and disseminate exceptional research and thought leadership, and grow the network of scholars, students and external publics interested in digital financial information. Through the creation of a Joint Centre, Schulich and CPA Ontario will address emerging and topical issues that are deeply relevant to the accounting profession, as well as academic and industry audiences. CPA Ontario has provided \$324,000 over three years to support this initiative.

ACTIVITIES

Driven by outcomes-focused activities, the activities of the Centre will fall into four categories: 1) Building Expertise; 2) Exceptional Research; 3) Network Building; and 4) Public Dissemination.

Building Expertise

With this partnership opportunity, the School will deepen its footprint, authority and global eminence related to digital accounting information. A portion of the funding will be used to host guest speakers and visiting experts, under the umbrella of the Centre, who will lead seminars/workshops on different aspects related to digital accounting information. The speakers will welcome guests across the York University community, as well as a larger ecosystem of stakeholders (corporate partners, alumni, government, CPA Ontario members) who will be invited to participate in the dialogue with fascinating guest speakers and visiting experts. A direct benefit of building greater expertise within the Schulich academic community will be the integration of this new knowledge into the student learning experience. Through access to new research, seminars, etc. Schulich students will be exposed to the nuances of digital accounting information and be even better prepared for the complexity of the global world.

Exceptional Research

The Centre will fund research projects by faculty members on topics such as:

- How does financially-sourced information get accumulated and translated within open government initiatives? Open government initiatives are predicated on the use of previously-gathered and sometimes reported financial accounting information. While it is always possible to combine and manipulate numbers, more research is needed on what numbers, how they are combined and who is leading the combining effort since these micro details impact on how the numbers can subsequently be used.
- How do data repositories change how auditors conduct due diligence around numbers and statements that appear in the annual report and other corporate outputs? Digital repositories provide auditors with potentially new sources of additional information but, at the same time, there are questions as to how and when such information should be used, as well as questions about the risks to auditors of not using these additional sources.
- Because there are major global and local drivers behind the digital accounting information movement, organizations and firms are being urged to create more disaggregated data. How are the users going to confront this digital disaggregated accounting information and how will they consume it? Furthermore, how will preparers and users recognize, collect, process, integrate, and act on continuously available digital format financial and non-financial information.
- Research must provide insights that will be of value to a variety of external stakeholders, including government and accounting practitioner audiences. These initial questions seek to address not only how accounting numbers get aggregated once they have been produced but also how auditors go about auditing the numbers in the first place.

Network Building & Public Dissemination

Network building and the public dissemination of research on digital financial information will be salient aspects of the Centre's activities. These activities will include:

- Building a Repository of Information on Digital Accounting Information. This accessible, digital repository, created through the funding granted to the Joint Centre, will elevate the credibility and impact of the Centre and welcome interdisciplinary and external contributions. The digital repository will be branded to the Centre and include resources and a network of interested academics and practitioners.
- Disseminating Output. Emphasis will be placed on dissemination to CPA members, students and to the citizen groups who are interested in using the digital information to hold governments, corporations, and other institutions accountable.

GOVERNANCE

The Centre will be administered by a Director and guided by an advisory board consisting of Schulich faculty members, a CPA Ontario representative and Schulich alumni who are CPA Ontario members. The advisory board shall meet at least two times per year. Advisory board responsibilities will include providing guidance on the strategic direction of the Centre and stewardship over the provided monies. The Director of the Centre will be a Schulich accounting area faculty member who is also a member of CPA Ontario.

ALIGNMENT WITH FACULTY AND UNIVERSITY OBJECTIVES

The Centre will advance the goals of the Schulich School of Business and the University through its thought leadership within this rapidly developing area. It is expected that the Centre's emphasis on expertise building, exceptional research, network building and public dissemination of research results will both increase our knowledge and enhance collaborations between the university and external communities.

The 670th Meeting of Senate held on Thursday, October 22, 2020 via Zoom

Remarks

The Chair of Senate, Professor Alison Macpherson of the Faculty of Health, welcomed Senators to the meeting and acknowledged the recent passing of Professor Gene Denzel, a stalwart of York for decades who, through his numerous service contributions, left a strong legacy of collegial governance in the Department of Mathematics and Statistics and across the wider University.

Comments made by President Rhonda Lenton included the following:

- the improved financial outlook for the University as the implications of the pandemic on enrolment numbers were not as significant as anticipated in the spring
- highlights from the President's 2019-2020 Annual Report, [Creating Positive Change](#), the first digital iteration, which documents the impressive progress made by the York community to advance priorities and goals over the past year despite the challenges of the pandemic
- gratitude for the generous donations from the family of the late Avie Bennet, former Chancellor of York, to support the Canadian Writers in Person course, and from the Bratty Family to support the construction of Markham Centre Campus
- highlights from the "Kudos" report, including the establishment of a global network of Emergency and Business Continuity Management by Master of Disaster and Emergency Management graduates Alisha Khan and Magda Sulzycki

The monthly "Kudos" report on the achievements of members of the York community can be accessed with other documentation for the meeting.

Reports

Under the auspices of the Academic Policy, Planning and Research Committee, Provost Philipps presented the Autumn Report on Complement and Enrolment and VP Finance and Administration McAulay delivered an update on the University budget. In follow-up to the multi-year budget presentation made to Senate in June, the budget update provided revised information reflecting the fuller knowledge of the enrolment picture currently available.

Approvals

Senate approved the recommendations of its Executive Committee to:

- establish the Faculty of Environmental and Urban Change Faculty Council, effective 1 September 2020
- elect Professor Jeffrey S. Everett, Schulich, to the Tenure and Promotions Committee

On the recommendation of its Academic Standards, Curriculum and Pedagogy Committee, Senate approved:

- revisions to the *Common Grading Scheme for Undergraduate Faculties* and Honours Progression requirements, effective FW2023-2024, including:
 - the establishment of the *Policy on York University Grading Schemes*
 - the rescission of the *Common Grading Scheme for Undergraduate Faculties*, Progression Requirements to Maintain Honours Standing, and Progression Requirements to Maintain Honours Standing in Bachelor of Engineering (BEng)
 - the establishment of corresponding qualitative descriptors for the undergraduate grading scheme as an appendix to the *Policy on York University Grading Schemes*
- changes to coursework and language requirements for the PhD program in English, housed within the Graduate Program in English, LA&PS / Graduate Studies, effective FW2020-2021

Committee Information Reports

Executive (Professor Mario Roy, Vice-Chair)

The Executive Committee's information items included the following:

- its ongoing monitoring of the impact of the COVID-19 pandemic on academic activities, with actions pertaining to the disruption outlined in its written Report
- encouragement for Senators to assist in the process of identifying prospective candidates to fill the remaining vacancies on the Tenure and Promotions and Tenure and Promotions Appeals Committees
- its approval of Senate Committee members nominated by Faculty Councils
- its review of Senate committee priorities for 2020-2021

- the plans to position its Sub-Committee on Equity to coordinate and facilitate implementation of anti-Black and anti-Indigenous racism and equity, diversity and inclusion measures within collegial governance frameworks and processes
- its review of the Faculty Council rules and procedures of the Lassonde School of Engineering
- temporary actions taken by the Committee to support a Faculty Council experiencing uncertainty
- the completion of the mandate of the Temporary Sub-Committee established to review and resolve cases of outstanding provisional grades assigned as a result of the labour disruption in Winter 2018
- a consolidated report on actions taken by Senate in 2019-2020
- an update on its membership for 2020-2021

Academic Policy, Planning and Research (Professor Brenda Spotton Visano, Chair)

APPRC reported on the following items:

- its reflections on the Provost's Autumn Report on Complement and Enrolment and budget update
- its confirmation of 2020-2021 priorities, with a key focus on setting the stage to advance and track progress on University Academic Plan 2020-2025 priorities
- its identification of Markham Centre Campus as a priority, plans to include it as a standing agenda item for each meeting, and receipt of a briefing from the Provost on the status of campus planning earlier in the month
- its review of the results of the 2019-2020 Senator and Senate committee member surveys
- an update on its membership for 2020-2021

ASCP (Professor Chloë Brushwood Rose, Chair)

ASCP's information items included the following:

- changes to Leaves of Absence and Registration Status regulations, Faculty of Graduate Studies
- sessional dates for three academic years, from SU2021 to SU2024, with an update to follow on the scheduling of Fall 2021 orientation activities

Awards (Professor Shayna Rosenbaum, Chair)

With the call for nominations for the President's Research Awards issued earlier in the month, Senators were encouraged to submit nominations and promote the submission

of nominations among their colleagues. Details are available on the [Awards Committee website](#).

Additional Information about this Meeting

Please refer to the full Senate agenda and supplementary material posted online with the Thursday, October 22, 2020 meeting for details about these items.

<https://secretariat.info.yorku.ca/senate/meeting-agendas-and-synopses/>

November Meeting of Senate

Senate's next meeting will be held at 3:00 pm on Thursday, November 26, 2020.

COVID-19 Pandemic and Academic Continuity

Clarification Regarding FW 2019-2020 Deferred Exams; Summer 2020 Deferred Exams; Principles to Guide Summer 2021 Course Planning

18 November 2020

The *Senate Policy on Academic Implications of Disruptions or Cessations of University Business Due to Labour Disputes or Other Causes* (the Disruptions Policy) remains in force because of the ongoing impact of the COVID-19 pandemic on academic activities at the University. The Senate Executive Committee continues to monitor the impact of the disruption, and work collectively with the Provost and Vice-President Academic to respond to emerging issues.

Senate Executive provides the following clarification regarding **FW 2019-2020 Deferred Exams:**

- The extension of the deadline to drop a FW 2019-2020 course without receiving a grade (without a W notation) for students with deferred standing status for the Winter 2020 term to 5 February 2021 is an accommodation for students who completed their final exam / assignment from FW 2019-2020 in Summer 2020 or Fall 2020 and received their final grade, or who will write the exam(s) on one of the two deferred exam days of 17 or 24 January 2021 and receive their final grade. All students in these circumstances have the option of late withdrawal from the course up to 5 February 2021.

Summer 2020 Deferred Exams

It is the decision of the Senate Executive Committee that **all outstanding final exams or assessments from the Summer 2020 must be brought to completion** using online or other remote means, including but not limited to, online exams with or without proctoring services, the quizzes function in Moodle, take-home exams, etc. Additionally, Deans' Offices are authorized to approve in-person assessments in extenuating circumstances where they cannot reasonably be completed virtually or remotely, including performance or other hands-on demonstration forms of course assessment, subject to compliance with health and safety protocols.

Principles to Guide Summer 2021 Course Planning

With planning underway for Summer 2021, the Senate Executive Committee has extended the *Principles to Guide Graduate and Undergraduate Course Planning* adopted for previous terms to apply to the upcoming summer 2021 academic session.

In the context of meeting the requirements of the *Disruptions* policy, these guiding principles aid Faculties', units' and course instructors' planning for the Summer 2021 term amid the ongoing uncertainties about the status of campus operations and public health requirements that will be in place in the summer term. The guidelines include continuing online / remote delivery of both undergraduate and graduate courses while preserving flexibility to hold in-person components in small groups in courses where online delivery cannot satisfactorily replicate those components (e.g., small graduate classes, labs, studios).

The guiding principles for Summer 2021 undergraduate and graduate course planning are:

Prioritizing Health and Safety: All instructors should be ready to deliver undergraduate and graduate courses remotely / online to the fullest extent possible as long as needed to protect the health and safety of all students enrolled in the course, as well as those with whom they may interact on or off campus, including instructors themselves. In order to maintain the likely social distancing requirements, and given the limited availability of large classrooms, course planning will need to assume that it will not be possible to bring groups larger than 50 together in a single room (and our ability to accommodate groups of up to 50 would depend on a space assessment to ensure we could do so safely within any continued social distancing requirements).

Focusing on Student Learning Outcomes: The expectations for courses rest with student learning outcomes (SLOs) and academic standards for achieving those SLOs as established by course directors. In the case of a disruption, the SLOs previously involving a hands-on learning component can frequently be met with innovative online or other remote activities. However if there is no means by which to achieve SLOs without at least some in-person learning activities, and/or if an instructor has a proposal for an optional in-person component, they will have an opportunity in the coming weeks to complete an “In-person Component Template” and submit it to their Department Chair/Director or Dean's Office as appropriate. Proposals will be reviewed to determine whether they can be implemented in a manner consistent with evolving restrictions and whether they can be accommodated safely within space and other constraints of our campuses. Proposals should include clear contingency plans to complete the entire course remotely/online if necessary for health and safety reasons, or to defer to a specified future time any elements which the instructor has determined can only be completed in person. Deans / Principal Offices will communicate timelines and any other guidelines for submitting proposals.

NOTE: The recommended group size for hands-on learning components is no more than 25 at a time in order to maximize utilization of different-size classrooms for different purposes; Faculties may consider if it is possible to accommodate proposals involving groups between 25 and 50 on an exceptional basis.

Prioritizing Access to Campus Spaces: Social distancing requirements may make it necessary to ration space bookings for on-campus learning activities in Summer 2021. Priority will be given to experiential activities that require access to labs, studios or other physical facilities, and that cannot be replaced or delivered via alternate means while still meeting student learning outcomes and protecting students' ability to progress in their programs. Assuming these requirements are met, Faculties will have flexibility to determine other priorities for allocating any remaining space based on safety considerations and the needs of different programs and cohorts of students, with the goal of maximizing the overall quality of student learning experiences.

Equity in Accommodating Student Circumstances: Course delivery should be planned with sufficient flexibility to provide equitable access for all enrolled students to achieve SLOs. Course directors should take into account the needs of undergraduate and graduate students in different geographic locations and time zones (for example by providing asynchronous access to course materials and activities where it is appropriate and reasonable to do so), as well as accommodation needs related to health, family status or disabilities as per existing University policies. It should be clear to students at the start of a course if it includes a required in-person or

synchronous learning component to meet the SLOs and what flexibility they will have for completing that component during Summer 2021 for six-credit courses. In the case of either undergraduate or graduate courses that start online / remotely with an optional in-person component, students should be provided with reasonable alternative access to the learning activities offered in that in-person component.

Scheduling Courses to Enable Progression: Programs, especially those with significant international student enrolments, will need to plan Summer offerings with a view towards ensuring that students whose arrival to campus is delayed, or who have limited ability to participate in remote/online learning next Summer, will have viable pathways to start the program in Fall 2021 and to progress in a timely and pedagogically responsible way. Where courses scheduled for Summer cannot be completed remotely, efforts will be made to postpone the course or elements of the course to the Fall 2021 term.

The Senate Executive Committee will continue to meet as needed to assess the academic implications of the disruption in conjunction with the Provost and Vice-President Academic. Further adjustments to regulations, schedules and deadlines may also be made in response to evolving circumstances and any further decisions deemed necessary by the University to ensure the safety of all community members.

Members of the community are urged to familiarize themselves with the *Senate Disruptions Policy*, and to watch the University and Senate websites for updates.

Senate “Disruptions Policy”

<http://secretariat-policies.info.yorku.ca/policies/academic-implications-of-disruptions-or-cessations-of-university-business-due-to-labour-disputes-or-other-causes-senate-policy-on-the>

Alison Macpherson,
Chair of Senate

MEMORANDUM

September 28, 2020

TO: Faculty Council, Schulich School of Business
FROM: M. Johnny Rungtusanatham, OMIS Area Coordinator
RE: Motions regarding MGMT 1050 3.00, MGMT 2050 3.00, and OMIS 2010 3.00

Motions & Rationale

Motion 1

1-1 To replace MGMT 1050 3.00 titled “*Business Analytics I*” with OMIS 1050 3.00 titled “*Managing Data for Business Decisions.*”

Rationale for Motion 1-1

- MGMT 1050 3.00 is currently titled “*Business Analytics I*” and covers the basics of statistical concepts including probability and distributions, simple statistics, linear relationships, ANOVA, and Chi-square tests. As a first-year course for the Schulich UG program, it continues to be challenging for students and presents logistical challenges in progressing students forward. In addition, there have been persistent concerns about how well-prepared students are for this type of mathematical analysis given that Schulich does not require Calculus or Data Management as an entry level requirement. Finally, the course in its current form does not address the central role that data and technology plays in modern management and analytics.
- The replacement course to be titled “*Managing Data for Business Decisions*” takes the position that data, information, and technology are key concepts that managers must be comfortable with. This course introduces students to the data collection process, how data can be summarized, data representation on computers, various algorithms used to process data efficiently, and how to process data for storage. The course also delves into the technology (both the hardware and software) used to store data, analyze data, and deploy data-driven solutions for modern applications such as e-commerce, cloud computing, mobile platforms, and the internet of things. Finally, social and ethical issues (e.g., privacy, monitoring, hackers) surrounding data and IT security are also discussed.
- The replacement course, although it does contain some mathematical topics, will present students with a gentler introduction to analytics. It is more accessible to students without strong mathematical backgrounds and modernizes the curriculum by focusing more on the management of information systems. The purpose is still to introduce students to data-related issues and how they support decision making; these topics will be elaborated on in

second-year when they take MGMT 2050 3.00. Note that some of the course content is currently in MGMT 2050 3.00 and will be migrated into this course.

- A course outline for “*Managing Data for Business Decisions*,” describing curricular content and evaluation, is attached.

1-2 To change rubric from MGMT 1050 3.00 to OMIS 1050 3.00.

Rationale for Motion 1-2

- MGMT 1050 3.00 has been, and will likely continue to be, staffed and taught by faculty from the OMIS Area. As such, it makes more sense identify the course with the area responsible for course content and staffing. This will also allow OMIS faculty members to monitor the course in order to respond to changing market competencies.

Motion 2

2-1 To replace the title of MGMT 2050 3.00 “*Business Analytics II*” with “*Analyzing Data for Business Decisions*”; remove some curricular content from the old MGMT 2050 3.00 (e.g., Decision Analysis, Simulation); move some curricular content from the old MGMT 1050 (e.g., Hypothesis testing, Regression) into “*Analyzing Data for Business Decisions*.”

Rationale for Motion 2-1

- MGMT 2050 3.00 is currently titled “*Business Analytics II*” and covers advanced statistical concepts, linear regression, excel skills, times series analysis, Bayesian concepts, decision analysis, spreadsheet modeling, and Monte Carlo simulation. The course is currently a hodge-podge of topics from descriptive, predictive, and prescriptive analytics. In addition, the layout of the course is lacking as there are several misused sessions, the connection between topics is difficult to convey to students, and some topics would be more effectively introduced in elective courses (e.g., OMIS 3020 3.00 “*Predictive Analytics*,” OMIS 3670 3.00 “*Spreadsheet-Based Decision Support Systems*,” and OMIS 4000 3.00 “*Prescriptive Analytics*.”).
- The replacement course to be titled “*Analyzing Data for Business Decisions*” introduces students to fundamental statistical thinking and methods for analyzing data to support decision making, using relevant software. The course views data as a realization from some unknown probability distribution. As such, an introduction to probability theory is covered as well as the foundations of statistical inference including hypothesis testing and regression with both continuous and categorical outcomes. Emphasis is placed on understanding the assumptions that underlie these statistical techniques, the data they require, their implementation in the appropriate software, and the managerial relevance of the findings.
- The replacement course is much more focused on descriptive statistics (the first 10 lectures). This will help bolster the numeracy of the students and allow them to be more effective in their internships and summer positions. Only in the last two classes is time series analysis – a predictive analytics technique that is relevant in supply chain management – presented so that interested students can get a flavor of what is covered in the next course in the series (i.e., OMIS

3020 3.00). In addition, the course addresses concern about progressing students forward as the more complex analytical topics are presented in the second year when students are more mature. They also have a more solid background with the updated version of MGMT 1050 3.00.

- The format of the replacement course will also change to facilitate more independent course work, take advantage of new technological tools for teaching, and emphasize how quantitative analysis must be used to inform managerial recommendations. The course requires that students complete individualized online weekly exams. This will reduce instances of academic misconduct and ensure that students stay up-to-date on the course topics. This is vitally important as the course is designed to build upon topics that were taught earlier in the semester. Two take-home assignments will mimic data science work seen in industry, online competitions (e.g., [kaggle](#)), and in the data analyst job interview process. This deliverable will have students apply the quantitative analysis taught in class (to reinforce these ideas) in order to obtain business insight into complex and uncertain environments. Finally, a cumulative in-class final exam will assess students on holistic knowledge of the course content. This will further reinforce the integrated nature of the course content while objectively testing an individual's individual ability.
- A course outline for "*Analyzing Data for Business Decisions*," describing curricular content and evaluation, is attached.

2-2 To change rubric from MGMT 2050 3.00 to OMIS 2050 3.00.

Rationale for Motion 2-2

- MGMT 2050 3.00 has been and will likely continue to be staffed and taught by faculty from the OMIS Area. As such, it makes more sense identify the course with the area responsible for course content and staffing. This will also allow OMIS faculty members to monitor the course to respond to changing market competencies.

Motion 3

3-1 To approve a single, unified focus for OMIS 2010 3.00 titled "*Operations Management*" to better expose undergraduate students to core problems and decisions that operations and supply chain management professionals face routinely.

Rationale for Motion 3-1

- The current OMIS 2010 3.00 spends 5 out of 12 weeks on linear programming (LP) and integer programming (IP), formulation of LP and IP problems, and solving and analyzing LP-type and IP-type formulations of business problems. These topics introduce quantitative tools that can be used to structure many types of business problems, not just those unique to operations and supply chain management. The remaining weeks provide limited exposure to quality, inventory, queuing, and project management without an overarching framework as to the core problems and decisions that operations and supply chain management professionals encounter on a routine basis.

- The revised OMIS 2010 3.00 enlarges the latter exposure by expanding topical coverage to include operations and supply chain strategy, capacity management, process design and analysis (including lean), sourcing, and logistics management. Such coverage completes an introduction to typical problems and decisions that operations and supply chain management professionals encounter on a routine basis. Specific problems that can be structured as LP and/or IP formulations (e.g., assignment problem for allocating capacity, vehicle routing problem for transportation and logistics, etc.) will be introduced.
- The revision to OMIS 2010 3.00 will support future changes to elective offerings that produce strong OMIS graduates for entry-level positions across diverse industries managing inventory, sourcing and suppliers, quality improvement, process improvement, resources to produce goods and services, etc.
- A course outline for a revised OMIS 2010 3.00, describing curricular content and evaluation, is attached

3-2 To retitle OMIS 2010 3.00 from “*Operations Management*” to “*Introduction to Operations and Supply Chain Management.*”

Rationale for Motion 3-2

- The proposed title better reflects the revised content of OMIS 2010 3.00.

3-3 To remove the prerequisite of MGMT 1050 3.00 for OMIS 2010 3.00.

Rationale for Motion 3-3

- The proposed revision of content removes the need for MGMT 1050 3.00 to be a prerequisite for OMIS 2010.

Non-Major Modification Program Changes

1. Program: Schulich Undergraduate Program
 2. Degree Designation: Bachelor of Business Administration (BBA) and International Bachelor of Business Administration (iBBA)
 3. Type of Modification: Course title, course rubric, calendar description, course content and delivery, and prerequisites
 4. Effective Date: Fall 2021
-

5. State what the changes are (Example: increase / decrease to the number of major credits)

Changes are presented for three courses. Modification to MGMT 1050 and MGMT 2050 include course title change, rubric change, calendar description change, course topics/delivery change, and prerequisite change. Modification to OMIS 2010 includes course title change, calendar description change, course topics/content change and removal of a prerequisite.

6. Provide the rationale for the proposed changes that is rooted in the program learning outcomes.

The changes are meant to adapt to the changing skillset/competence required of students completing a degree in business, particularly in the area of Operations Management and Information Systems (OMIS). The content changes in each course represent updates to necessary content in light of market needs and also are meant to better align with student competencies entering the program.

7. Provide an updated mapping of the program requirements to the program learning outcomes to illustrate how the proposed requirements will support the achievement of program learning objectives.

The undergraduate program in business requires a basic level of knowledge of operations management and data management. This is a fundamental part of the program objectives. Making the proposed changes will ensure that these basic program objectives are met.

8. If relevant, summarize the consultation undertaken with relevant academic units, including commentary on the impact of the proposed changes on other programs. Provide individual statements from the relevant program(s) confirming consultation and their support.

Because the OMIS courses possess content that complements content in accounting and finance, consultations with these two areas were completed to make sure that the above changes were not in conflict or created problems for accounting and finance courses. Coordinators of the core finance course requested that a basic level of linear programming be retained in OMIS 1050 to ensure students have adequate competence before entering the financial course.

9. Describe any resource implications and how they are being addressed (e.g., through a reallocation of existing resources). If new/additional resources are required, provide a statement from the relevant Dean(s)/Principal confirming resources will be in place to

implement the changes.

No anticipated resource implications are expected

10. Provide a summary of how students currently enrolled in the program will be accommodated.

Students entering the 2nd year of the program at the time these changes begin will see small overlap with what they took in their first year and the new course they will be taking in their second year. This is not significant to warrant any concern.

11. Provide as an appendix a side-by-side comparison of the existing and proposed program requirements as they will appear in the Undergraduate or Graduate Calendar.

Appendix

<p>CURRENT CALENDAR COPY</p>	<p>CLEARLY indicate the EXACT new text as it would appear in the calendar (60 words maximum)</p>
<p>Course Number: SB/MGMT 1050 3.00</p> <p>Long Course Title: <i>Business Analytics I</i></p> <p>Short Course Title: <i>Business Analytics I</i></p> <p>Calendar Description: This core course will present the elements of basic statistics, probability and statistical modelling. It covers statistical measures of centrality and dispersion and graphical representation of data. The basic rules of probability covering marginal, joint and conditional probabilities, and some of the standard probability distributions are presented. The course also introduces estimation, hypothesis testing, ANOVA, and regression analysis.</p> <p>Pre-requisites: None</p>	<p>New Course Number: SB/OMIS 1050 3.00</p> <p>New Long Course Title: <i>Managing Data for Business Decisions</i></p> <p>New Short Course Title: <i>Managing Data</i></p> <p>New Calendar Description: Informed business decisions rely on data and technological support. This course introduces students to concepts of data, information, and technology to support business decisions. Topics discussed include data collection process; infrastructure of information systems; data understanding, summarization, and representation; hardware and software used to store and analyze data and to deploy data-driven solutions for modern business applications; and social and ethical issues surrounding data and IT security.</p> <p>Pre-requisites: None</p>

CURRENT CALENDAR COPY	CLEARLY indicate the EXACT new text as it would appear in the calendar (60 words maximum)
<p>Course Number: SB/MGMT 2050 3.00</p> <p>Course Title: <i>Business Analytics II</i></p> <p>Short Course Title: <i>Business Analytics II</i></p> <p>Calendar Description: Managers use data to make critical decisions. Business analytics begins with data and transforms it into insights to aid organizational decision making and problem solving. This course builds on SB/MGMT 1050 3.00, equipping students with the skills to select relevant information, to use analytics tools, to apply appropriate quantitative techniques and to critically evaluate results leading to better and faster fact-based decisions.</p> <p>Pre-requisite: SB/MGMT 1050 3.00</p>	<p>New Course Number: SB/OMIS 2050 3.00</p> <p>New Course Title: <i>Analyzing Data for Business Decisions</i></p> <p>New Short Course Title: <i>Analyzing Data</i></p> <p>New Calendar Description: Informed business decisions are supported by statistical analyses of data. This course builds on - SB/OMIS 1050 3.00 and equips students with basic data science skills to select relevant information, apply statistical tools to obtain managerial insights, and critically evaluate the results to propose fact-based recommendations for business problems.</p> <p>Pre-requisite: SB/OMIS 1050 3.00</p>

CURRENT CALENDAR COPY	CLEARLY indicate the EXACT new text as it would appear in the calendar (60 words maximum)
<p>Long Course Title: <i>Operations Management</i></p> <p>Short Course Title: <i>Operations Management</i></p> <p>Calendar Description: Examines a broad range of concepts using management science models, particularly as they pertain to production and operations management. The course emphasizes techniques, but also strives to convey an appreciation of how these techniques can be used to solve problems in operations and planning.</p> <p>Pre-requisite: SB/MGMT 1050 3.00</p>	<p>New Long Course Title: <i>Introduction to Operations and Supply Chain Management</i></p> <p>New Short Course Title: <i>Operations and Supply Chain Management</i></p> <p>New Calendar Description: This course introduces concepts, principles, and techniques that can be leveraged to analyze, control, and improve critical processes responsible for efficiently making and delivering goods and services. These critical processes reside in manufacturing and service, for-profit and non-profit organizations. Operational and supply chain challenges, as well as various conceptual aids and quantitative techniques to cope with these challenges, are discussed.</p> <p>Pre-requisite: None</p>

DIRECT ENTRY BBA (FALL 2021 ENTRY)	
YEAR 1	
FALL TERM	WINTER TERM
Introduction to Microeconomics AP/ECON 1000 3.00	Introduction to Macroeconomics AP/ECON 1010 3.00
Introduction to Business SB/MGMT 1000 3.00	Business Analytics I SB/MGMT-1050-3-00- Managing Data for Business Decisions SB/OMIS 1050 3.00
Introduction to Financial Accounting I SB/ACTG 2010 3.00	Introduction to Financial Accounting II SB/ACTG 2011 3.00
Marketing Management or History of Capitalism: Structures, Agents, Artefacts SB/MKTG 1030 3.00 or SB/MGMT 1030 3.00	Marketing Management or History of Capitalism: Structures, Agents, Artefacts SB/MKTG 1030 3.00 or SB/MGMT 1030 3.00
Non-Business Elective(s) Total of 6.00 credits	
YEAR 2	
FALL TERM	WINTER TERM
Management Accounting Concepts or Ethics, Social Responsibility and Sustainability in Business SB/ACTG 2020 3.00 or SB/MGMT 2040 3.00	Management Accounting Concepts or Ethics, Social Responsibility and Sustainability in Business SB/ACTG 2020 3.00 or SB/MGMT 2040 3.00
Individuals and Groups in Organizations SB/ORGS 2100 3.00	Organizations and Their Environments SB/ORGS 2200 3.00
Business Analytics II or Operations-Management SB/MGMT-2050-3-00 or SB/OMIS-2010-3-00	Business Analytics II or Operations-Management SB/MGMT-2050-3-00 or SB/OMIS-2010-3-00
Analyzing Data for Business Decisions or Introduction to Operations and Supply Chain Management SB/OMIS 2050 3.00 or SB/OMIS 2010 3.00	Analyzing Data for Business Decisions or Introduction to Operations and Supply Chain Management SB/OMIS 2050 3.00 or SB/OMIS 2010 3.00
Introduction to Finance SB/FINE 2000 3.00	Applied Macroeconomics SB/ECON 2000 3.00
Non-Business Elective(s) Total of 6.00 credits	
YEAR 3 (2019)* and YEAR 4 (2020)	
FALL TERM	WINTER TERM
Strategic Management** SB/SGMT 3000 3.00	Integrative Business Simulation*** SB/MGMT 4100 3.00
Schulich Electives Total of 18.00 credits	
Schulich Electives or Non-Business Electives Total of 24.00 credits	
Non-Business Electives Total of 12.00 credits	

Please note that non-business electives at the 1000 level are acceptable in Years 1 and 2 (i.e. the first 60.00 credits earned towards the BBA degree). Credit will not be granted for ADMIS, HRM and other courses indicated on the Prohibited Course List.

In Year 3 (i.e. once students have earned 60.00 credits and before earning 90.00 credits), electives must be at the 2000-level or higher.

In Year 4 (i.e. over 90.00 credits), electives must be at the 3000-level or higher.

*Students who are planning to go on Exchange in Year 3 cannot delay core courses as outlined in the curriculum for the term they are studying at Schulich.

** Must be completed in the Fall or Winter term of Year 3. This course cannot be completed on Exchange.

*** This course may be completed in either Year 3 or Year 4. Prerequisite is SB/SGMT 3000 3.00.

DIRECT ENTRY iBBA (FALL 2021 ENTRY)	
YEAR 1	
FALL TERM	WINTER TERM
Microeconomics for Managers SB/INTL 1200 3.00	Macroeconomics for Managers SB/INTL 1210 3.00
Introduction to Business SB/MGMT 1000 3.00	Business Analytics I SB/MGMT-1050-3-00- Managing Data for Business Decisions SB/OMIS 1050 3.00
Introduction to Financial Accounting I SB/ACTG 2010 3.00	Introduction to Financial Accounting II SB/ACTG 2011 3.00
Marketing Management or Responsible Business in an International Context SB/MKTG 1030 3.00 or SB/INTL 1400 3.00	Marketing Management or Responsible Business in an International Context SB/MKTG 1030 3.00 or SB/INTL 1400 3.00
Language Study* Total of 6.00 credits	
YEAR 2	
FALL TERM	WINTER TERM
Introduction to Finance SB/FINE 2000 3.00	Management Accounting Concepts SB/ACTG 2020 3.00
Organizational Behaviour Across Cultures SB/INTL 2300 3.00	International Economics SB/INTL 2200 3.00
Business Analytics II or Operations-Management SB/MGMT-2050-3-00 or SB/OMIS-2010-3-00	Business Analytics II or Operations-Management SB/MGMT-2050-3-00 or SB/OMIS-2010-3-00
Analyzing Data for Business Decisions or Introduction to Operations and Supply Chain Management SB/OMIS 2050 3.00 or SB/OMIS 2010 3.00	Analyzing Data for Business Decisions or Introduction to Operations and Supply Chain Management SB/OMIS 2050 3.00 or SB/OMIS 2010 3.00
*Language Study (or Regionally-Focused Elective) Total of 6.00 credits	
**Regionally Focused Elective(s) Total of 6.00 credits	
YEAR 3 (2019)* and YEAR 4 (2020)	
FALL TERM	WINTER TERM
Strategic Management for International Business+ SB/INTL 3000 3.00	International Business Simulation++ SB/INTL 4300 3.00
Schulich Electives Total of 24.00 credits (3000 or 4000 level)	
*Language Study (or Regionally-Focused Elective) Total of 6.00 credits	
**Regionally-Focused Electives Total of 6.00 credits	
***Schulich Electives or Non-Business Electives Total of 18.00 credits	

*Students have 18.00 credits to satisfy advanced level competency in a preferred language. If a student satisfies advanced language prior to completing 18.00 credits in language, they may use the remaining credits towards learning a second language or additional regionally-focused elective(s).

** Students must complete 12.00 credits of regionally-focused study in addition to the 18.00 credits used for language study to be eligible for graduation. Year level requirement does not apply to language or regionally-focused courses.

*** A total of 12.00 credits of non-business electives can be taken at the 1000-level at any time during your degree. Schulich electives must be at the 3000 or 4000 level.

+ Must be completed in the Fall or Winter term of Year 3. This course cannot be completed on Exchange.

++ This course may be completed in either Year 3 or Year 4. The prerequisite is SB/INTL 3000 3.00.

York University
Schulich School of Business
Form for Modification of an Existing BBA/iBBA Course

This form is not used for new course proposal. Be sure to outline changes, providing information the nature of the change, including course content, from the current version in the rationale section of this form.

1. Current Course number and Credit Value:

MGMT 1050 3.00

2. Course Title:

a) Long Course Title

Business Analytics I

b) Short Course Title (if a change in the course title is requested)

Business Analytics I

3. Requested Effective Academic Term of the Change: *Fall 2021*

Submitted by: *Zhepeng Li*

4. Nature of change: Check all that apply:

	Pre-requisite and/or Co-requisite Course(s) and/or Exclusions
X	Course Title*
	Course Level and/or Course Number
X	Course Calendar Description*
X	Course Topics/Content*
	Course format/mode of delivery*
	Cross-listing (attach statement of approval from other programme)
	Retire/expire the Course
X	Other—Specify: Course Rubric

*If any of these * changes are made please also attach the new course outline.

5. Details and Rationale for the change(s)

MGMT 1050 3.00 is currently titled “*Business Analytics I*” and covers the basics of statistical concepts including probability and distributions, simple statistics, linear relationships, ANOVA, and Chi-square tests. As a first-year course for the Schulich UG program, it continues to be challenging for students and presents logistical challenges in

progressing students forward. In addition, there have been persistent concerns about how well-prepared students are for this type of mathematical analysis given that Schulich does not require Calculus or Data Management as an entry level requirement. Finally, the course in its current form does not address the central role that data and technology plays in modern management and analytics.

The replacement course to be titled “*Managing Data for Business Decisions*” and takes the position that data, information, and technology are key concepts that contemporary managers must be comfortable with. This course introduces students to the data collection process, how data can be summarized, data representation on computers, various algorithms used to process data efficiently, and how to process data for storage. The course also delves into the technology (both the hardware and software) used to store data, analyze data, and deploy data-driven solutions for modern applications such as e-commerce, cloud computing, mobile platforms, and the internet of things. Finally, social and ethical issues (e.g., privacy, monitoring, hackers) surrounding data and IT security are also discussed.

The replacement course, although it does contain some mathematical topics, will present students with a gentler introduction to analytics. It is more accessible to students without strong mathematical backgrounds and modernizes the curriculum by focusing more on the management of information systems. The purpose is still to introduce students to data-related issues and how they support decision making; these topics will be elaborated on in second-year when they take MGMT 2050 3.00. Note that some of the course content is currently in MGMT 2050 3.00 and will be migrated into this course.

Last, MGMT 1050 3.00 has been, and will likely continue to be, staffed and taught by faculty from the OMIS Area. As such, it makes more sense identify the course with the area responsible for course content and staffing. This will also allow OMIS faculty members to monitor the course in order to respond to changing market competencies. Hence, the proposed change to OMIS 1050 3.00 as the rubric.

6. If changing the course description, complete section below.

<p><i>CURRENT CALENDAR COPY</i></p>	<p><i>CLEARLY indicate the EXACT new text as it would appear in the calendar (60 words maximum)</i></p>
<p>Course Number: MGMT 1050 3.00</p> <p>Long Course Title: <i>Business Analytics I</i></p> <p>Short Course Title: <i>Business Analytics I</i></p> <p>Calendar Description: This core course will present the elements of basic statistics, probability and statistical modelling. It covers statistical measures of centrality and dispersion and graphical representation of data. The basic rules of probability covering marginal, joint and conditional probabilities, and some of the standard probability distributions are presented. The course also introduces estimation, hypothesis testing, ANOVA, and regression analysis.</p> <p>Pre-requisites: None</p>	<p>New Course Number: OMIS 1050 3.00</p> <p>New Long Course Title: <i>Managing Data for Business Decisions</i></p> <p>New Short Course Title: <i>Managing Data</i></p> <p>New Calendar Description: Informed business decisions rely on data and technological support. This course introduces students to concepts of data, information, and technology to support business decisions. Topics discussed include data collection process; infrastructure of information systems; data understanding, summarization, and representation; hardware and software used to store and analyze data and to deploy data-driven solutions for modern business applications; and social and ethical issues surrounding data and IT security.</p> <p>Pre-requisites: None</p>

7. Approvals:


a) Originator

Zhepeng Li Nov. 5, 2020
Signature Date

Zhepeng Li
Name

b) Area or Specialization

I have reviewed this change form and I support the proposed changes to the course.


Signature Nov. 5, 2020
Date

M. Rungtusanatham OMIS
Name of Area Coordinator / Specialization Area or Specialization
Director

c) BBA/iBBA Committee

This course has received the approval of the BBA/iBBA Committee, and I support the addition of the course to the SSB curriculum.

Mike Valente Nov. 13 2020
Signature (Chair, BBA/iBBA Committee) Date

Course Outline

TERM 20xx

SECTION	DAY	TIME	ROOM (SSB)	BEGINNING	INSTRUCTOR
---	---	---	---	---	---

Instructor Profile.

Instructor	Administrative Assistant
Instructor Office: S337J SSB, Email: zli@schulich.yorku.ca Office Hours: ---	Paula Gowdie Rose Office: S337N SSB, Email: pgowdierose@schulich.yorku.ca Phone: 416-736-5074

Brief Description:

Informed business decisions rely on data and technological support. This course introduces students to concepts of data, information, and technology to support business decisions. Topics discussed include data collection processes; infrastructure of information systems; data understanding, summarization, and representation; hardware and software used to store and analyze data and to deploy data-driven solutions for modern business applications; and social and ethical issues surrounding data and IT security.

Prerequisites: NONE

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Course Learning Outcomes

Modern businesses rely heavily on the use of technology. Not only does it boost productivity, but it improves communication, increases process efficiency, drives growth, streamlines decision making, and enhances customer relationships. Much of this technology, however, supports the processing of information, data governance, and the subsequent automation of data-driven processes. With the rise of social media, intelligent devices, and cloud computing, understanding how to manage disparate sources of data using computational tools to extract insight is a foundational skill for business managers.

The purpose of this course is to provide students with an exposure to, and an appreciation for, technology that supports data-driven decision-making. It combines several aspects of information systems including the fundamentals of data analytics, algorithms and how they act on data, and discusses the basic infrastructure surrounding the deployment of various information technology (IT) systems. The objective is to have students be introduced to data and see its evolution from collection (summary statistics, computer representation, and visualization), to management (storage, algorithmic transformations, and security) to its use in decision-making and automation (enterprise resource planning, e-commerce, and business intelligence tools). The course also touches upon the pitfalls of data-driven decision-making, such as its use in reinforcing pre-existing inequalities and the implications of poor cybersecurity protocols. This integrated view of the data transformation process will give students insight into the integral role that data plays in today's economy, how data is central to virtually all decision-making processes, and how technology is used to obtain managerial insight. Thus, the course presents students with foundational knowledge in the management of data in modern organizations and the technologies that support data analytics. As such, it provides an overview of the analytics pipeline; from procurement to the deployment of data-dependent systems.

While the course introduces students to the fundamentals of data analysis, it strongly emphasizes the technologies that support analytics and how to navigate those processes. It teaches students basic skills in managing data and the use of technologies that encourage quantitative inquiry (e.g., Excel). It also exposes students to technologies that are prevalent in different functional areas of business. A wide range of case studies and applications will be discussed. The central theme will be to have all topics motivated by the use of technology for managerial decision-making and how computational infrastructure supports data-driven insight and modern notions of automation.

The specific learning objectives are:

1. Understand the fundamental infrastructures of IT.
2. Understand different types of data and how to represent them in computer.
3. Develop skills to describe and uncover patterns from the data.
4. Understand different data structures and their implementation.
5. Develop collective skills in using data algorithms to achieve different goals.
6. Understand the architecture of database and database management.
7. Develop skills to optimize business process and create value for business.
8. Understand how to secure your data and IT system.
9. Understand the implications of information systems and future applications of IT in business.

This course is designed to help managers make decisions informed by the use of technology that is applied to various collections of data while being aware of common limitations. As a consequence, it emphasizes hands-on learning of computational tools rather than mathematical/computational theory. To be successful, students will need to practice the techniques learned during lecture. This will be supported by in-class examples, lab exercise, take-home assignments, a midterm, and a final exam.

Additional Course Support

Email: E-mail the instructor with any questions about the course such as administrative issues, questions regarding the grading of the case studies, exams, final project, or if you have (very) brief questions about the material. **Please put OMIS 1050, your full name and brief heading (i.e., description of what the email is about) as the first part of the subject line in all e-mail correspondence.** Most emails will be responded to within two business days (48 hours) but if you do not get a response within this time frame, please send another email. For other issues including most concerns with the course material, please come speak with the instructor during office hours or request an appointment at a mutually beneficial time. Please be professional in all your email correspondence. For more information on how to write an effective and professional email, please see the following link:

<http://writingcenter.unc.edu/handouts/effective-e-mail-communication/>

Meetings and Office Hours: Students are invited to attend office hours on a drop-in basis. No prior appointments are required for scheduled office hours. Students can also meet with the instructor outside office hours by requesting an appointment (i.e., send an email to the instructor). If you cannot attend a scheduled appointment, notify the instructor as soon as possible. If you schedule an appointment and do not show up, this may affect your ability to schedule future appointments.

Course Announcements: All course emails and announcements will be posted in **Canvas**. This correspondence will be sent to the email account you have specified in your **Canvas** profile. **It is your responsibility to ensure that you have access to both sources of information and check each regularly.**

Deliverables at a Glance

The evaluation of the deliverables in this class is comprised of four major components: participation, homework assignments, a midterm exam, and a cumulative final exam. The course emphasizes hands-on experience with technology so lab assignments are considered comparable to written exam(s).

Assignment/Task	Quantity	% Weight	Total %	Author
Participation	10	1	10%	Individual
Assignments (homework)	5	7	35%	Individual
Midterm Exam	1	25	25%	Individual
Final Exam	1	30	30%	Individual
			100%	

Assignments: The course requires students to submit five assignments. The topic of each assignment either emphasizes material covered during lecture or exposes students to technologies that are used as a professional tool in various functional areas of an organization (e.g., [Power BI](#)). The purpose is to have students actively engage with these technologies as well as better learn how to use fundamental tools for data analytics (e.g., Microsoft Excel). **All assignments must be completed by the date and time specified. Late work will not be accepted.** Exceptions will only be granted for medical and other serious emergencies with appropriate documentation. Please make every effort to let your instructor know in advance.

Midterm Exam: During week 7, students will write a 3-hour exam (in-class) worth 25% of their final mark. The exam covers all topics taught during weeks 1-6 inclusive. Both quantitative and qualitative questions can be expected and the exam will consist of several short answer and/or multi-part questions. Within 24 hours of missing a midterm examination, students must contact the Associate Director, Undergraduate Programs Unit at (416) 736-5060 and must also contact their

course instructor. Formal, original documentation regarding the reason for missing the exam must be submitted to the Associate Director, Undergraduate Programs Unit (SSB Room W262) within 48 hours of missing the midterm exam. Students who miss a midterm exam due to illness must have their doctor complete an "Attending Physician's Statement." For more details, see: <http://www.registrar.yorku.ca/pdf/attending-physicians-statement.pdf>.

Final Exam: During the exam period, students will write a 3-hour exam worth 30% of their final mark. The exam is cumulative; both quantitative and qualitative questions can be expected and the exam will consist of several short answer and/or multi-part questions. Within 24 hours of missing a midterm examination, students must contact the Associate Director, Undergraduate Programs Unit at (416) 736-5060 and must also contact their course instructor. Formal, original documentation regarding the reason for missing the exam must be submitted to the Associate Director, Undergraduate Programs Unit (SSB Room W262) within 48 hours of missing the midterm exam. Students who miss a midterm exam due to illness must have their doctor complete an "Attending Physician's Statement." For more details, see: <http://www.registrar.yorku.ca/pdf/attending-physicians-statement.pdf>.

Class Participation: Students will have an opportunity to earn 1% per class (up to a maximum of 10%) for participation activities. How the credit is earned will vary from session to session – it could be granted for completing an in-class participatory exercise, or simply for attendance. Some activities will take place in groups, others may be individual. Unless special permission has been arranged with your instructor prior to class, you must be in your regularly scheduled section to earn participation credit.

Course Material

Text: The recommended reading for this course potentially includes one or more of the following books. They are available for purchase from the York University Bookstore (<http://bookstore.blog.yorku.ca>):

1. "Essentials of Management Information Systems" by Kenneth C. Laudon and Jane P. Laudon, Pearson Education, 2017
2. "Introduction to Algorithms" by Thomas H. Cormen, Charles E. Leiserson, Ronald L. Rivest and Clifford Stein, MIT Press, 2009
3. "Business Driven Information Systems" 6th US Edition, by Paige Baltzan, McGraw Hill.

Course website: An online learning platform ([Canvas](#)) has been created - <https://schulich.instructure.com/>. It contains information and materials specific to this course, including lecture slides, practice problems, data sets, programs, and information regarding additional readings. Check it frequently! You will also access and submit homework assignments on Canvas. Because of the large volume of information available on Canvas, information will be grouped by topic (lectures, general information, practice materials, homework, etc.).

Access to Canvas requires a Passport York login and password. If you do not have a Passport York account, you can find information on how to obtain one at <http://computing.yorku.ca/students/home/passwords-passport-york-access/>

To log in to Canvas:

1. go to <https://schulich.instructure.com/>
2. Locate the login box. Enter your Passport York Username and Password.

3. Once logged in, you will be taken to the My Courses page. In the middle of the screen you will see all of the courses that you are enrolled in that use Canvas. Select the course from the list of courses, and you will be taken to the course site.
4. Please make sure that your profile references your most frequently used email account.

Student Preparation for Class and Class Participation: Expectations

Participating honestly in this academic community ensures that the York University degree that you earn will continue to be valued and respected as a true signifier of your individual work and academic achievement. All suspected cases of academic dishonesty will be investigated. If you have any questions as to what is and is not permitted, do not hesitate to contact the course instructor or your academic advisors. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement (i.e., citations).
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts that are false (i.e., the claim is completely unsubstantiated).
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aids (e.g., cell phone, graphing calculators).
- Looking at someone else's answers at any time during the exam.
- Misrepresenting your identity or having another individual write your exam.
- Submitting an altered exam or assignment for re-grading.

Misrepresentation:

- Falsifying institutional documents, grades or university documentation (e.g., medical notes).

Late Assignments: Please note that all assignments are due at the date and time specified. ***The exact date and time will be given in the assignment and on Canvas.*** Late work will not be accepted. Exceptions will only be granted for medical and other serious emergencies. Please make every effort to let your instructor know in advance if your assignment is going to be late – use email. Supporting documentation will be required as per the [Schulich policy](#) on missed tests and assignments.

Class-by-Class Syllabus

On the scale of 1 to 10 with 1 being the least and 10 being the most technical and mathematical data mining course, the course is not higher than 4. The course does not require programming, but it needs basic math related to algebra, probabilities, sets, logarithms, distance and graphics functions.

Lectures will have a significant interactive component. Your attendance is expected. If you have a laptop, it is recommended that you bring it along to all lectures, particularly those where there will be a greater emphasis on computation. Students will earn credit for active participation in course activities.

Readings from the text or supplementary materials will be assigned for each of the topics in the course. These are useful for preparation prior to lecture as well as to reinforce class concepts after each session.

Practice problems are selected exercises for you to work on to gain experience in each of the problem solving areas. They will not be graded. Solutions may be posted on [Canvas](#). You may choose to do as many of these problems as you like, and may work on them individually or in groups. In order to maximize your learning, you should attempt the problem individually before working with others. While the suggested problems are a good reflection of the material covered in the course, they are not necessarily comprehensive, and students are encouraged to work on additional problems beyond those suggested.

Lab sessions by the end of each group of topics will provide students with the opportunity to gain hands-on experience of realistic data-driven projects. The lab sessions will nurture practical skill set and get immediate feedback on your mastery of the theory as well as the implementation. It also allows the instructor to identify and further reinforce any concepts students are struggling with.

Note: If any changes in this schedule become necessary, notifications will be posted on [Canvas](#). When changes need to be announced between classes, an email will be sent to students' email accounts, notifying them of the change. Please check your email and the course website regularly. It is your responsibility to ensure that you to up-to-date.

DATE/WEEK	TOPICS/ASSIGNED READINGS/ASSIGNED WORK DUE
Week 1	<u>Course introduction</u> <ul style="list-style-type: none">• Explain the nature and purpose of data items, information and knowledge• Examine the basic components of an information system and interrelationships among components• Explain how data & IT affects management and society Reading: <ul style="list-style-type: none">• TBD

Week 2 Data Representation and Data Recording

- Data Types:
 - Structured data: continuous, discrete, nominal, ordinal, ratios, etc
 - Unstructured data: textual, images, video, sound, and network
- Data Representation in Computer
 - Structured data
 - Unstructured data

Reading:

- TBD
-

Week 3 Data Description

- Describe the data using summary statistics (use Data Analysis tool & Excel functions)
 - Mean, median, mode, variance, rank, proportion, confusion matrix
- Visualize the data to spot simple patterns
 - Charts, trends, correlations, graphs

Reading:

- TBD

Deliverables:

- **Online monitored Quiz I due (covers sessions 1-3)**
-

Week 4 Data Structure

- Elementary data structure: arrays, queues, stacks, linked lists, trees, graphs, etc
- Elementary data programming: control flow, loops, recursion
- Complex data structure
 - Binary search trees
 - Hash tables
 - Network analysis
- Implementing different data structures

Reading:

- Textbook 2: Chapter 10
-

Week 5 Introduction to Data Algorithm

- Algorithm definition and basics
- Solving application problem using algorithm
- Basic data algorithms: search, insert, delete, update, and sort with different data structures

Reading:

- Textbook 2: Chapter 1, 2
-

Week 6 Managing Large Scale Data Files

- Sorting
- Filtering
- Searching
- Extracting data
- Logical insights
- Data cleaning
- Slice and dice insights
- Data validity

Reading:

- Textbook 2: Chapter 29

Deliverables:

- **Assignment 1 due covers sessions 4-5**
-

Week 7

Midterm Exam

Week 8 Database Management and Development

- Database definition
- Database design basics
 - Relational database model
 - Entities, attributes, and entity relational diagrams
- Database languages, interfaces, and tools
- Database management introduction
 - Data stewardship, data governance, and data validation
 - DBMS tables: fields, records, primary keys
 - Logically relating tables

Reading:

- Textbook 1: Chapter 6
 - Textbook 3: Appendix C Designing databases
 - Textbook 3: Chapter 6.1 Data, Information & Databases
-

Week 9

Decision Support Systems

- Decision and process flow analytics (e.g., Introduction to [Power BI](#))
- Role of information technology in decision making
- Distinguish between business intelligence for data analysis (multidimensional data analysis, data mining) and business intelligence for data presentation (digital dashboards and data visualization technologies)

Readings:

- Textbook 3: Chapter 2.1 (pp 50-56), 2.2 Business Decisions & Processes

Deliverables:

- **Assignment 2 due (covers session 6 and 8)**
-

Week 10

Enterprise application, e.g., Enterprise resources planning (ERP)

- Enterprise Resource Planning: Core Components & Benefits
- Extended ERP Components
- Measuring ERP Success
- Organizational Integration: On-Premise, Cloud, & Hybrid ERP

Readings:

- Textbook 3: Chapter 8.2 (pp 348-361) Enterprise Resource Planning

Deliverables:

- **Assignment 2 due (covers session 6 and 8)**
-

Week 11

Web and E-Commerce

- Data communication
 - Network communication protocol
 - Web 1.0: Disruptive versus Sustaining Technology
 - Web 1.0 Tools: Connecting and Communicating Tools (email, IM, Podcast, Video conference, Web conference, Content Management Systems)
 - Web 2.0: Content sharing, User contributed content, collaboration within and outside the organization
 - Web 2.0 Collaborating Tools (Blogs, Wikis, Mashup, Social Media, ...)
- Web and mobile applications
 - E-Commerce business models (B2B, B2C, C2B, C2C)
 - Mobile Apps & Platform (i.e. Networked) Business Models
 - Blockchains, Online Communities & Open Innovation
 - AI, IoT & Next Generation Online Businesses (Web 3.0?)
- Web Analytics

Reading:

- Textbook 1: Chapter 10
-

-
- Textbook 3: Chapter 3 Electronic Business Value
 - Textbook 3: Chapter 7 Networks – Mobile Business

Deliverables:

- **Online monitored Quiz 2 due (covers sessions 9-10)**
-

Week 12 Information Security and IT Strategy

- Ethics & Data security
- Cyber security Introduction
 - Protecting intellectual assets: Hackers & Viruses
 - Authentication and Authorization
 - Prevention and Resistance
 - Detection and Response
- IT risk management and strategy: Information management policies
 - Ethical computer use policy
 - Information privacy policy
 - Acceptable use policy
 - Email privacy policy
 - Social media policy
 - Workplace monitoring policy
- IT innovation

Reading:

- Textbook 1: Chapter 8
- Textbook 3: Chapter 4 Ethics & Information Security

Deliverables:

- Assignment V
-

Final Exam

**York University
Schulich School of Business
Form for Modification of an Existing BBA/iBBA Course**

This form is not used for new course proposal. Be sure to outline changes, providing information the nature of the change, including course content, from the current version in the rationale section of this form.

1. Current Course number and Credit Value:

MGMT 2050 3.00

2. Course Title:

a) Long Course Title

Business Analytics II

b) Short Course Title (if a change in the course title is requested)

Business Analytics II

3. Requested Effective Academic Term of the Change: *Fall 2021*

Submitted by: *Adam Diamant*

4. Nature of change: Check all that apply:

	Pre-requisite and/or Co-requisite Course(s) and/or Exclusions
X	Course Title*
	Course Level and/or Course Number
X	Course Calendar Description*
X	Course Topics/Content*
X	Course format/mode of delivery*
	Cross-listing (attach statement of approval from other programme)
	Retire/expire the Course
X	Other—Specify: Course Rubric

*If any of these * changes are made please also attach the new course outline.

5. Details and Rationale for the change(s)

MGMT 2050 3.00 is currently titled “*Business Analytics II*” and covers advanced statistical concepts, linear regression, excel skills, times series analysis, Bayesian concepts, decision analysis, spreadsheet modeling, and Monte Carlo simulation. The course is currently a hodge-podge of topics from descriptive, predictive, and prescriptive analytics and, as a result, it does not (i) adequately prepare undergraduate business students for inference-based analysis in other functional areas of the business school; and (ii) fit into the modernization of the OMIS area’s academic objectives on developing

a structured pedagogy for data science. In addition, the current layout of the course is somewhat inefficient as there are several misused sessions, the connection between topics is difficult to convey to students, and some topics would be more effectively introduced in elective courses (e.g., OMIS 3020 3.00 “Predictive Analytics,” OMIS 3670 3.00 “Spreadsheet-Based Decision Support Systems,” and OMIS 4000 3.00 “Prescriptive Analytics.”).

The replacement course to be titled “*Analyzing Data for Business Decisions*” introduces students to fundamental statistical thinking and methods for analyzing data to support decision-making using relevant software (e.g., Microsoft Excel). The course takes the view that data sets are actually the realization from a multidimensional and unknown probability distribution. As such, an introduction to probability theory is covered as well as the foundations of statistical inference including hypothesis testing and regression with both continuous and categorical outcomes. Emphasis is placed on understanding the assumptions that underlie these statistical techniques, the data they require, their implementation in the appropriate software environment, the ability to interpret and troubleshoot the results, and the managerial relevance of the findings.

The replacement course is much more focused on descriptive statistics (the first 10 lectures) as compared to the current version of MGMT 2050 3.00. This will help bolster the numeracy of the students and allow them to be more effective in their internships and summer positions. It will also better prepare them to perform statistical analysis in other areas of the business school such as Finance and Marketing. Only in the last two classes is time series analysis discussed – a predictive analytics technique that is relevant in supply chain management – so that interested students can get a flavor of what is covered in the next course in the data science sub-specialization offered by the OMIS department (i.e., OMIS 3020). As a result, the updated course provides a more focused footing for the data science pedagogy that the OMIS area is developing. Finally, the course addresses concern about progressing students forward as the more complex analytical topics are presented in the second year when students are more mature. They also have a more solid background with the updated version of MGMT 1050 3.00.

The format of the replacement course will also change to facilitate more independent course work, take advantage of new technological tools for teaching, and emphasize how quantitative analysis must be used to inform managerial recommendations. The course requires that students complete individualized online weekly exams. This will reduce instances of academic misconduct and ensure that students stay up-to-date on the course topics. This is vitally important as the course is designed to build upon topics that were taught earlier in the semester. Two take-home assignments will mimic data science work seen in industry, online competitions (e.g., [kaggle](#)), and in the data analyst job interview process. This deliverable will have students apply the quantitative analysis taught in class (to reinforce these ideas) in order to obtain business insight into complex and uncertain environments. Finally, a cumulative in-class final exam will assess students on holistic knowledge of the course content. This will further reinforce the integrated nature of the course content while objectively testing an individual’s individual ability.

Last, MGMT 2050 3.00 has been, and will likely continue to be, staffed and taught by faculty from the OMIS Area. As such, it makes more sense identify the course with the area responsible for course content and staffing. This will also allow OMIS faculty members to monitor the course in order to respond to changing market competencies. Hence, the proposed change to OMIS 2050 3.00 as the rubric.

6. If changing the course description, complete section below.

<i>CURRENT CALENDAR COPY</i>	<i>CLEARLY indicate the EXACT new text as it would appear in the calendar (60 words maximum)</i>
<p>Course Number: MGMT 2050 3.00</p> <p>Course Title: <i>Business Analytics II</i></p> <p>Short Course Title: <i>Business Analytics II</i></p> <p>Calendar Description: Managers use data to make critical decisions. Business analytics begins with data and transforms it into insights to aid organizational decision making and problem solving. This course builds on MGMT 1050 3.00, equipping students with the skills to select relevant information, to use analytics tools, to apply appropriate quantitative techniques and to critically evaluate results leading to better and faster fact-based decisions.</p> <p>Pre-requisite: MGMT 1050 3.00</p>	<p>New Course Number: OMIS 2050 3.00</p> <p>New Course Title: <i>Analyzing Data for Business Decisions</i></p> <p>New Short Course Title: <i>Analyzing Data</i></p> <p>New Calendar Description: Informed business decisions are supported by statistical analyses of data. This course builds on - OMIS 1050 3.00 and equips students with basic data science skills to select relevant information, apply statistical tools to obtain managerial insights, and critically evaluate the results to propose fact-based recommendations for business problems.</p> <p>Pre-requisite: OMIS 1050 3.00</p>

7. Approvals:


a) Originator

Adam Diamant Nov. 5, 2020
Signature Date

Adam Diamant
Name

b) Area or Specialization

I have reviewed this change form and I support the proposed changes to the course.


Signature Nov. 5, 2020
Date

M. Rungtusanatham OMIS
Name of Area Coordinator / Specialization Area or Specialization
Director

c) BBA/iBBA Committee

This course has received the approval of the BBA/iBBA Committee, and I support the addition of the course to the SSB curriculum.

Mike Valente Nov.13, 2020
Signature (Chair, BBA/iBBA Committee) Date

Course Outline

TERM 20xx

SECTION	DAY	TIME	ROOM (SSB)	BEGINNING	INSTRUCTOR
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Instructor Profile.

Instructor	Administrative Assistant
Instructor Office: S340 SSB Email: adiamant@schulich.yorku.ca Office Hours: Thursdays @ 12 pm – 2 pm	Paula Gowdie Rose Office: S337N SSB, Email: pgowdierose@schulich.yorku.ca Phone: 416-736-5074

Brief Description:

Informed business decisions are supported by statistical analyses of data. This course builds on OMIS 1050 3.00 and equips students with basic data science skills to select relevant information, apply statistical tools to obtain managerial insights, and critically evaluate the results to propose fact-based recommendations for business problems.

Prerequisites: OMIS 1050 3.00

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Course Learning Outcomes

Business analytics plays an important role in solving complex decision-making problems in both public and private organizations. Its success stories are numerous: it has improved the productivity of many companies, is responsible for substantial cost savings, is the backbone of quality improvement initiatives, and is the modern driver of strategic insight. A ubiquitous feature is the central role that data plays. That is, high-quality analytics rests on a fundamental appreciation of data; how it can be managed, transformed, and used to extract business insight and make managerial recommendations.

The purpose of this course is to provide students with an exposure to, and an appreciation for, the field of data science. It will teach students fundamental skills in the application of tools that support data analysis including probability, hypothesis testing, regression, and time series analysis. A wide range of case studies and applications will be discussed. The central theme will be to have all topics motivated by circumstances that require data-driven insight and evidence-based decision-making. Thus, students will develop a sense of how to approach complex problems of a technical nature.

The objectives of this course are:

- To understand the connection between data collection, sampling, probability, and inference.
- To introduce the main concepts in exploratory data analysis and descriptive analytics.
- To facilitate a deeper understanding of evidence-based decision-making using statistical models.
- To develop a proficiency with modern technological tools (e.g., Excel) for business analytics.
- To gain experience working with real datasets and give professional quality technical reports.
- To build foundational knowledge in the field of data science for business managers.

This course introduces students to the data science sub-specialization offered by the OMIS department. Subsequent courses in this sub-specialization are Predictive Analytics (OMIS 3020), Spreadsheet-Based Decision Support System (OMIS 3670), Database Management (OMIS 3730), Prescriptive Analytics (OMIS 4000), and Artificial Intelligence Fundamentals for Business (OMIS 4010).

Organization of the Course:

The course is organized into four parts. Each part will answer a fundamental statistical question:

- ***Lectures 1-3: Basics of Probability***
How can data be viewed as realizations from a probability distribution?
- ***Lectures 4-7: Hypothesis Testing***
How can data be used for statistical inference?
- ***Lectures 8-10: Regression Analysis***
How can data be used to estimate relationships?
- ***Lectures 11-12: Time Series***
How can data be used to forecast future performance?

This course is designed to help managers make decisions informed by quantitative analysis. As a consequence, it emphasizes the practical application of statistical tools rather than mathematical theory. To be successful, students will need to practice the techniques learned during lecture. This will be supported by in-class examples, weekly quizzes, take-home case studies, and an exam. Practice problems will be provided and students will be encouraged to work on building their skills by exploring them individually and in groups, applying the techniques to smaller problems to demonstrate their mastery in quizzes, and to more complex and open-ended problems in the case studies and final exam.

Additional Course Support

Email: E-mail the instructor with any questions about the course such as administrative issues, questions regarding the grading of the case studies, exams, final project, or if you have (very) brief questions about the material. **Please put OMIS 2050, your full name and brief heading (i.e., description of what the email is about) as the first part of the subject line in all e-mail correspondence.** Most emails will be responded to within two business days (48 hours) but if you do not get a response within this time frame, please send another email. For other issues including most concerns with the course material, please come speak with the instructor during office hours or request an appointment at a mutually beneficial time. Please be professional in all your email correspondence. For more information on how to write an effective and professional email, please see the following link:

<http://writingcenter.unc.edu/handouts/effective-e-mail-communication/>

Meetings and Office Hours: Students are invited to attend office hours on a drop-in basis. No prior appointments are required for scheduled office hours. Students can also meet with the instructor outside office hours by requesting an appointment (i.e., send an email to the instructor). If you cannot attend a scheduled appointment, notify the instructor as soon as possible. If you schedule an appointment and do not show up, this may affect your ability to schedule future appointments.

Course Announcements: All course emails and announcements will be posted in **Canvas**. This correspondence will be sent to the email account you have specified in your **Canvas** profile. **It is your responsibility to ensure that you have access to both sources of information and check each regularly.**

Course Material

Text: The potential textbooks for the course are given below. There are several additional resources that are recommended for learning reinforcement and for practice questions. Note that most texts are **free**.

(Required) Diez, D. M., Barr, C. D., and Cetinkaya-Rundel, M. (2012). *OpenIntro Statistics*.

<https://www.openintro.org/book/stat/>

(Required) Keller, G. (2015). *Statistics for Management and Economics (4th Edition), Abbreviated*. Cengage Learning. [Only Chapter 20]

(Optional) Holmes, A., Illowsky, B., and Dean, S. (2019). *Introduction to Business Statistics: OpenStax*

<https://opentextbc.ca/introbusinessstatopenstax/front-matter/preface/>

(Optional) Lau, S., Gonzalez, J., and Nolan, D. (2020). *Principles and Techniques of Data Science*.

<https://www.textbook.ds100.org/intro.html>

(Optional) Lindeløv, J.K. (2019). *Common statistical tests are linear models*.

https://lindeloev.github.io/tests-as-linear/#3_pearson_and_spearman_correlation

(Optional) Stevens, S. (2020). *Introduction to Statistics, Think & Do (Excel Implementation Only)*

<https://cosmosweb.champlain.edu/people/stevens/WebTech/>

Deliverables at a Glance

Course work includes the following deliverables: ten weekly quizzes, two group case studies, and one final exam. ***Marks will not be adjusted until all deliverables have been submitted and graded.***

Deliverable	Quantity	% Weight	Total %	Author
Online Quizzes	10	3	30	Individual
Case Reports	2	15	30	Groups
Final Exam	1	40	40	Individual

Online Quizzes: Each week, students will complete an online quiz worth 3% of their mark. The quizzes will be administered on **Canvas** and will cover material discussed in the previous lecture. Each quiz will take between 30 to 45 minutes to complete. There are a total of eleven quizzes; the best ten scores will be used to comprise the quiz mark (30%). ***All quizzes must be completed by the date and time specified. Late work will not be accepted.*** Exceptions will only be granted for medical and other serious emergencies with appropriate documentation. Please make every effort to let your instructor know in advance.

Case Reports: Two (2) take-home, case studies each worth 15%, will be assigned during the course. The first case study will require students to apply the material learned from lectures 1-5. The second case study will require students to apply the material learned from lectures 6-10. All cases, their due date and time, and detailed submission instructions, will be posted on **Canvas**. All instructions for the case studies are expected to be followed. Case studies are to be completed in groups of up to **three** members; one member should submit the case on **Canvas** before the designated due date. ***All case studies are due at the date and time specified; the exact date and time will be given in the case study and on Canvas. Late work will be penalized 15% per day up to a maximum of three days after which you will receive a mark of zero.*** Exceptions will only be granted for medical and other serious emergencies with appropriate documentation. Please make every effort to let your instructor know in advance (e.g., more than 24 hours before the case study is due) if your case study is going to be late – use email. Supporting documentation will be required as per the Schulich policy on missed tests and case studies.

Final Exam: During the exam period, students will write a 3-hour exam worth 40% of their final mark. The exam covers all topics taught in the course. Quantitative and qualitative questions can be expected and the exam may consist of several short answer and/or multi-part questions. Within 24 hours of missing a midterm examination, students must contact the Associate Director, Undergraduate Programs Unit at (416) 736-5060 and must also contact their course instructor. Formal, original documentation regarding the reason for missing the exam must be submitted to the Associate Director, Undergraduate Programs Unit (SSB Room W262) within 48 hours of missing the midterm exam. Students who miss a midterm exam due to illness must have their doctor complete an “Attending Physician’s Statement.” For more details, see: <http://www.registrar.yorku.ca/pdf/attending-physicians-statement.pdf>.

Course Participation: Although there is no formal participation mark, it is strongly suggested that you attend all sessions and actively participate in class. This ensures you get the most out of the course. Please be a positive influence on the classroom environment. This includes coming prepared to class, practicing active listening during lecture, participating in class discussions with insightful and constructive comments, engaging in classroom activities, and ensuring that all interactions with the instructor and your peers are respectful and courteous. Further, all interactions outside the classroom should be conducted in an appropriate manner. This includes, but is not limited to, well-written and polite email correspondences, and thoughtful and considerate office hour discussions.

Class-by-Class Syllabus

DATE/WEEK	TOPICS/ASSIGNED READINGS/ASSIGNED WORK DUE
Week #1	<u>The Fundamentals of Data Collection:</u> <ul style="list-style-type: none">• Data generating processes, data sampling, and frequencies.• Visualizing data (e.g., histograms) and the empirical distribution.
Week #2	<u>Interpreting Data Using a Probabilistic Lens:</u> <ul style="list-style-type: none">• Defining probability (e.g., frequency vs. Bayesian), PDFs, and CDFs.• Probability axioms, independence, permutations, and combinations.
Week #3	<u>Probability Laws and Descriptive Measures:</u> <ul style="list-style-type: none">• Joint, marginal, and conditional probability, and Bayes law.• Expectation, variance, skewness, mode, and standard deviation.
Week #4	<u>Discrete and Continuous Random Variables:</u> <ul style="list-style-type: none">• Population parameters versus sample statistics.• Probability distributions (e.g., binomial, geometric, Poisson, uniform, exponential, normal, student-t, lognormal) and their parameters.
Week #5	<u>Foundations of Statistical Inference:</u> <ul style="list-style-type: none">• Point estimates, sampling variability, and the central limit theorem.• Confidence intervals, z-score, p-values, and the normal distribution.
Week #6	<u>Hypothesis Testing: Inference for Categorical Data</u> <ul style="list-style-type: none">• Null hypotheses, alternative hypotheses, and type I/II errors.• Difference in proportions (e.g., z-test) and the Chi-square test.
Week #7	<u>Hypothesis Testing: Inference for Numerical Data</u> <ul style="list-style-type: none">• Difference in medians (e.g., t-test, Wilcoxon test, Mann-Whitney U).• (Optional) Multi-way analysis (e.g., ANOVA, ANCOVA).
Week #8	<u>Analyzing Univariable Models with Continuous Outcomes:</u> <ul style="list-style-type: none">• Correlation, covariance, and univariable linear regression.• Residual analysis, model fit, outliers, and statistical significance.
Week #9	<u>Analyzing Multivariable Models with Continuous Outcomes:</u> <ul style="list-style-type: none">• Multivariable linear regression and model selection.• Collinearity, interactions, and transformations.
Week #10	<u>Analyzing Models with Binary Outcomes:</u> <ul style="list-style-type: none">• Multivariable logistic regression and the odds ratio.
Week #11	<u>Time Series Forecasting:</u> <ul style="list-style-type: none">• Autocorrelation, partial autocorrelation, and stationarity.• Benchmarking (e.g., simple moving average, exponential smoothing).
Week #12	<u>Time Series Modeling:</u> <ul style="list-style-type: none">• Measures of forecasting accuracy (e.g., MAE, RMSE).• Time series regression with lagged dependent variables.

General Academic Policies: Grading, Academic Honesty, and Accommodations

Grades at Schulich are based on a 9-value index system. The top grade is A+ (9) and the minimum passing grade is D (2). To keep final grades comparable across courses, the average course grade within a section of an undergraduate course is normally between 5.5 and 7.0. The Schulich School does not use a percentage scale or prescribe a standard conversion formula from percentages to letter grades. Conversions within a course are at the discretion of the instructor. For more details on the index, grading policy, and grade point average (GPA) requirements, consult your student handbook.

Academic honesty is fundamental to the integrity of university education and degree programs, and applies in every course offered at Schulich. Students should familiarize themselves with York University's policy on academic honesty, which may be found on the Student Handbook and on the Student Services & International Relations Schulich website:

<http://schulich.yorku.ca/current-students/academic-honesty/>

Participating honestly in this academic community ensures that the York University degree that you earn will continue to be valued and respected as a true signifier of your individual work and academic achievement. All suspected cases of academic dishonesty will be investigated. If you have any questions as to what is and is not permitted, do not hesitate to contact the course instructor or your academic advisors. Potential offences include, but are not limited to:

In papers and case studies:

- Using someone else's ideas or words without appropriate acknowledgement (i.e., citations).
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts that are false (i.e., the claim is completely unsubstantiated).
- Obtaining or providing unauthorized assistance on any case studies (this includes collaborating with others on case studies that are supposed to be completed individual groups).

On test and exams:

- Using or possessing any unauthorized aids (e.g., cell phone, graphing calculators).
- Looking at someone else's answers at any time during the exam.
- Misrepresenting your identity or having another individual write your exam.
- Submitting an altered exam or case study for re-grading.

Misrepresentation:

- Falsifying institutional documents, grades or university documentation (e.g., medical notes).

Recording Lectures: Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless it is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, [Canvas](#) materials, etc. If permission is granted, it is intended for the individual student's own study purposes and does not include permission to "publish" them in anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

Accommodations: For accommodations sought due to conflicts, religious reasons, unavoidable absences or disabilities, please refer to the Student Handbook or contact Student Services. For counseling & disability services, contact Student Services or see <http://cds.info.yorku.ca/>.

Quick Reference: Summary of Content and Readings

General Topics	Readings	Deliverables
1. Fundamentals of Data Collection	Diez et al. (Chapter 1 and 2)	-
2. Interpreting Data Using a Probabilistic Lens	Diez et al. (Chapter 3 – 3.1)	Quiz #1
3. Probability Laws and Descriptive Measures	Diez et al. (Chapter 3.2 – 3.5)	Quiz #2
4. Discrete and Continuous Random Variables	Diez et al. (Chapter 4)	Quiz #3
5. Foundations of Statistical Inference	Diez et al. (Chapter 5)	Quiz #4
6. Inference for Categorical Data	Diez et al. (Chapter 6)	Quiz #5 Case Study #1
7. Inference for Numerical Data	Diez et al. (Chapter 7)	Quiz #6
8. Univariable Regression	Diez et al. (Chapter 8)	Quiz #7
9. Multivariable Regression	Diez et al. (Chapter 9 – 9.4)	Quiz #8
10. Logistic Regression	Diez et al. (Chapter 9.5)	Quiz #9
11. Time Series Forecasting	Keller (Chapter 20)	Quiz #10 Case Study #2
12. Time Series Modeling	Keller (Chapter 20)	Quiz #11

**York University
Schulich School of Business
Form for Modification of an Existing BBA/iBBA Course**

This form is not used for new course proposal. Be sure to outline changes, providing information the nature of the change, including course content, from the current version in the rationale section of this form.

1. Current Course number and Credit Value:

OMIS 2010 3.00

2. Course Title:

a) Long Course Title

Operations Management

b) Short Course Title (if a change in the course title is requested)

Operations Management

3. Requested Effective Academic Term of the Change: *Fall 2021*

Submitted by: *M. Rungtusanatham*

4. Nature of change: Check all that apply:

X	Pre-requisite and/or Co-requisite Course(s) and/or Exclusions
X	Course Title*
	Course Level and/or Course Number
X	Course Calendar Description*
X	Course Topics/Content*
	Course format/mode of delivery*
	Cross-listing (attach statement of approval from other programme)
	Retire/expire the Course
	Other—Specify:

*If any of these * changes are made please also attach the new course outline.

5. Details and Rationale for the change(s)

The current OMIS 2010 3.00 spends 5 out of 12 weeks on linear programming (LP) and integer programming (IP), formulation of LP and IP problems, and solving and analyzing LP-type and IP-type formulations of business problems. These topics introduce quantitative tools that can be used to structure many types of business problems, not just those unique to operations and supply chain management. The remaining weeks provide limited exposure to quality, inventory, queuing, and project management without

an overarching framework as to the core problems and decisions that operations and supply chain management professionals encounter on a routine basis.

The revised OMIS 2010 3.00 enlarges the latter exposure by expanding topical coverage to include operations and supply chain strategy, capacity management, process design and analysis (including lean), sourcing, and logistics management. Such coverage completes an introduction to typical problems and decisions that operations and supply chain management professionals encounter on a routine basis. Specific problems that can be structured as LP and/or IP formulations (e.g., assignment problem for allocating capacity, vehicle routing problem for transportation and logistics, etc.) will be introduced.

The revision to OMIS 2010 3.00 will support future changes to elective offerings that produce strong OMIS graduates for entry-level positions across diverse industries managing inventory, sourcing and suppliers, quality improvement, process improvement, resources to produce goods and services, etc.


Note that with the revised OMIS 2010 curriculum no longer requires SB/MGMT 1050 3.00 to be a pre-requisite. The content is deliverable with minimal exposure to the content of the current SB/MGMT 1050 or its revisions.

6. If changing the course description, complete section below.

<p><i>CURRENT CALENDAR COPY</i></p>	<p><i>CLEARLY indicate the EXACT new text as it would appear in the calendar (60 words maximum)</i></p>
<p>Long Course Title: <i>Operations Management</i></p> <p>Short Course Title: <i>Operations Management</i></p> <p>Calendar Description: Examines a broad range of concepts using management science models, particularly as they pertain to production and operations management. The course emphasizes techniques, but also strives to convey an appreciation of how these techniques can be used to solve problems in operations and planning.</p> <p>Pre-requisite: SB/MGMT 1050 3.00</p>	<p>New Long Course Title: <i>Introduction to Operations and Supply Chain Management</i></p> <p>New Short Course Title: <i>Operations and Supply Chain Management</i></p> <p>New Calendar Description: This course introduces concepts, principles, and techniques that can be leveraged to analyze, control, and improve critical processes responsible for efficiently making and delivering goods and services. These critical processes reside in manufacturing and service, for-profit and non-profit organizations. Operational and supply chain challenges, as well as various conceptual aids and quantitative techniques to cope with these challenges, are discussed.</p> <p>Pre-requisite: None</p>


7. Approvals:

a) Originator

 _____ Signature	<i>Nov. 5, 2020</i> _____ Date
<i>M. Rungtusanatham</i> _____ Name	

b) Area or Specialization

I have reviewed this change form and I support the proposed changes to the course.

 _____ Signature	<i>Nov. 5, 2020</i> _____ Date
<i>M. Rungtusanatham</i> _____ Name of Area Coordinator / Specialization Director	<i>OMIS</i> _____ Area or Specialization

c) BBA/iBBA Committee

This course has received the approval of the BBA/iBBA Committee, and I support the addition of the course to the SSB curriculum.

<i>Mike Valente</i> _____ Signature (Chair, BBA/iBBA Committee)	<i>Nov. 13, 2020</i> _____ Date
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OMIS 2010 3.00: Introduction to Operations and Supply Chain Management



Course Outline

TERM 20xx

SECTION	DAY	TIME	ROOM (SSB)	BEGINNING	INSTRUCTOR
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Instructor Profile

Instructor	Administrative Assistant
Instructor Office: S340 SSB Email: adiamant@schulich.yorku.ca Office Hours: Thursdays @ 12 pm – 2 pm	Paula Gowdie Rose Office: S337N SSB, Email: pgowdierose@schulich.yorku.ca Phone: 416-736-5074

Brief Description:

This course introduces concepts, principles, and techniques that can be leveraged to analyze, control, and improve critical processes responsible for efficiently making and delivering goods and services. These critical processes reside in manufacturing and service, for-profit and non-profit organizations. Operational and supply chain challenges, as well as various conceptual aids and quantitative techniques to cope with these challenges, are discussed.

Prerequisites: NONE

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Course Learning Outcomes

Suppose that OMEGA is in the business of manufacturing and selling brake pads. To be successful and survive, OMEGA has to develop strategies, make decisions, and solve problems to ensure the effective and efficient flow of quality materials, as well as the requisite knowledge that accompany these materials, through its supply chain. Its supply chain comprises (a) different, often multi-tiered, layers of organizations who supply OMEGA, (b) OMEGA itself, and (c) different, often multi-tiered, layers of organizations who deliver what OMEGA manufactures into the hands of the customer. The operations (and supply chain) function within OMEGA is responsible for the creation and delivery of brake pads to customers. This function typically accounts for 75% of any organization's total investment, comprises 80% of its personnel, and controls at least 85% of its expenditures for materials and equipment. Its goal is *right*⁶_{TM}:

- To provide products and/or services with the *right level of quality* to the *right customer* in the *right quantity*, at the *right place*, at the *right time*, and for the *right cost (or price)*.¹

OMIS 2010 Introduction to Operations and Supply Chain Management provides students with an understanding as to how effective operations and supply chain management contributes to the competitiveness and survival of an organization. Students will be introduced to concepts, principles, and techniques that can be leveraged to analyze, control, and improve critical processes responsible for efficiently making and delivering goods and services without losing sight of *right*⁶_{TM} as the goal. These critical processes reside in manufacturing, as well as service, organizations; these critical processes are evident in for-profit, as well as non-profit, organizations. Students will be exposed to key operational and supply chain challenges having strategic and tactical implications, as well as various conceptual aids and quantitative techniques to cope with these challenges. While quantitative techniques are discussed, the focus is on using these techniques to help make informed decisions to overcome operational and supply chain challenges. The course explicitly recognizes that the operations (& supply chain) function is embedded within an organization that is, itself, embedded within supply chains and, therefore, adopts a "systems" perspective in presenting relevant issues, problems, and decision tools.

At the end of the courses, students can:

1. Identify how the operations (and supply chain) function contributes to the overall competitiveness of any organization.
2. Define the different components of the operations (and supply chain) function in different types of organizations – manufacturing or service; non-profit or for-profit; private or public.
3. Recognize problems and decisions facing processes and how these problems and resolution decisions relate to and affect other processes within the organization.

¹ *right*⁶_{TM} and what it stands for is trademarked to Professor M. Rungtusanatham.

4. Apply various conceptual aids and quantitative techniques to improve processes by structuring, analyzing, and provide initial solutions to complex problems facing operations (and supply chain) managers.

Course Learning Environment

OMIS 2010 is designed to maximize active learning. Active learning engages students in the sharing of knowledge and the demonstration of acquired understanding of knowledge.

Class time will be used to:

- Deliver lectures about relevant topics
- Discuss real-world events, thought-provoking questions, and video materials
- Analyze business cases
- Demonstrate technical or quantitative content
- Engaged in hands-on simulations

Students should read assigned materials to support their understanding of the material. They should be also prepared to actively participate in class discussions. Students are encouraged to work on practice problems. Students are free to solve other problems from the text or other sources, as well as to try any additional problems posted on **Canvas**. **Canvas** is the online learning management system for Schulich.

You will be treated like a responsible adult who knows best how to manage his or her competing priorities. There is a historically strong correlation between class attendance and student performance on exams. As such, class attendance is strongly encouraged.

All course emails and announcements will be posted in **Canvas**. This correspondence will be sent to the email account you have specified in your **Canvas** profile. ***It is your responsibility to ensure that you have access to both sources of information and check each regularly.***

Course Materials

1. Text

A textbook is required for this course and is available for purchase from the York University bookstore (<http://bookstore.blog.yorku.ca>):

- [Operations Management: Creating Value Along the Supply Chain, 2nd Canadian Edition, Roberta S.Russell, Bernard W.Taylor, Tiffany Bayley, Ignacio, 2019 Wiley.](#)

2. Other Materials

All other materials will be available from **Canvas**, including lecture slides, practice problems and information regarding additional readings. Check it frequently!

IMPORTANT . . . Course materials, such as lectures, PowerPoint slides, tests, course notes, outlines, and similar materials, are protected by copyright. You may take notes and make copies of course materials for your personal use. However, you may not reproduce or distribute the course materials (e.g. uploading that content to a commercial website) without written permission.

Third party copyrighted materials (such as book chapters, journal articles, music, videos, etc.) have either been licensed for use in this course or fall under an exception or limitation in Canadian Copyright law. Copying this content for distribution may lead to a violation of Copyright law.

Student Evaluations

Your Final Course Grade will be computed based on the following evaluation categories and subject to the **General Academic Policies**:

1.	Course Participation	Individual	10 points
2.	Quizzes & Homework Problems	Individual	20 points
3.	Team-Based Case Assignments (20% Total)		
	• Team-Based Case Assignment	Team	20 points
4.	Exams (50% Total)		
	• Mid-Term Exam	Individual	20 points
	• Comprehensive Final Exam	Individual	30 points
			100 points

Class-by-Class Syllabus

DATE/WEEK	TOPICS/ASSIGNED READINGS/ASSIGNED WORK DUE
Week 1	Operations and Supply Chain Management: Introduction and Strategic Implications <ul style="list-style-type: none"> • Read Chapters 1 and 10
Week 2	Describing Transformation Processes <ul style="list-style-type: none"> • Read Chapter 6
Week 3	Managing Capacity I: Long Term Capacity Decisions <ul style="list-style-type: none"> • Read Chapter 7
Week 4	Managing Capacity II: Sales, Inventory, and Operations Planning <ul style="list-style-type: none"> • Read Chapters 14 and 15 • Review "Assignment Method"
Week 5	Technical Support: Linear Programming <ul style="list-style-type: none"> • Read Chapter S14
Week 6	Managing Capacity III: Service Context and Queuing <ul style="list-style-type: none"> • Read Chapters 5

	<ul style="list-style-type: none"> Review “Waiting Line Models”
Week 7	Managing Inventory <ul style="list-style-type: none"> Read Chapter 13
Week 8	Managing for Quality <ul style="list-style-type: none"> Read Chapters 2 and 3
Week 9	Sourcing Goods and Services <ul style="list-style-type: none"> Read Chapter 11
Week 10	Transporting and Distributing Goods and Services <ul style="list-style-type: none"> Read Chapters 11 and S11
Week 11	Managing Projects <ul style="list-style-type: none"> Read Chapter 9
Week 12	CAPSTONE Case: Unifine Richardson (or Equivalent from Textbook)

General Academic Policies: Grading, Academic Honesty, and Accommodations

Grades at Schulich are based on a 9-value index system. The top grade is A+ (9) and the minimum passing grade is D (2). To keep final grades comparable across courses, the average course grade within a section of an undergraduate course is normally between 5.5 and 7.0. The Schulich School does not use a percentage scale or prescribe a standard conversion formula from percentages to letter grades. Conversions within a course are at the discretion of the instructor. For more details on the index, grading policy, and grade point average (GPA) requirements, consult your student handbook.

Academic honesty is fundamental to the integrity of university education and degree programs, and applies in every course offered at Schulich. Students should familiarize themselves with York University’s policy on academic honesty, which may be found on the Student Handbook and on the Student Services & International Relations Schulich website:

<http://schulich.yorku.ca/current-students/academic-honesty/>

Participating honestly in this academic community ensures that the York University degree that you earn will continue to be valued and respected as a true signifier of your individual work and academic achievement. All suspected cases of academic dishonesty will be investigated. If you have any questions as to what is and is not permitted, do not hesitate to contact the course instructor or your academic advisors. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement (i.e., citations).
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts that are false (i.e., the claim is completely unsubstantiated).
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aids (e.g., cell phone, graphing calculators).
- Looking at someone else's answers at any time during the exam.
- Misrepresenting your identity or having another individual write your exam.
- Submitting an altered exam or assignment for re-grading.

Misrepresentation:

- Falsifying institutional documents, grades or university documentation (e.g., medical notes).

Recording Lectures: Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless it is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, [Canvas](#) materials, etc. If permission is granted, it is intended for the individual student's own study purposes and does not include permission to "publish" them in anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

Accommodations: For accommodations sought due to conflicts, religious reasons, unavoidable absences or disabilities, please refer to the Student Handbook or contact Student Services. For counseling & disability services, contact Student Services or see <http://cds.info.yorku.ca/>.

New Course Proposal: EMBA 6175: Omnichannel Business

1. Program: Kellogg-Schulich Executive MBA

2. Course Number: EMBA 6175

3. Credit Value: 2.0

4. Long Course Title: Omnichannel Business

5. Short Course Title: Omnichannel Business

6. Effective Session: Spring 2021

7. Calendar (Short) Course Description:

This course focuses on how Omnichannel Business can be used to realize consumer-centric growth in the digital age. With the core topics Omnichannel Strategy, Omnichannel Marketing, and Omnichannel Sales the course conveys a conceptual framework, theoretical foundations, as well as numerous practical applications of Omnichannel Business.

8. Expanded Course Description:

Students participating in this course will gain 32 key insights into how Omnichannel Business can be used to realize consumer-centric growth in the digital age. These insights cover the core topics of Omnichannel Strategy (including challenges resulting from the digital age, specific strategies and consumer analytics), Omnichannel Marketing (including product, category and price management as well as cross-media communication), and Omnichannel Sales (including relationship management and fulfillment). The course conveys a conceptual framework, theoretical foundations, as well as numerous practical applications of Omnichannel Business, with lectures given by several guest speakers in addition to Professor Fassnacht.

9. Rationale:

Digitalization in all its technological facets is going to radically change the traditional retail landscape. New players enter the market and challenge business models of established companies. Consumers adapt their purchasing behavior and increasingly expect a seamless shopping experience. Simultaneously, the influence of companies on consumers decreases due to the Internet's information transparency. Companies must adapt to this changing environment if they want to successfully face digital transformation. With its specific focus digitization in retail, this course will complement other global electives in the program, namely the one taught at Schulich on digital strategy.

10. Evaluation:

Assessment for this course is based on a take-home exam, with students asked to prepare an essay on how they would approach several case questions covering major issues of Omnichannel Business. Details on deadlines, formats, and requirements will be provided in class.

11. Integrated Courses:

This course is not integrated.

12. Crosslisted Courses:

This course is not crosslisted.

13. Faculty Resources:

This course will be taught by Dr. Martin Fassnacht, Professor and Holder of the Otto Beisheim Endowed Chair of Marketing and Commerce, Academic Director of the WHU MBA program, Speaker of the Marketing and Sales Group and Scientific Director of the Center for Market-oriented Corporate Management (CMM) at WHU – Otto Beisheim School of Management in Düsseldorf. Furthermore, he is the Chairman of the Advisory Board of Henkel Center for Consumer Goods (HCCG) and Strategic Advisor for Consumer Goods Manufacturers and Retailers. His research focuses on the fields of Price Management, Brand Management, as well as Retail Marketing and Omnichannel Business. Both his research and the courses have a strong practical relevance due to the close cooperation with renowned companies such as Henkel, L'Oreal, BMW, Douglas, Adidas, Facebook, dfv Mediengruppe and Vorwerk. Three years in a row (2017-19), the *Frankfurter Allgemeine Zeitung* listed Professor Dr. Martin Fassnacht in its Economist Ranking among the 100 most influential economists in Germany.

14. Physical Resources:

This course will be offered annually during a global elective week of the Kellogg WHU EMBA program at the Otto Beisheim School of Management in Vallendar, Germany, which will provide all the necessary physical resources before, during and after the course.

15. Bibliography and Library Statement:

All required cases and readings will be made available to participants by the Kellogg WHU program before and during the course either in hard copy or through their Learning Management System, to which our students will be granted access. Further readings can be accessed remotely via the York University Library, which also allows electronic access to relevant readings and toolkits (see the attached statement).

MEMORANDUM
Peter F. Bronfman Business Library

SUBJECT: Library Statement for EMBA 6175 – Omnichannel Business

FROM: Stephanie Quail, Business Librarian

DATE: November 9, 2020

EMBA 6175 – Omnichannel Business is a proposed new EMBA course. The course will be offered at the Otto Beisheim School of Management in Germany and prepares students to use omnichannel strategies to grow businesses in the digital retail landscape.

Required Readings

The proposed course outline does not mention specific articles or books. However, the final assignment in the course will consist of a take-home exam which uses case study questions. Since this is an EMBA course, the students will be provided with all of the course reading materials, including the take-home exam materials.

Additional Resources

While York University Libraries (YUL) is not required to support this course directly, the library subscribes to key online resources that students may wish to consult when they complete their coursework. These resources are available remotely to all registered students. YUL's [Market Research guide](#) and [Advertising guide](#) are useful starting points, as they highlight key online resources the library subscribes to such as:

- **eBook and electronic article content** can be accessed through YUL's Omni search interface. This discovery layer allows for students to input keywords or article / book titles and locate relevant articles and eBooks. Some suggested search terms include, *Omnichannel; Electronic commerce; and Digital customer.*
- **Business scholarly and industry article databases** such as ProQuest Business and Business Source Complete (includes Harvard Business Review articles) can also be accessed remotely by students to limit their search to business-specific article content.
- **Major national and international business news articles** are available through Factiva, including the *Wall Street Journal, the Globe and Mail, the New York Times, and the Washington Post.* YUL also subscribes to Nexis Uni, which provides access to a wide variety of business news content.
- **Business research databases** such as Passport, Marketline Advantage, and IBISworld provide students with access to high-quality business research reports that can help them better understand markets, industries, companies, and customers.

Finally, students may want to consult some of the self-paced online learning modules on the [Business Research at York Toolkit website](#). This website provides students with access to short videos and step-by-step PDF resources that show students how to search the library's business databases more effectively.

Omnichannel Business

by
Professor Martin Fassnacht

EMBA 2021 (May 5th – 10th), European Elective

I. Course Instructor:

Prof. Dr. Martin Fassnacht
Chair of Strategy and Marketing
WHU – Otto Beisheim School of Management
Erkrather Str. 224a, 40233 Düsseldorf
Phone: +49-211-44709-441
E-Mail: martin.fassnacht@whu.edu

II. Learning objective:

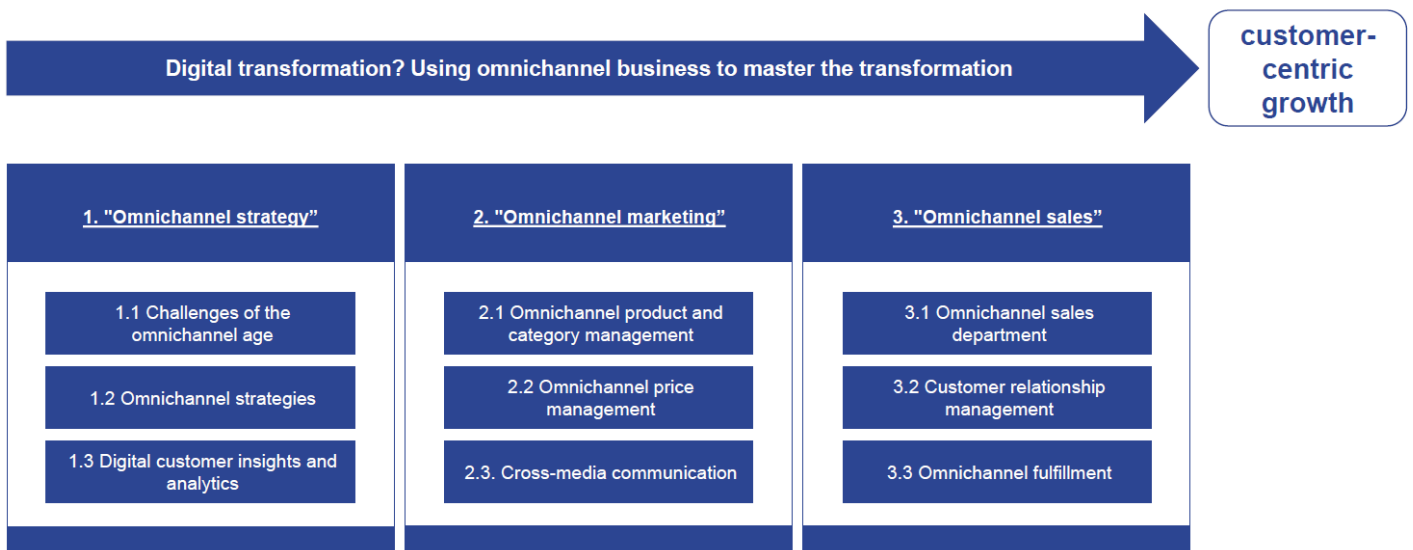
Digitalization in all its technological facets is going to radically change the traditional retail landscape. New players enter the market and challenge business models of established companies. Consumers adapt their purchasing behavior and increasingly expect a seamless shopping experience. Simultaneously, the influence of companies on consumers decreases due to the Internet's information transparency.

Companies must adapt to this changing environment if they want to successfully face digital transformation. This course focuses on how Omnichannel Business can be used to realize consumer-centric growth in the digital age. With the core topics Omnichannel Strategy, Omnichannel Marketing, and Omnichannel Sales the course conveys a conceptual framework, theoretical foundations, as well as numerous practical applications of Omnichannel Business.

III. Course content:

1. Lectures by Professor Fassnacht

The lecture is organized into 32 Key Insights (see below) on Omnichannel Business. These insights are grouped around following structure:



2. Guest lectures

In addition to Prof. Fassnacht, several guest speakers will be giving lectures.

3. Take-home exam

At the end of the course you will be given several case questions covering major issues of Omnichannel Business. You will be assigned to prepare an essay on how you would approach some of these case questions. Details on deadlines, formats, and requirements will be discussed in class.

IV. 32 Key Insights on Omnichannel Business:

- 1 The companies' influence on shoppers decreases.
- 2 New players and start-ups are entering all channels as "Digital Invaders", challenging established manufacturers and retailers.
- 3 The lines between manufacturers, platforms, and retailers become blurred.
- 4 Technological developments revolutionize payment processing and logistics.
- 5 The digitalization enables customer integration in all areas of the value chain.
- 6 Successful omnichannel strategies are individually tailored to companies and customer needs.
- 7 Successful omnichannel strategies allow shoppers to combine different channels.
- 8 Successful omnichannel strategies create theme-centered ecosystems for shoppers.
- 9 Successful omnichannel strategies connect the offline- and online-world.
- 10 Strategic partnerships in sales channels can reduce cannibalization effects.
- 11 The possibilities for customer relationship management grow with the availability and analysis of data.
- 12 If you know how to do it, big data offers the possibility to generate extensive customer insights.
- 13 Category Management must become more customer-oriented to keep shopping fun and convenience.
- 14 Take a chance on more customer integration and customer interaction.
- 15 Everything that can be digitalized, will be digitalized.
- 16 New technologies will further increase price transparency, but also offer opportunities for profit optimization.
- 17 Omnichannel pricing does not mean that prices must be consistent across all channels.
- 18 Increase profits with predictive analytics and dynamic pricing.
- 19 Digitalization and innovative technologies create opportunities for completely new pricing models.
- 20 Today's customers expect interaction across all channels, with all kinds of devices, at any time.
- 21 Gain attention and customers with content – but to do so, content needs to be relevant and helpful.
- 22 Push social media through new technologies and cooperations.
- 23 The sales department has to digitalize and reinvent itself if it wants to remain relevant for customers.
- 24 Mobile/social commerce will take the e-commerce channels to a new level of growth.
- 25 Successful omnichannel strategies and cooperation create more presence and customer proximity.
- 26 When generating leads, quality is crucial – investments in customer dialogue only pay off for actual prospects.
- 27 The overall decline in customer loyalty and customers' focus on convenience make it difficult to build genuine loyalty.
- 28 Digitalization enables completely new levels of automatization in marketing and communication processes.

- 29 Besides price and product selection, fast, customer-oriented, and transparent delivery is the biggest success factor in the omnichannel business.
 - 30 The trend goes towards making the payment process even simpler and faster and, if possible, separating it from the act of purchase.
 - 31 Bridging the "last mile" requires creativity and technical innovations.
 - 32 New technologies will increase control and transparency in the supply chain.
-

Course Change Proposal – Mergers & Acquisitions, LBOs and Other Reorganization Methods

The following information is required for all course change proposals at the undergraduate and graduate level. To facilitate the review/approval process, please use the headings below (and omit the italicized explanations below each heading).

1. Program

Kellogg-Schulich Executive MBA Program

2. Course Number and Credit Value

EMBA 6035 2.00

3. Course Title

a) Long Course Title

Mergers & Acquisitions

b) Short Course Title

Mergers & Acquisitions and Other Reorganization Methods

4. Existing Pre-requisites/Co-Requisites

N/A

5. Type of Course Change (indicate all that apply)

<input type="checkbox"/>	in course number
<input checked="" type="checkbox"/>	in credit value (provide course outline)
<input type="checkbox"/>	in course title (provide course outline; short course titles may be a maximum of 40 characters, including punctuation and spaces)
<input type="checkbox"/>	in course description (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense)
<input type="checkbox"/>	in learning objectives/outcomes (please append the program's existing learning outcomes as a separate document)
<input type="checkbox"/>	in integration (provide statement of approval from other program)
<input type="checkbox"/>	in cross-listing (provide statement of approval from other program)
<input type="checkbox"/>	in pre/co-requisite
<input type="checkbox"/>	expire course
<input type="checkbox"/>	other (please specify)

6. Effective Session of Proposed Change(s)

Winter 2021

7. Academic Rationale

This EMBA course used to be taught as a shortened version of an MBA course at Kellogg (see the attached MBA syllabus) with a 2-credit value. It has now been expanded to include the vast majority of the topics taught in this MBA course (as well as the associated readings), though in a condensed time frame, which explains the lower number of assignments compared to the MBA course. This overall expansion justifies the increase of the credit value to 4.

8. Proposed Course Information

Existing Course Information (Change from)	Proposed Course Information (Change to)
<i>Course Credits: 2</i>	<i>Course Credits: 4</i>

9. Consultation

N/A

Originator

Jose Maria Liberti _____
Signature Date

Jose Maria Liberti _____
Name Area or Specialization

Approvals:

Area or Specialization

I have reviewed this change form and I support the proposed changes to the course.

Matthias Kipping _____
Signature Date

Matthias Kipping _____
Name Kellogg-Schulich Executive MBA
Area or Specialization

Degree Program

I have reviewed this change form and I support the proposed changes to the course.

Matthias Kipping _____
Signature Date

Matthias Kipping _____
Name of Program Director Kellogg-Schulich Executive MBA
Program

Program Committee

This course change has received the approval of the relevant Program Committee.

Marcia Annisette

Signature

November 17, 2020

Date

Marcia Annisette

Name of Committee Chair

Kellogg-Schulich Executive MBA

Committee

Required Attachments

- For changes in the number of credits, course title or course description, please attach the Schulich course outline (which must conform to program norms; see the Program Assistant for details).
- For cross-listed / integrated courses, please include a signed statement of agreement from the director of the other graduate course / other degree program.

Send to

Send an electronic copy of all forms and attachments, and forward emails of support from other faculty members, to the appropriate program committee secretary.

Kellogg School of Management Northwestern University

FINCX 477: Mergers & Acquisitions, LBOs and Other Reorganization Methods
Winter 2021

José María Liberti

COURSE SYLLABUS

[Draft 20201016]

[Please do NOT distribute to Students]

A. Aims and Objectives

The course involves the analysis of corporate restructuring strategies including mergers, acquisitions, and takeovers, financial re-capitalization, leveraged buyouts (LBOs), going private, and reorganization under bankruptcy. The course integrates the corporate governance and agency dimensions, financial and strategic management aspects, and legal and accounting considerations into a unified framework for investigating issues such as, pre-merger planning, fact-finding, accounting and tax implications, anti-trust problems, post-merger integration, and short-term and long-term shareholder wealth consequences of financial and organizational restructuring transactions. The course combines applied theoretical approach with the case study method through detailed analysis of domestic restructuring cases. The focus will be on fundamental concepts of valuation and analytical tools of corporate finance related to restructuring transactions in a dispersed shareholder framework.

The aim of the course is for the students to understand the motivations, decision processes, transaction execution, and valuation consequences of financial, business, and organizational restructuring by corporate units. The course facilitates developing ability among students to plan, evaluate, and execute corporate restructuring strategies using financial modeling and quantitative techniques. In addition, an objective of this course is to enable students to appreciate the fundamental issues involved in the structure and functioning of the market for corporate control within the framework of finance theory. The course is designed so as to create an interface or link between the academic and the practitioner perspectives of various dimensions of corporate restructuring process.

Who Should Take This Course? The course is aimed at students planning to work for investment banks and corporate advisory firms involved in business restructuring and turnarounds, mergers and acquisitions, and financial reorganization transactions. The course offers a comprehensive strategic perspective, a framework of conceptual and theoretical paradigms, and applied tools for deal design and corporate valuations that may facilitate students establishing their own consulting and advisory services.

At the completion of the course the students will have developed a capability to accomplish the following:

- *Master the language and processes of M&A.* Basic knowledge about the field of M&A is the

foundation for effective work in a wide range of fields including corporate development, investment banking, consulting, and advising senior management. Class case discussions, the books and articles, the lecture slides and the practical experience of the instructor will help you master the basics.

- *Identify M&A issues worth of attention.* For example, in today's environment Corporate Restructuring, Corporate Reorganization, Private Equity and Leveraged Buyouts seem to be the most relevant. The next stage of professional competency is to develop an instinct for the problems and opportunities in an M&A situation. This course highlights elements in the structure and process of every M&A transaction that deserve professional scrutiny.
- *Analyze both M&As and LBOs transactions rigorously.* Valuation analysis is the core skill in M&A and is supplemented by analyses of strategy, dilution, financing, and risk management. The course will exercise analytics in these areas.
- *Develop a concept and design deals.* All transactions begin with the spark of an idea. Translating that idea into a concrete proposal takes hard work. Doing so teaches a lot about the drivers of M&A success, where value will be coming from (the asset side or liability side of the balance sheet) and the elements of deal design. Designing a transaction requires skills of analysis and negotiation. We will survey a number of analytic tools, and then exercise them. Solving and modeling each case will teach you a great deal about the design process. We will survey some strategic frameworks useful in M&A, and the steps necessary to translate a concept into a solid proposal.
- *Form an opinion about a proposed deal.* The key aim of the course is to create an ability to think *critically*, rather than becoming specialists of one particular area of M&A and Private Equity. Training in M&A should settle for nothing less. We will review a framework about deal design, and apply it to several cases.

The subject is complex, competition in M&A and Private Equity is intense, and the consequences of error are large. If you tackle this course earnestly, you will learn a great deal. At the same time, your learning will be deeper and more effective if you engage the course in the spirit of invention and curiosity rather than for the sake of a "grade." The course will argue that deal design is fundamentally a *creative* effort. The best creativity happens in an environment that is both demanding and fun. I will intend and do my best to promote this; you should too.

B. Learning Outcomes

The learning goals of the course are given by the following:

- Develop an all-inclusive analytical framework for planning corporate restructuring transactions:
 - Explain the structure and functioning of market for corporate control.
 - Identify major market forces generated and corporate specific opportunities for creating value through corporate restructuring transactions.
 - Evaluate the objectives and motivations of various stakeholders: shareholders, managers, bondholders and employees among others behind restructuring activities.
 - To be able to utilize forecasting tools to quantify future cash flows and capital needs.

- To be able to identify and estimate value of operational, financial, and managerial synergies and incorporate those into the deal value calculations.
- Demonstrate knowledge of deal negotiation process and deal documentation.
- From an investor perspective, be able to negotiate with other players pre- and post-deal structuring.
- Identify and resolve conflicting issues in the target/acquirer relationship.
- Understand how corporate restructuring creates value; when it makes sense for a company to restructure; and what kind of most restructuring is most appropriate for dealing with a given problem.
- To be able to identify what issues and challenges managers have to deal with when implementing a restructuring and to ensure the goals of the restructuring strategies are achieved.
- Explain various legal and regulatory provisions as they impact the choice and performance implication of various restructuring transactions.
 - Evaluate available alternatives- deal structures and terms- for various corporate combinations to achieve positive value consequences given the US and global regulatory parameters.
 - Analyze implications of tax, fair trade practices, and securities laws for deal design and implementation.
 - Be able to design a “Win-Win” deal for both the parties involved in a corporate combination transaction.
- Be able to conduct valuation of the mergers, acquisitions, and corporate divestitures.
 - Use due diligence process to identify and strategically evaluate a target or an acquisition offer.
 - Apply various valuation methodologies to quantify the financial impact of restructuring transactions.
 - As an acquirer, conduct comparative valuation of various targets to arrive at different offer price scenarios.
 - From a target perspective, apply well accepted finance concepts like risk-return trade-off, cost of capital, capital structure, equity risk premium, and CAPM framework to evaluate acquisition proposals.
 - Quantify value implications of various financing alternatives and payment methods.
- Analyze various corporate governance structures and agency conflicts and their implications for corporate investors and hence market value of the firm in question.
 - Identify variety of exit modes for incumbent managements and boards of target firms.
 - As an acquirer, design various takeover tactics in a manner so as to minimize value loss to either the target, or the acquirer or the combined post-merger entity. Be able to minimize adverse impact of takeover defense provision in the target firm.
 - As a target, evaluate and redesign existing takeover defense mechanisms to maximize positive value consequences of a particular deal.
- Design and implement going private/ leveraged buyout transactions including being able to identify alternative sources of capital and planning post LBO reorganization plan.
 - Learn how to calculate IRR to sponsors.

- Using the LBO model as a backward induction tool, determine the maximum amount of equity that a Private Equity firm may be willing to offer in an LBO transaction.
- Explain various factors leading to financial distress and be able to evaluate alternatives available to restore to financial health.
 - Evaluate *pros* and *cons* of Chapter 11 (Reorganization) and Chapter 7 (Liquidation) restructuring options and their wealth consequences for various stakeholders in the firm.
 - Analyze the advantages and disadvantages of “363 sales” in fraud-driven bankruptcies.
 - Explore the role of controlling and minority shareholders in closely-held firms and the extraction of private benefits of control.
- Be able to analyze financial and legal aspects unique to cross-border restructuring transactions and incorporate those aspects into deal design and implementation.

C. Focus of Study: Scope of Ideas and Topics

M&A will draw on cases and examples with the following leanings:

- The large publicly held corporation headquartered in the U.S.
- Mainly oriented to finance, though the course will draw in contributions from accounting, law, business strategy, organizational behavior, and the role of incentives of each of the players involved in the transaction.
- Primary attention will be given to U.S. laws and regulations.
- Mainly oriented to transaction design, rather than the development of long-term policies.

Success in M&A is defined first and foremost in the creation of economic value or *unlocking* value. This value may come from different sources, such as, enhanced financial stability, improved competitive position, strengthened organization, enhanced reputation, and observance of the letter and spirit of laws and ethics, among many others.

These kinds of outcomes are the fruits of *two* important influences:

- Structure of the Environment in Which the Deal Takes Shape. This includes the nature of the economic opportunity, the strategic setting of the buyer and target, the nature of the organizations of the buyer and target, the reputation and incentive of the players, and the matrix of laws and ethical norms surrounding the firms.
- Conduct of the Players. Given the constraints and opportunities in the environment, how you play the M&A game significantly shapes outcomes. We will explore the influence of conduct in areas such as acquisition search, due diligence, negotiation and bidding, dealing with laws, regulations, and the judicial system, deal design, post-merger integration, communication, and management of the deal development process.

In short, the course presents a considerably richer view of M&A than you will have seen in previous courses and newspaper or magazine articles.

We will use the case method to motivate our discussion to close the gap between rigorous finance

theory and its application to practical problems in corporate finance, and the thought-process required when faced with this gap. The course is roughly divided into 5 core topics.

Part A: Valuation Methods Review. Where Is Enterprise Value Coming From?

Valuation Methods and Techniques

- Weighted Average Cost of Capital (WACC)
- Unlevering and Relevering Betas
- Discounted Cash Flows Modelling
 - Free Cash Flows *or* Unlevered Cash Flows
 - Capital Cash Flows *or* Levered Cash Flows
 - Equity Cash Flows *or* Residual Cash Flows
- Adjusted Present Value (APV)
 - The Relation Between APV and CCF
- Relative Valuation Analysis: Transaction and Trading Multiples
- Developing Break-Up Analysis
- Sensitivity Tables

Part B: The Role of Activist Shareholders in Disciplinary Takeovers

- Shareholders activism as a corporate governance mechanism.
 - Are corporate raiders “good” or “bad”? For whom?
 - Are corporate raiders or activist shareholders necessary?
- Activists as a disciplinary takeover mechanism.
 - Why are disciplinary takeovers the most successful form of acquisition?
- The role of proxy fights
- Staggered boards as defense mechanism to hostile takeovers

Part C: Traditional M&A Topics and Transactions

Hostile Takeovers and Friendly Acquisitions. Strategic and Financial Aspects

- Tender Offers: Hostile *vs.* Friendly Takeovers
- Defense Tactics: Pre-Emptive Defenses *vs.* Post-Offer Defenses
 - Deal Agreements and Deal Protections
 - Structural Defenses *vs.* Non-Structural Defenses
 - “The White Knight”
 - Poison Pills: Flip-In *vs.* Flip-Over
 - “Vote” *vs.* “Value” *vs.* “Board” Related Defenses
- Why Perform Accretion/Dilution Analysis?
- Why Perform Contribution Analysis?
- Acquisition Currency: Cash *vs.* Stock
- One *vs.* Two-Tier Offers
- Merger of Equals: How to Split the Firm?
- The Diversification Discount. Is it a Myth?
- The Market for Corporate Control

- Delaware vs. Pennsylvania Courts
- Fiduciary Duties of Board of Directors

Part D: Private Equity and Leveraged Buyouts (LBOs)

- The Role of Private Equity Firms: Screening for Candidates
 - Strategic and Financial Sponsors
 - *Pros* and *Cons* of Different Sponsors
- Financial Modeling of LBOs
 - The Problem of Changing Capital Structure
 - Capital Cash Flows vs. Equity Cash Flows
 - The Method of Backward Induction
 - The Role of a Target IRR
 - Maximum Equity vs. Debt Capacity

Part E: Creating Value through Corporate Restructuring

- Corporate Reorganization Strategies
 - Spin-Offs, Carve-Outs, Target Stock and Divestitures
- Financial Distress & Bankruptcy
 - Chapter 11 (Reorganization)
 - Chapter 7 (Liquidation)
 - Out-of-Court Restructuring vs. On-Going Concern
- Net Operating Losses (NOLs and Capital Losses)
- The Role of Private Equities in Value Creation

Part A acts as reference material. We will go back and forth to the material in Part A throughout the course. In addition to analyzing the specific financing problems or issues, we will consider how those issues relate to the *strategic* and *business* objectives of the firm. It will be important to examine the “big picture” assumptions that are used in the numerical calculations. This course also places emphasis on presentation and discussion skills. It will be important to explain your positions to each other and to argue convincingly for your recommendations.

Part B, C, D and E are very important in today’s economic environment. I teach the course from the perspective that corporate restructurings —far from being a rare or episodic event that happens to “someone else”— is a common and important event in the professional lives of many managers. The reach of M&As, corporate restructuring, private equity and LBOs is far greater than *any* statistic may show. The course also emphasizes that the scope of corporate restructuring has become increasingly global, as heightened competition in international product, capital and labor markets puts tremendous pressure on companies worldwide to increase, their competitiveness and maximize their market value.

D. Course Material

The reading material for the course is contained in:

- A digital case and article packet. The digital package contains all the cases and copyrighted material you will need for the class during the course. All the other necessary material including slides, lecture notes and articles will be uploaded in Canvas/Dropbox. I will not distribute this material in class, so you should therefore print this material or just read the material on-line before class and for each assignment. I will **only** distribute in class the case solution(s) for the case(s) we are discussing and solving in that specific session.
- Bruner, R.F. (Bruner), “Applied Mergers & Acquisitions,” First Edition, John Wiley & Sons, Inc., 2004. You may want to by the edition *without* the CD-ROM. (**Optional**)
- Castillo, J.J. and Peter J. McAniff (CA), “The Practitioner’s Guide to Investment Banking, Mergers & Acquisitions, Corporate Finance,” First Edition, Circinus Business Press, 2007. (**Required**)
- Kim, K.A. and John R. Nosfinger and Derek J. Mohr, (KNM) “Corporate Governance,” Third Edition, Prentice Hall, 2010. (**Optional**)

I highly recommend a small, practical and inexpensive but surprisingly comprehensive dictionary defining over 5,000 terms:

- Downes, J. and Jordan Elliott Goodman, “Dictionary of Finance and Investment Terms,” Ninth Edition, Prentice Hall, 2014.

As reference material for basic corporate finance topics you may want to use any of the usual graduate textbooks:

- Berk. J. and Peter DeMarzo (BDeM), “Corporate Finance,” Second Edition, Pearson Addison Wesley, 2010. You can also use any other textbook you used in your *core* corporate finance classes.
- Brealey, R., Stewart Myers and Franklin Allen (BMA), “Principles of Corporate Finance,” 9th Edition, McGraw-Hill/Irwin, 2007. This is another textbook you may find useful in case you want to review core topics that were taught in your corporate finance classes.
- Grinblatt, M and Sheridan Titman, “Financial Markets and Corporate Strategy”, 2nd Edition, Irwin/McGraw Hill, 2001. Use this textbook as a more *advanced* reference book.

In addition (most of) the material will also uploaded in Canvas/Dropbox during the term (subject to copyright regulations). I will also hand out during the course teaching slides and additional reading material as well as case solutions. In some cases I will e-mail my valuation model, so you can follow in class how my solution looks like relative to the one your group produced. All material I distribute in class will also be uploaded in Canvas/Dropbox, except for the solutions of the cases. If you are missing any material, you should contact me via e-mail. I will be happy to provide it.

There are several other books on the market covering *Mergers & Acquisitions*, *The Market for Corporate Control* and the *Role of Private Equity* to various degrees of depth. We will not use these books in this course, but if you nevertheless wish to consult other books occasionally, here are some good useful books. In some cases, I will upload in Canvas/Dropbox some of the chapters of these books according to the topics we cover each session. You should also feel free to ask me for book recommendations in other topics if you are interested.

- Adolph, G., Justin Pettit and Michael Sisk, “Merge Ahead: Mastering the Five Enduring Trends of Artful M&A,” First Edition, McGraw-Hill, 2009. The book contains the most up-to-date information available on recent mergers and trends in the world of M&A. It conveys critical information in concise and fast-paced language, providing a hands-on resource that won’t bog you down.
- Arzac, E.R., “Valuation for Mergers, Buyouts and Restructuring,” Second Edition, John Wiley and Sons, Inc., 2008.
- DePamphilis, D.M., “Mergers, Acquisitions, and Other Restructuring Activities,” Fourth Edition, Academic Press, Elsevier Inc., 2008.
- Gaughan, P.A., “Mergers, Acquisitions and Corporate Restructurings,” Fourth Edition, John Wiley and Sons, Inc., 2007.
- Gaughan, P.A., “Mergers: What Can Go Wrong and How to Prevent It,” John Wiley and Sons, Inc., 2005.
- Gilson, S.C., “Creating Value Through Corporate Restructuring: Case Studies in Bankruptcies, Buyouts and Breakups,” John Wiley and Sons, Inc., 2001.
- Hunt, P.A., “Structuring Mergers & Acquisitions: A Guide To Creating Shareholder Value,” Third Edition, Wolters Kluwer, Law & Business, Aspen Publishers, 2007.
- Lajoux, A.R. and Charles M. Elson, “The Art of Due Diligence,” McGraw-Hill, First Edition, 2000. Drawing on the experience of 100 experts, the book shows non-lawyers how to navigate due diligence and how to uncover data that can break a deal. Featuring global perspectives and special insights for small businesses, manufacturers, and service companies, this primer is essential for everyone involved in M&As.
- Lajoux, A.R. and H. Peter Nesvold, “The Art of M&A Structuring: Techniques for Mitigating Financial, Tax, and Legal Risk,” McGraw-Hill, 2003.
- Reed, S.F., Alexandra Lajoux, and H. Peter Nesvold, “The Art of M&A: A Merger Acquisition Buyout,” Fourth Edition, McGraw-Hill 2007. This is a *classic* book with vital information on the process of M&As: Getting Started; Planning and Finding; Valuation and Pricing; Financing and Refinancing; Structuring Deals; Due Diligence Practices; Negotiation, Agreements and Letter of Intent; Post-Merger Integration Issues, Workout, Bankruptcies and Liquidations and Structuring Transactions with International Aspects.

- Schweiger, D., “M&A Integration: A Framework for Executives and Managers,” First Edition, McGraw-Hill, 2002. Studies of Fortune 500 executives found that post-merger integration issues such as culture clashes, style, ego, and management changes are the most common pitfalls that can derail otherwise successful mergers or acquisitions. The book provides a practical framework for integrating acquisitions while helping managers direct each step in the volatile and uncertain post-merger integration process.

For valuation purposes other *four* good references are:

- Damodaran, A., “Damodaran on Valuation: Security Analysis for Investment and Corporate Finance,” Second Edition, John Wiley and Sons, Inc., 2006.
- Damodaran, A., “Investment Valuation: Tools and Techniques for Determining the Value of Any Asset,” Second Edition, John Wiley and Sons, Inc., 2002.
- Koller, T., M. Goedhart and D. Wessels “Valuation: Measuring and Managing the Value of Companies”, Fourth Edition, McKinsey & Company Inc., John Wiley and Sons, Inc., 2005.
- Rosenbaum, J. and Joshua Pearl, “Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions,” John Wiley and Sons, Inc., 2009.

They are generally pretty expensive books, so feel free to consult me before buying any of them. I can lend them to you so you can browse through them and check whether you feel they may be useful for your future careers or current jobs. I highly recommend the two valuation books since they are unique source of reference when dealing with particular topics in valuation.

The following list of books is those which I have found interesting as well as informative. They are more like bed-time reading. If after my class you are interested in additional reading, please, let me know. This list is meant to be my suggestions of where you can start looking.

- Anders, G., Merchants of Debt: KKR and the Mortgaging of American Business, Beard Books, 2002. An insider Wall Street Journal reporter explores the leveraged-buyout operations of Kohlberg Kravis Roberts. The LBOs of Safeway, Beatrice, Duracell and RJR Nabisco are explained in an easy way.
- Bernstein, P., Capital Ideas: The Improbable Origins of Modern Wall Street, Wiley, 2005. This book is a history of modern finance. If you read this book you will notice how closely academic and practical finance are intertwined.
- Chew Jr., D.H., The New Corporate Finance. Where Theory Meets Practice, McGraw-Hill Irwin, 3rd Edition, 2001. This is a good source of readings on applied corporate finance classic papers.
- Koller, T. Marc Goedhart, and David Wessels, Valuation: Measuring and Managing the Value

of Companies, McKinsey & Company, 4th Edition, 2005. A reasonable reference on valuation, more practical and less analytical than BMA and GT. This is a practitioner guide to valuation, and is on the whole correct.

- Milgrom, P. and John Roberts, Economics, Organization & Management, Prentice Hall, 1992.
- Schwager, J.D., The New Market Wizards: Conversations with America's Top Traders, Harper, 1994. This book is a series of interviews with very successful traders. These are people who have beaten their respective markets.

E. Course Procedures: Group Case Write-Ups

Deadlines for the class are non-negotiable. Under special circumstances, you may arrange to turn in your work *early*. Submissions will not be accepted after the due date and exams may not be taken late. Late submissions or taking an exam later than your scheduled time may provide a student with unfair advantage over other students. In the interest of fairness, all students must face the same set of deadlines.

There will be 5 group case write-ups/assignments (**Paramount 1993, Hertz (A) and (B), Marvel, and Carter**). **Case write-ups must be submitted before the beginning of each session.** No credit will be given for late cases. I will grade the cases on a scale of 0 to 10 (including decimal places) and give you as much feedback as possible in the corrections. I have a very particular way of grading, it is tough but it is very detailed and, most important, you will learn from the mistakes. The Case-Study Questions for each of the 3 cases are available in Canvas. Note that the Mini-Cases in the Course Outline are not graded. These cases and material will be covered in class.

You are allowed and encouraged to meet in groups outside of class to discuss and analyze the cases. In the past, students have found that these groups complement the class discussion well. I encourage you to collaborate on cases. Groups should be composed by **exactly 5 students**. If you have any problems in finding someone to work with, please e-mail me and let me know. I will be happy to assist you in finding a group.

Diversity in group composition will be rewarded (strong and weak finance students, men and women, single and married...) and you can describe on the cover page along which dimension your group is diverse. You are allowed to change groups during the term (although I do not prefer this situation). Also, bear in mind that it may be helpful to choose groups according to the specific home addresses of the group members since most likely you will be meeting during the week-ends to solve and discuss the cases.

Regarding the cases, each group will submit a **three-page** (and **NOT** a single page more) memorandum of analysis and recommendations covering the case study questions plus any accompanying tables, models, graphs and exhibits you wish to include as appendices. Tables should be well organized and labeled. Include whatever exhibits you deem necessary, but I suggest not to waste the reader's time with exhibits that do not add significant value to the analysis. For example, do not use two similar exhibits that do not add much to the analysis and understanding of the case, or do not repeat what is written on the case. Be sure to indicate how you arrived at

your conclusions. I care about the thinking process and the logic behind the cases rather than the correct or incorrect answer. I will accept one memorandum from the group and count it for all students in the group. Write these as if you were writing a recommendation for the CEO or major decision maker in the case. Be sure to address in each paragraph of the memorandum the questions you are being asked in the case-study questions. I urge you to start each paragraph with a number referring to the question you are answering. For your convenience, I will also post some of the relevant data for each case in a worksheet on Canvas/Dropbox

Each group should also submit (via e-mail) the excel file that contains the (professional, neat, complete, and clear) analysis. This way is easier for me to grade your quantitative analysis. The excel file should be named **FirstName_LastName_CASENAME.xls**. The first and last name can correspond to any member of the group.

For your convenience, I will also post some of the relevant data from each case in an Excel worksheet on the corresponding session in Canvas/Canvas/Dropbox.

The main point of the cases is to help you learn by ensuring that you prepare for class and think about the material to cover each session. Reading the material assigned for each session is crucial and preparing for the cases is the best way to enjoy and learn from this course. My advice about the cases is: do your best in working through them, but recognize that they are hard and you will not always get it right. They will get harder and harder as the course progresses.

Brevity is a virtue for case write-ups. Do not repeat the facts of the case. You should turn in your memo at the beginning of the class on the due date. You are expected to have read the case and prepared your answers. Keep a copy of your answers as you will be expected to contribute to the class discussion based on your written answers. I expect the answers to be well-reasoned. The cases are your opportunity to apply the concepts you have learned thus far to messy, not-so-clear, and complex real-world problems. Understanding the ideas is important and being able to explain them to your boss and co-workers is equally important. Thus, your case write-ups will be graded both on your answers as well as how well you defend your proposed solution.

The readings and articles, which I have assigned and will hand out as the course progresses or post in Canvas/Canvas/Dropbox, are largely non-technical in nature and summarize the findings of academic and business research in corporate finance in the recent past. These articles are meant to be background material, which will help you to analyze the cases. The readings should not necessarily be cited in the case discussion; I do not want a summary of my reference material! You should try to argue as if you were in a corporate boardroom rather than in a doctoral seminar. The goal is to have an open and interactive class-case discussion, where the process of arriving at the answer is as important as getting the answer.

Because of the nature of this course (and its grading criteria), it is extremely important that you attend every class, arrive on time, and are prepared to participate. To help me remember who said what, it is important that you **always sit** in the same places. Also, if your picture is not in the Kellogg directory/roaster face book, I recommend that you come and introduce yourself to me on the first day of class.

F. Grading

The weighting for the final grade is given by:

Class Participation	35%
Group Case Write-Ups	45%
Peer Review Evaluation	20%

As a strict rule, there is **no** make-up days for material due. It is your responsibility to schedule the rest of your activities such that you are able to attend comply with the rules of the class.

Class Participation: By design, this is a case-based course. Given the format, class participation is an *indispensable* part of the learning experience. I will judge your performance based both on the quality and the number of your comments. Because so much of the learning in this course occurs in the classroom, it is very important that you attend every class. Low class participation combined with several absences can lead to a lower grade. If you are uncomfortable with such a heavy weight on class participation, this class may not be for you. I will grade for each case your class participation using a discrete scale of 1, 2 and 3. For the best (or bests) student(s) in terms of class participation for each session, I will assign only one numerical value of 5 per class. I will post in Canvas/Dropbox each night (after class) the class participation grades for that day so you can check the performance for that particular session.

Group Case Write-Ups: As mentioned in Section E, this grade will be based on the 3 group case write-ups. Grading is very seriously done and I expect from all the groups high-quality write-ups.

Peer-Review Evaluation: I will distribute and post a peer-review evaluation which you will have to complete individually evaluating each member of the group. In addition you may submit an attached hard-copy letter to the peer-review evaluation describing each team members' performance and contribution to the group, and an assessment of "how the process went." Please, remember to put your name on the letter. I recommend you hand me in the peer-review evaluation and your letter in a sealed signed envelop in class on the last class of the quarter.

G. Access to Canvas/Dropbox

The class webpage on Canvas/Dropbox is intended as the main information dissemination mechanism. When you have a question, you should consult Canvas/Dropbox first, as in most cases; you will find the answer there. If it is not the case, then contact me. In particular: lecture notes, teaching slides, handouts, announcements, frequently asked questions (and their answers) and supporting material will all be posted on Canvas/Dropbox.

From Canvas/Dropbox you will be able to download excel spreadsheets and case questions for the 3 graded cases. Each workspace, in turn, contains one or more of the exhibits in the case. This will make it easier for you to spend time on the analysis, rather than punching in numbers. From the portal you will also be able to download most of the handouts I supply throughout the course as well as teaching material and slides. Anything I hand out in class will also be put on the home page (unless it is copyright material).

H. Office Hours and Contact Information

The best way to get in touch with me is via email: j-liberti@kellogg.northwestern.edu . I follow an open door policy. You can also call, come to my office, or put a note in my mailbox. You can call at my office number. My office is located at the Finance Department, Global Hub 4371. I will also be available for individual meetings by appointment at times that are mutually convenient. Please e-mail me to make appointments. If you come, I will stay until student exhaustion or midnight whichever comes first.

As a rule to follow, I will **NOT** discuss any question related to the cases before they are solved in class. After they are solved I will be more than happy to discuss them with you. I am happy to discuss anything you want regarding the course material, job offers, projects, careers, etc.

I. Finance Review and Reference Material

One of the challenges of this course, Mergers, Acquisitions and Other Reorganization Methods, is that students' background is generally very different, specifically coming from different programs and careers and having taken different courses at different times in their MBAs careers. For some of you some of the finance material will be fresh, but for some others it will be rusty (or even very rusty since the last time you took a finance course was at College). For those of you who feel you need to review some of the "old" material I am providing you with some of material from core corporate finance courses (FINC 430/440/441). I have been writing these notes during the last 5 years now. I am still updating them. Feel free to let me know about typos or things that are unclear. I will be more than happy to correct them. You will **NOT** need the 15 chapters for this class. I will let you know which the relevant chapters are for each session. You should check the Reading Material for each session.

Feel free to browse the specific issues and chapters for each of the relevant cases as indicated in the assigned Session Readings. I will assume that you are acquainted with this material; I will **NOT** lecture this material during the course. Use these slides as a reference material in case you need so, and obviously feel free to download them as reference material for upcoming courses.

J. First Class Session Assignment

In Session I, Thursday, February 18 we will go over some basic valuation review concepts including different types of cash flows (Free Cash Flow, Capital Cash Flow, Cash Flow Available to Service Debt and Equity Cash Flows), WACC, Adjusted Present Value (APV), the concept of the optionality of equity and understanding *Where is Enterprise Value Coming From?* Show up in class, happy, rested and ready to work! You may want to read/skim the material under **Session 0: Introduction: Does M&A Pay? and Why Do We Follow M&A Transactions?** This is mostly "chit-chat" material.

K. Tips On How To Engage The Course

Diversify. The course offers a number of learning modes. **Engage them all!** The plan for the course shows that regular case studies will be the focus of all the class meetings.

Follow Your Interest. This is a “self-tailoring” course in that it leaves much of the technical reading to the discretion of the student. The two books, articles and slides will give you the framework of terminology and tools in M&A. Consider reading carefully where you find interesting topics.

Join a Learning Team to Prepare For Class. The ideas in the cases and readings for class are deep; the analysis can get complex. You will learn more from the course, and perform better in class participation by discussing these cases together in a learning team. I will serve as a clearinghouse for those students who have been unable to join a learning team.

Commit to Your Write-Ups and Learning Teams. Team-based work makes a large contribution to the course. The Group work accounts for 45% of the final grade. High performance teams show a number of common attributes:

- Members commit to the success of the team.
- The team plans ahead, leaving time for contingencies.
- The team meets regularly.
- Team members show up for meetings and are *prepared* to contribute.
- There may or may not be a formal

L. Course Reading List and Course Outline

The course reading list is divided by Sessions and classified in *Required Readings*, *Business Readings* and *Supplementary Readings*. You do not need to read the *Supplementary Readings*. This supplementary material is provided to expand your knowledge in the particular topic we are covering. It is more to suffice your curiosity in the specific topic we are covering that day. If you want any additional information please do not doubt to let me know. I will be happy to provide you with any additional material or readings.

Session 0

[Before First Meeting: Chit-Chat on M&A Activity]

Introduction: Does M&A Pay?

The M&A Environment: 1990-2020

Recommended Readings

Required Readings on the M&A Environment

- Annema, A., Roerich Bansal and Andy West, “M&A 2014: Return of the Big Deal,” *McKinsey on Finance*, Number 53, Winter 2015.
- Bansal, R., Ruth De Backer, and Vikram Ranade, “What’s Behind the Pharmaceutical Sector’s M&A Push,” *McKinsey on Finance*, Number 68, October 2018.
- Bruner, R., “Applied Mergers & Acquisitions,” Chapter 3: Does M&A Pay?
- Bruner, R., “Where M&A Pays and Where It Strays: A Survey of Research,” *Journal of Applied Corporate Finance*, Volume 16, Number 4, Fall 2004.
- Copp, J., Ruth De Backer, Colin Field-Eaton and Gerti Pellumbi, “Delivering Growth: M&A in Medical Technology,” *McKinsey on Finance*, December 2017.
- Ferrer, C., and Andy West, “M&A 2016: Deal Makers Catch Their Breath,” *McKinsey on Finance*, 2016.
- Jain, R., Bin Jian and Tim Koller, “What’s Behind This Year’s Buoyant Market,” *McKinsey on Finance*, October 2014.
- Liberti, J., “Why Follow M&A Transactions?” Note, Kellogg School of Management, 2020.
- Liberti, J., “The M&A Environment: 1990-2020,” Lecture Slides, Kellogg School of Management, 2020.
- Rhem, W. and Andy West, “M&A 2015: New Highs, and a New Tone,” *McKinsey on Finance*, December 2015.
- University of Rochester Roundtable on Corporate M&A and Shareholder Value, *Journal of Applied Corporate Finance*, Volume 17, Number 4, Fall 2005

Supplementary Readings on the Current Status of the M&A Market

Given the chaos in the financial economy, it should come as no surprise that M&A activity fell sharply in the fourth quarter of 2008. Since 1980, US recessions have led to steep declines in the value of global M&A activity—typically, of around 50% during the first year. That fall-off results from factors we see in the current downturn as well, including lower deal values in sinking equity markets; difficulties with financing, particularly for very large transactions; and a general fear about the economic outlook, which forces acquirers to put plans on hold. Moreover, in December 2008 stock markets were down 40 to 50 percent from their January levels.

- Baghai, M., Sven Smit and S. Patrick Viguerie, “M&A Strategies in a Down Market,” *The McKinsey Quarterly*, Corporate Finance, September 2008.
- CA [Blue Book], “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part I: The Basics, Chapters 4 (Strategic Transactions), 5 (Introduction to M&A), 6 (Analyzing Strategic Acquisitions) and 7 (Screening for M&A Transactions).
- Capaldo, A., David Cogman, and Hannu Suonio, “What’s Different About M&A in this Downturn,” *McKinsey on Finance*, Number 30, Winter 2009.
- Capaldo, A., Richard Dobbs, and Hannu Suonio, “Deal Making in 2007: Is the M&A Boom Over?,” *McKinsey on Finance*, Number 26, Winter 2008.
- Cogman, D. and Carsten Buch Sivertsen, “A Return to Deal Making in 2010,” *The McKinsey Quarterly*, January 2011.
- Dobbs, R. and Timothy M. Koller, “The Crisis: Timing Strategic Moves,” *McKinsey on Finance*, Spring 2009.
- Doherty, R., Spring Liy, and Andy West, “How M&A Practitioners Enable Their Success,” *McKinsey*, 2015.
- Jiang, B. Timothy M. Koller and Zane D. Williams, “Mapping Decline and Recovery Across Sectors,” *McKinsey on Finance*, Winter 2009.
- Melwani, A. and Werner Rehm, “A Singular Moment for Merger Value,” *McKinsey on Finance*, Summer 2000.
- Rehm, W. and Carsten Buch Sivertsen, “A Strong Foundation for M&A in 2010,” *McKinsey on Finance*, Number 34, January 2010.
- Rehm, W., Robert Uhlener and Any West, “Taking a Long-Term Look at M&A Value Creation,” *McKinsey Quarterly*, January 2012.
- Siverstsen, C. B., “A Mixed Year for M&A,” *McKinsey Quarterly*, January 2012.

Business Reading

- “In a Record Year for Deals, Success and a Few Missteps,” *Dealbook New York Times*, December 22, 2015.
- “What Drives Mergers, Really?,” *Financial Times*, October 10, 2014.
- “M&A Deals Lift Wall Street Shares Nearer a Record High,” *Reuters*, February 19, 2013.
- “Shopping Spree for Wall Street,” *The Wall Street Journal*, February 14, 2013.
- “Faceless Shareholders to Drive M&A Action,” *Financial Times*, January 10, 2010.
- “Deals Return in Q3, But Outlook Still Cautious,” *Reuters*, September 24, 2010.
- “M&A Cycle Turns,” *Financial Times*, December 20, 2009.
- “M&A Springs Back To Life,” *Financial Times*, April 20, 2009.

SESSION I/IV/V

Valuation Methods Review

Where Is Enterprise Value Coming From?

Reconciliation of Valuation Methods

Recommended Readings

Required Readings on Valuation

- CA [Blue Book], “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part II: Valuation, Chapters 8 (The Role of Valuation) and 11 (Discounted Cash Flow Analysis).
- Liberti, J., “Valuation Methods: Discounted Cash Flow Analysis. Risk of Tax Shields: WACC vs. APV (Bible I),” Lecture Slides, Kellogg School of Management, 2020.
- Liberti, J., “Capital Budgeting: Types of Cash Flows. Free Cash Flows, Capital Cash Flows and Equity Cash Flows,” Reference Material: Chapter I, Kellogg School of Management, 2020.

[Concentrate on the 2 basic Cash Flows: FCF and CCF. This chapter is already in the set of slides I distributed in class!]

- Liberti, J., “Capital Structure I: Modigliani Miller Irrelevance Theorem. Estimating Cost of Capital,” Reference Material: Chapter IV, Kellogg School of Management, 2020.
- Liberti, J., “Capital Structure II: Corporate Taxes. Estimating Cost of Capital. Valuation Techniques,” Reference Material: Chapter V, Kellogg School of Management, 2020.
- Liberti, J., “Summary Tables: Constructing Cash Flows EBIT and Net Income Version,” Kellogg School of Management, 2020.
- Liberti, J., “Valuation Techniques: Summary of Formulae and Concepts,” Note, Kellogg School of Management, 2020.
- Luehrman, T., 1997, “Using APV: A Better Tool For Valuing Operations”, *Harvard Business Review*, Volume 73, Number 3, 1997.

Required Readings on Reconciliation Methods

- Liberti, J., “Mini-Case: Valuation Using WACC and APV – GM’s Bid For Hughes Aircraft Corporation”, Lecture Slides, Kellogg School of Management, 2020.

Required Readings on Capital Structure

- Heine, R., and Fredric Harbus, “Toward a More Complete Model of Optimal Capital Structure,” *Journal of Applied Corporate Finance*, Volume 15, Number 1, 2003.
- Liberti, J., “How To Come Up With a Capital Structure Policy? Overview/Summary,” Note, Kellogg School of Management, 2020.

Required Readings on Transaction and Trading Multiples

- CA [Blue Book], “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part II: Valuation, Chapters 9 (Comparable Company Analysis) and 10 (Comparable Transaction Analysis).
- Chadda, N., Robert S. Mc Nish and Werner Rehm, “All P/Es Are Not Created Equal,” *McKinsey on Finance*, Spring 2004.
- Goedhart, M., Timothy Koller and David Wessels, “The Right Role for Multiples In Valuation,” *McKinsey On Finance*, Spring 2005.
- Liberti, J., “The Market Approach to Value: Relative Valuation Techniques,” Lecture Slides, Kellogg School of Management, 2020.

Supplementary Readings on Valuation

- Kaplan, S., “A Note on Discounted Cash Flow Valuation Methods,” University of Chicago, Booth School of Business, 2004.
- Kaplan, S. and Richard S. Ruback, “The Market Pricing of Cash Flow Forecasts: Discounted Cash Flow vs. The Method of Comparables”, *Journal of Applied Corporate Finance*, Volume 8, Number 4, Winter 1996.
- Schroeder Salomon Smith Barney, European Credit Research, “Bond and Credit Valuation Criteria”, November 2002.
[Concentrate on Pages 11-28: Measuring Cash Flows and Free Cash Flow: A Better Measure.]
- Sloan, R.G., “Using Earnings and Free Cash Flow To Evaluate Corporate Performance”, *Journal of Applied Corporate Finance*, Volume 9, Number 1, Spring 1996.

Supplementary Readings on Transaction and Trading Multiples

- Esty, B., “What Determines Comparability When Valuing Firms With Multiples?,” *Journal of Financial Education*, Fall 2000.

Supplementary Readings on Capital Structure

- Myers, S.C., “Still Searching for Optimal Capital Structure,” *Journal of Applied Corporate Finance*, Volume 6, Number 1, 1993.
- Opler, T., Michael Saron, and Sheridan Titman, “Designing Capital Structure to Create Shareholder Value,” *Journal of Applied Corporate Finance*, Volume 10, Number 1, 1997.
- Shivadsani, A., and Marc Zenner, “How to Choose a Capital Structure: Navigating the Debt-Equity Decision,” *Journal of Applied Corporate Finance*, Volume 17, Number 1, Winter 2005.

SESSION II

Case:

- Stanley Black & Decker, Inc., *Harvard Business School*, Case No. 9-211-067, February 14, 2011.

Supplementary Readings on Acquisitions

- Eccles, R.G., Kersten L. Lanes, and Thomas . Wilson, “Are You Paying Too Much for That Acquisition,” *Harvard Business Review*, July-August 1999.

SESSION III

Hostile Takeovers: The Role of Activist Shareholders Agency Costs of Debt: The Free Cash Flow Problem

How Effective is Corporate Governance? Proxy Fights and Staggered Boards

The Use of EVA™ in M&A Transactions

Section 368(a): Tax-Free Reorganizations (Spin-offs vs. Carve-outs)

Recommended Readings

Case:

- Gulf Oil Corp. – Takeover, *Harvard Business School*, Case No. 9-285-053, December 8, 1988.

Required Readings on Legal Documentation

- Wachtell, Lipton, Rosen and Kratz, “Takeover Response Checklist. Dealing with Activist Hedge Funds,” 2018.
- Wachtell, Lipton, Rosen and Kratz, “Corporate Governance,” March 2018.
- Wachtell, Lipton, Rosen and Kratz, “Spin-off Guide,” March 2018.

Required Readings on Agency Costs and Benefits of Debt

- Jensen, M., “The Agency Costs of Free Cash Flow: Corporate Finance and Takeovers,” *American Economic Review*, Volume 76, Number 4, 1986.

Required Readings on Corporate Restructuring

- Annema, A., William C. Fallon, and Marc H. Goedhart, “When Carve-Outs Make Sense,” *The McKinsey Quarterly*, 2002, Number 2.
- Anslinger, P.L., Steven J. Klepper and Somu Subramanian, “Breaking Up Is Good To Do,” *The McKinsey Quarterly*, 1999, Number 1.
[Very nice article on how restructuring through spin-offs, equity carve-outs, and tracking stocks can create shareholder value.]
- Ezekoye, Obi and Jannick Thomsen, “Going, Going, Gone: A Quicker Way to Divest Assets,” *McKinsey on Finance*, Number 67, August 2018.

- Fubini, D., Michael Park and Kim Thomas, “Profitably Parting Ways: Getting More Value from Divestitures,” *McKinsey on Finance*, February 2013.
- Gaughan, P.A., “Mergers, Acquisitions, and Corporate Restructurings,” Fourth Edition, John Wiley and Sons, Inc., 2007. Chapter 10 (Corporate Restructuring).
- Liberti, J., “Corporate Restructuring: Spin-Offs, Split-Ups, Carve-Outs, Tracking Stock and Divestitures,” Lecture Slides, Kellogg School of Management, 2020.

Required Readings on EVA™ and the Role of Governance

- CA [Blue Book], “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part IV: Transaction Structuring, Chapter 20 (Deal Mechanics).
- Kim, K.A. and John R. Nofsinger and Derek J. Mohr, “Corporate Governance,” Chapter 7 (Shareholders and Shareholder Activism), and Chapter 8 (Corporate Takeovers: A Governance Mechanism?), Third Edition, Prentice Hall, 2010.
- Liberti, J., “Economic Value Added (EVA™) - Executive Compensation,” Class Lecture Slides, Kellogg School of Management, 2020.
- O’Connell, S., Michael Park and Jannick Thomsen, “Divestitures: How to Invest for Success,” *McKinsey on Finance*, Number 55, Summer 2015.

Required Readings on Corporate Raiders, Activist Shareholders and Hostile Takeovers

- Beatty, D.R., “How Activist Investors are Transforming the Role of Public Company Boards,” *McKinsey on Finance*, 2017.
- Benoit, D., “Proxy Fights Are a Rarity for Peltz’s Trian,” *The Wall Street Journal*, July 17, 2017.
- Cyriac, J., Snezhana Otto, and David Wells, “The Benefits of Thinking Like an Activist Investor,” *McKinsey on Finance*, 2017.
- Davidoff, Steven M., “Gods at War: Shotgun Takeovers, Government By Deal, and The Private Equity Implosion,” Chapter 8 (Microsoft, InBev, and the Return of the Hostile Takeover), John Wiley & Sons Inc., 2010.
- Davidoff, Steven M. and Frank Parnoy, “Frank and Steven’s Excellent Corporate Raiding Adventure,” *The Atlantic*, May 2017 Issue.
- Goldstein, M., “William Ackman Sells Pershing Fund’s Stake in Valeant,” *The New York Times*, March 13, 2017.

- Koller, T., James Manyika and Sree Ramaswamy, “The Case Against Corporate Short Termism,” *McKinsey Global Institute - Milken Institute Review*, August 4, 2017.
- Koller, T., “What CEOs Can Learn From Activist Investors,” *McKinsey on Finance*, December 2015.
- Sorkin, A.R., “Why Nelson Peltz Wants P.&G. to See Him as a “Constructivist,” *The New York Times*, July 17, 2017.

Supplementary Readings on Corporate Restructuring and Corporate Control

- Anslinger, P.L., Sheila Bonini and Michael Patsalos-Fox, “Doing The Spin-Out,” *The McKinsey Quarterly*, 2000, Number 1.
- Anslinger, P.L., Dennis Carey, Kristin Fink, and Chris Gagnon, “Equity Carve-Outs: A New Spin on the Corporate Structure,” *The McKinsey Quarterly*, 1997, Number 1.
- Anslinger, P.L., Justin Jenk, and Ravi Chanmugan, “The Art of Strategic Divestment,” *Journal of Applied Corporate Finance*, Volume 15, Number 3, Spring 2003.
- CA [Blue Book], “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part IV: Transaction Structuring, Chapter 21 (Taxes and M&A) and Chapter 22 (Corporate Restructurings).
- Finegan, P.T., “A Closer Look at the Value of Split-Ups,” *Corporate Finance Review*, March-April 1998.
- Huyett, B., and Tim Koller, “Finding the Courage to Shrink,” *McKinsey Quarterly*, August 2011.
- Mankis, M.C., David Harding and Rolf-Magnus Weddigen, “How the Best Divest,” *Harvard Business Review*, October 2008.
- McKenna, M.R., “Divestitures: Breaking Up Is Hard To Do,” *The Stern Journal*, Leonard N. Stern School of Business, Spring 2000.

Supplementary Readings on Corporate Governance

- Jarrell, G.A., James A. Brickley and Jeffrey M. Netter, “The Market for Corporate Control: The Empirical Evidence since 1980,” *The Journal of Economic Perspectives*, Volume 2, Number 1, Winter 1988.
- Shivdasani, A. and Marc Zenner, “Best Practices in Corporate Governance: What Two Decades of Research Reveals,” *Journal of Applied Corporate Finance*, Volume 16, Numbers 2-3, Spring/Summer 2004.

- Shleifer A. and Robert W. Vishny, “A Survey of Corporate Governance,” *The Journal of Finance*, Volume 52, Number 2, June 1997.

Supplementary Readings on EVA™ and the Role of Governance

- Gandhok, T., A. Dwivedi and Jatin Lal, “EVALuating Mergers and Acquisitions – How to Avoid Overpaying,” Stern Stewart Research India, Volume 3, Issue 8, November 2001.
- O'Byrne, S.F., “EVA™ and Its Critics,” *Journal of Applied Corporate Finance*, Volume 12, Number 2, Summer 1999.
- Stewart III, G.B., “EVA™: Facts and Fantasy,” *Journal of Applied Corporate Finance*, Volume 7, Number 2, 71-84, Summer 1994.

Business Readings (Readings in Case Folder: Reality Check III)

- Cyriac, J., Ruth De Backer and Justin Sanders, “Preparing for Bigger, Bolder Shareholder Activists,” *McKinsey*, March 2014.
- J.P. Morgan, *Eye on the Market*, “Guess Who’s Coming to Dinner: Shareholder Activism and Implications for Investors,” February 18, 2014.
- Kanarek, L., “Dealing with Activist Investors: A Conversation with Larry Kanarek,” *McKinsey*, March 2014.
- *The Economist*, “Corporate Upgraders,” February 15, 2014.
- *The Economist*, “How Activist Shareholders Turned from Villains to Heroes,” February 17, 2014.
- *The Economist*, “An Investor Calls,” February 7, 2015.
- *The Economist*, “Capitalism’s Unlikely Heroes,” February 7, 2015.

SESSION VI

[February 6]

Mergers and Acquisitions: Valuation of Hard and Soft Synergies Multiples in Practice

The Sum-of-the-Parts: The Diversification Discount: Is it a Myth? Take-Over Defenses and Bidding Strategies Implementing Structural Defenses Structuring Acquisition Offers

Recommended Readings

Case:

- Paramount Communications, Inc. – 1993, *CaseNet*.

Required Readings on Legal Documentation

- Wachtell, Lipton, Rosen and Kratz, “Takeover Law and Practice,” April 2018.

Required Readings on M&As, Takeover Attempts, Tactics and Battles

- Dinneen, B., Eric Kutcher, Mitra Mahdavian and Kara Sprague, “Grow Fast or Die Slow: The Double-Edged Sword of M&A,” *McKinsey*, October 2015.
- Liberti, J., “Mergers and Acquisitions: The Market for Corporate Control,” Reference Material: Chapter XII, Kellogg School of Management, 2020.fSess
- Liberti, J., “Special Cases in Valuation: Mergers and Acquisitions,” Note, Kellogg School of Management, 2020.
- Liberti, J. “Stock or Cash? The Trade-offs for Buyers & Sellers in Mergers and Acquisitions,” Lecture Slides, Kellogg School of Management, 2020.

Required Readings on Synergies

- Bekier, M.M, Anna J. Bogardus and Tim Oldham, “Why Mergers Fail?” *The McKinsey Quarterly*, Number 4, 2001.

- Caudillo, F., Skief Houben and JehanZeb Noor, “Growing Beyond the Core Business,” *McKinsey*, 2015.
- Christofferson, S.A., Robert S. McNish and Diane L. Sias, “Where Mergers Go Wrong?” *The McKinsey Quarterly*, 2004, Number 2.
- Dobbs, R., Mare Goedhart and Hannu Suonio, “Are Companies Getting Better at M&A,” *McKinsey on Finance*, Winter 2007.
- Dobbs, R., Hannu Suonio and Vincenzo Tortorici, “Maintaining Discipline In M&A,” *The McKinsey Quarterly*, Number 2, Commentary, May 2007.
- Goedhart, M., Tim Koller, David Wessels, “The Five Types of Successful Acquisitions,” *McKinsey on Finance*, Number 36, Summer 2010.
- Sirower, M.L. and Sumit Sahni, “Avoiding the ‘Synergy Trap’: Practical Guidance on M&A Decisions for CEOs and Boards,” *Journal of Applied Corporate Finance*, Volume 18, Number 3, Summer 2006.

Required Readings on the Diversification-Conglomerate Discount

- CA [Blue Book], “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part II: Valuation, Chapter 13 (Breakup Analysis) and Chapter 17 (Other M&A Analyses).
- Caudillo, F., S. Houben and JehanZeb Noor, “Mapping the Value of Diversification,” *McKinsey on Finance*, Number 55, Summer 2015.
- Cyriac, J., T. Koller and Jannick Thomsen, “Testing the Limits of Diversifications,” *McKinsey Quarterly*, February 2012
- Liberti, J., “M&A Activity. Valuing Conglomerates: The Diversification or Conglomerate Discount,” Lecture Slides, Kellogg School of Management, 2020.

Supplementary Readings on M&As, Structuring Acquisition Offers and Synergies

- Agrawal, A., Cristina Ferrer and Andy West, “When Big Acquisitions Pay Off,” *McKinsey on Finance*, Number 39, Spring 2011.
- Agrawal, A., Rajeev Varma, and Andy West, “Making M&A Deal Synergies Count,” *McKinsey on Finance*, Number 64, 2017.
- Andrade, G., Mark Mitchell and Erik Stafford, “New Evidence and Perspectives on Mergers,” *The Journal of Economic Perspectives*, Volume 15, Number 2, Spring 2001.
- CA [Blue Book], “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions,

Corporate Finance,” Part III: M&A Analysis, Chapter 16 (Stock Deals) and Chapter 17 (Other M&A Analysis).

- Holmstrom, B. and Steven N. Kaplan, “Corporate Governance and Merger Activity in the United States: Making Sense of the 1980s and 1990s,” *Journal of Economic Perspectives*, Volume 15, Number 2, Spring 2001.

Supplementary Readings the Diversification-Conglomerate Discount

- Lins, K. and Henri Servaes, “International Evidence on the Value of Corporate Diversification,” *Journal of Finance*, Volume 54, Number 6, December 1999.
- Villalonga, B., “Research Roundtable Discussion: The Diversification Discount,” April 24, 2003.

[Available for download at SSRN: <http://ssrn.com/abstract=402220>]

SESSION VII

Merger Consequences Analysis: Affordability Analysis

While working on Paramount's case students will learn how to perform the mechanics of merger consequences analysis, which are often called *affordability analysis*. This includes using accretion/dilution analysis to determine how the proposed transaction will affect the acquirer's earnings per share (or EPS), and using credit analysis to determine how the proposed transaction will affect the acquirer's credit rating. We will also discuss the fundamentals of purchase accounting, the concept and creation of goodwill and asset-write ups and how to determine fixed exchange ratios using relative contribution analysis.

Recommended Readings

- Liberti, J., "Merger Consequences Analysis – Affordability Analysis (Bible II)," Lecture Slides, Kellogg School of Management, 2020.

SESSION VIII-IX

Valuation of Leverage Buyouts (LBOs): LBO Modeling Cash Waterfalls and Cash Flow Available to Service Debt (CADS)

Private Equity Strategic vs. Financial

Equity Cash Flows and IRRs to Sponsors

Recommended Readings

Case:

- The Hertz Corporation (A), *Harvard Business School*, Case No. 9-208-030, March 20, 2008.
- The Hertz Corporation (B), *Harvard Business School*, Case No. 9-208-031, March 20, 2008.

Required Readings on Private Equity & LBOs

- Allen, J.R., “LBOs – The Evolution of Financial Structures and Strategies,” *Journal of Applied Corporate Finance*, Volume 8, Number 4, Winter 1996.
- Davidoff, S.M., “Gods at War: Shotgun Takeovers, Government by Deal, and the Private Equity Implosion,” Wiley, 2010. Chapter 7 (Jana Partners, Children’s Investment Fund, and the Hedge Fund Activist Investing) and Chapter 9 (Mars, Pfizer and the Changing Face of Strategic Deals).
- Gaughan, P.A., “Mergers, Acquisitions, and Corporate Restructurings,” Fourth Edition, John Wiley and Sons, Inc., 2007. Chapter 7 (Leveraged Buyouts).
- Jensen, M., “Eclipse of the Public Corporation,” *Harvard Business Review*, 1997.
[This is a fantastic article to understand the role of Leveraged Buyouts and other transactions such as takeovers, corporate break-ups and spin-offs in shaping a new organization during the late 1980s.]
- Kaplan, S. and Per Strömberg, “Leveraged Buyouts and Private Equity,” *Journal of Economic Perspectives*, Volume 23, Number 1, Spring 2009.
[This is a must read article! The Section: Is Private Equity a Superior Organizational Form? [Pages 130-136] describes in detail the changes private equity firms apply to the firms in which they are investing in.]
- Kehoe, C. and Robert N. Palter, “The Future of Private Equity,” *McKinsey on Finance*, Spring 2009.

Required Readings on LBO Valuation Modeling

- Liberti, J., “Private Equity and LBOs: Equity Cash, IRR and the LBO Valuation Model,” Lecture Slides, Kellogg School of Management, 2020.
- Liberti, J., “Note on Equity Cash Flows,” Note, Kellogg School of Management, 2020.

Required Readings on the Financial Crisis and LBO Market

- Liberti, J., “The Impact of the Financial Crisis on LBOs and Private Equity Activity,” Kellogg School of Management, 2020.

Required Readings on Asset Backed Securities

- Financial Security Assurance, Inc. (FSA), “A Guide to Insured Backed Securities,” FSA, 2000.
- Gangwani, S., “Speaking of Securitization: Securitization 101,” Deloitte & Touche, Volume 3, Issue 4-1, Special Edition, July 20, 1998.
- Liberti, J., “The Securitization Process: Asset Backed Securities and Mortgage Backed Securities,” Kellogg School of Management, 2020.
- Standard & Poor’s Ratings Services, “Special-Purpose Bankruptcy-Remote Entities,” U.S. CMBS Legal and Structured Finance Criteria, Chapter 4, The McGraw-Hill Companies, 2003.

Supplementary Readings on LBOs and the Market for Corporate Control

- Acharya, V., Julian Franks and Henri Servaes, “Private Equity: Boom or Bust?,” *Journal of Applied Corporate Finance*, Volume 19, Number 4, Fall 2007.
- Kay, I.T and Mike Shelton, “The People Problem In Mergers,” *The McKinsey Quarterly*, 2000, Number 4.
- Uhlaner, R.T. and Andrew S. West, “Running a Winning M&A Shop,” *The McKinsey Quarterly*, March 2008.
- Wruck, K.H., “Private Equity, Corporate Governance, and the Reinvention of the Market for Corporate Control,” *Journal of Applied Corporate Finance*, Volume 20, Number 3, Summer 2008.

Supplementary Readings on LBO Valuation Modeling

- CA [Blue Book], “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part II: Valuation, Chapter 12 (Leverage Buyouts).

Supplementary Readings on Asset Backed Securities

- Kotecha, M.K., “The Role of Insurance In Asset-Backed Securities,” *International Securitization* (Chapter 9), 193-207.
- Leixner, T.C., “Securitization of Financial Assets,” Holland & Knight LLP, September 1999
- Monga, V., “Whither Securitization,” *The Deal Pipeline*, March 5, 2010.

Session X

Bankruptcy, Corporate Restructuring and Financial Distress Chapter 11, Chapter 7, On-Going Concern and Private Workouts

Incentives Issues in Corporate Bankruptcy

Structural Subordination and Distressed Debt Investment Net Operating Losses (NOLs)

Recommended Readings

Case:

- Bankruptcy and Restructuring at Marvel Entertainment Group, *Harvard Business School*, Case No. 9-298-059, August 13, 2008.

Required Readings on Legal Documentation

- Wachtell, Lipton, Rosen and Kratz, “Distressed Mergers and Acquisitions,” April 2018.

Please refer to the Reference Material on Session I in case you are having doubts on the Capital Cash Flow Method in order to value Marvel Entertainment Group. In case you are having doubts you can review (again!):

- Liberti, J., “Summary Tables: Constructing Cash Flows EBIT and Net Income Version,” Kellogg School of Management, 2020.
- Liberti, J., “Valuation Techniques: Summary of Formulae and Concepts,” Note, Kellogg School of Management, 2020.

Required Readings on Bankruptcy and Financial Distress

- Ayer, J.D., Michael Bernstein and Jonathan Friedland, *American Bankruptcy Institute Journal*, “What Every Unsecured Creditor Should Know About Chapter 11.”
- Gaughan, P.A., “Mergers, Acquisitions, and Corporate Restructurings,” Fourth Edition, John Wiley and Sons, Inc., 2007. Chapter 11 (Restructuring in Bankruptcy).
- Gilson, S., “Managing Default: Some Evidence On How Firms Choose Between Workouts and Chapter 11,” *Journal of Applied Corporate Finance*, Volume 4, Issue 2, Summer 1991.

[This is a must read article!].

- Gilson, S., “Investing in Distressed Situations: A Market Survey,” *Financial Analysts Journal*, Volume 51, No. 6, November-December, 1995.
- Liberti, J., “Special Cases In Valuation: Mergers & Acquisitions and Corporate Restructuring,” Note, Kellogg School of Management, 2020.
[Concentrate on Section II: Corporate Restructuring. Section I was covered during Session VI (Paramount)].
- Liberti, J., “Summary of the Chapter 11 Process – Glossary of Terms,” Note, Kellogg School of Management, 2020.
[Concentrate on Summary of the Chapter 11 Process [Pages1-7]].
- Liberti, J., “Tax Loss Carry Backs and Tax Loss Carry Forwards. Section 382 and Bankruptcy Laws,” Note, Kellogg School of Management, 2020.
- Liberti, J., “Bankruptcy – Codes and Practices,” Lecture Slides, Kellogg School of Management, 2020.
- Liberti, J., “Corporate Restructuring in Financial Distress: Private Workouts and Bankruptcy,” Lecture Slides, Kellogg School of Management, 2020.
- Liberti, J., “Corporate Reorganization Primer,” Lecture Slides, Kellogg School of Management, 2020.

Supplementary Readings on Capital Cash Flow

- Ruback, R., “Capital Cash Flows: A Simple Approach to valuing Risky Cash Flows,” Working Paper, May 2000.

Supplementary Readings on Bankruptcy and Financial Distress

- Baker, G.P., “Beatrice: A Study in the Creation and Destruction of Value,” *The Journal of Finance*, Vol. XLVII, Number 3, July 1992.
- Bris, A., Ivo Welch and Ning Zhu, “The Costs of Bankruptcy: Chapter 7 Liquidation versus Chapter 11 Reorganization,” *The Journal of Finance*, Vol. LXI, Number 3, June 2006.
- CA [Blue Book], “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part IV: Transaction Structuring, Chapter 22 (Corporate Restructurings).
[Concentrate on Financial Restructuring [Pages 530-535]].
- Carmody, K., Ryan Davies, and Doug Yakola, “Maintaining a Long-Term View During Turnarounds,” *McKinsey on Finance*, 2015.
- Franks, J., Kjell G. Nyborg and Walter N. Torous, “A Comparison of US, UK, and German Insolvency Codes,” *Financial Management*, Volume 25, Number 3, Autumn 1996.

- Senbet, L.W. and James K. Seward, “Financial Distress, Bankruptcy and Reorganization,” Chapter 28, R. Jarrow et al., Eds., *Handbooks in OR & MS*, Volume 9, 1995, Elsevier Science B.V.
- Sprayregen, J.H.M. and Jonathan P. Friedland, “The Legal Considerations of Acquiring Distressed Business: A Primer,” *Journal of Bankruptcy Law and Practice*, Volume 11, 3-26, November 2002.
- Sprayregen, J.H.M., Jonathan P. Friedland, Shirley S.Cho, “The Zone of Insolvency: What a Company Entered Into It, And Once There, What Are The Boards’ Duties?”, *Kirkland & Ellis*, May 22, 2002.
- Sprayregen, J.H.M., Jonathan P. Friedland and Evan Gartenlaub, “First Things First – A Primer On How To Obtain Appropriate “First Day” Relief In Chapter 11 Cases,” *Journal of Bankruptcy Law and Practice*, Volume 11, 275-312, November 2002.
- Teitelbaum, J., Richard S. Toder and Wendy S. Walker, “A Overview of the 2005 Bankruptcy Act,” *Morgan Lewis Counselors at Law*, April 2005.

Business Readings

- “A Guide to Bankruptcy, Insolvency Practices in the U.S. and Europe”, *Turnaround Management Association*, International News, 18-26, April 2006.
- “Attorneys General Seek “Cram Downs”?, *Fierce Finance*, October 31, 2010.
- “The Do’s and Do Nots of Navigating Chapter 11 Rough Waters,” Business Presentation Cooley LLP, 2010.

Course Change Proposal – Strategies for Growth

The following information is required for all course change proposals at the undergraduate and graduate level. To facilitate the review/approval process, please use the headings below (and omit the italicized explanations below each heading).

1. Program

Kellogg-Schulich Executive MBA Program

2. Course Number and Credit Value

EMBA 6560 2.00

3. Course Title

a) Long Course Title

Strategies for Growth

b) Short Course Title

Strategies for Growth

4. Existing Pre-requisites/Co-Requisites

N/A

5. Type of Course Change (indicate all that apply)

	in course number
✓	in credit value (provide course outline)
	in course title (provide course outline; short course titles may be a maximum of 40 characters, including punctuation and spaces)
	in course description (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense)
	in learning objectives/outcomes (please append the program's existing learning outcomes as a separate document)
	in integration (provide statement of approval from other program)
	in cross-listing (provide statement of approval from other program)
	in pre/co-requisite
	expire course
	other (please specify)

6. Effective Session of Proposed Change(s)

Summer 2021

7. Academic Rationale

This elective had been expanded in 2019 to a 4-credit course to be delivered in an intensive one-week format, with a corresponding increase in topics, readings and deliverables (see attached). Due to the Covid pandemic, in 2020, it was pared back on an emergency basis to a 2-credit course that was delivered entirely online during the summer of 2020. (The course was posted on Canvas but a corresponding new course outline was never made available). The course will now return to the extended 4-credit format and content.

8. Proposed Course Information

Existing Course Information (Change from)	Proposed Course Information (Change to)
<i>Course Credits: 2</i>	<i>Course Credits: 4</i>

9. Consultation

N/A

Originator

Mike Mazzeo

Signature

Date

Mike Mazzeo

Name

Area or Specialization

Approvals:

Area or Specialization

I have reviewed this change form and I support the proposed changes to the course.

Matthias Kipping

Signature

November 17, 2020

Date

Matthias Kipping

Name

Kellogg-Schulich Executive MBA

Area or Specialization

Degree Program

I have reviewed this change form and I support the proposed changes to the course.

Matthias Kipping

Signature

November 17, 2020

Date

Matthias Kipping

Name of Program Director

Kellogg-Schulich Executive MBA

Program

Program Committee

This course change has received the approval of the relevant Program Committee.

Marcia Annisette

Signature

November 17, 2020

Date

Marcia Annisette

Name of Committee Chair

Kellogg-Schulich Executive MBA

Committee

Required Attachments

- For changes in the number of credits, course title or course description, please attach the Schulich course outline (which must conform to program norms; see the Program Assistant for details).
- For cross-listed / integrated courses, please include a signed statement of agreement from the director of the other graduate course / other degree program.

Send to

Send an electronic copy of all forms and attachments, and forward emails of support from other faculty members , to the appropriate program committee secretary.

Strategies for Growth

Virtual Edition – Spring 2020

10 May 2020

Professor Mike Mazzeo
Strategy Department
Kellogg School of Management

I. Course Description

This course is about effectively scaling a business. Because growth is an imperative for many organizations, it is crucial to understand the strategic fundamentals underpinning profitable growth. This course connects frameworks from economics and strategy to the experiences of firms attempting growth initiatives to illustrate why some businesses can scale successfully while others struggle.

The course will consist of both a classroom component and an experiential component:

- **Virtual Classroom Component** The cases and examples in this course will focus on “middle-market” companies – organizations that are beyond the initial startup stage and are explicitly looking to expand their business. Case materials include first-person accounts of the challenges of growth for these companies, as collected in interviews conducted during our “Roadside MBA” project (www.roadside-mba.com). **You will listen to audio recordings/view video recordings of these interviews as the “cases” for this course – consuming these will require more time than the usual course preparation. In addition, some lecture material will be pre-recorded for you to watch prior to class.** The virtual classroom component of the class will have six “synchronous” sessions, in which we will discuss these cases in the context of strategy frameworks that can be used to extrapolate from experiences of these specific firms to general insights about growth and scaling (indeed, many of the firms referenced in the background readings describing these frameworks are large companies).

- **Experiential Component** To complete the final project for this course, you will conduct your own 60-minute interview with a middle-market company facing growth challenges. This exercise will allow you to practice asking good questions to uncover strategic challenges, and will also generate new first-person case material. Deliverables for the course will be based on your subject company, which you will analyze using tools presented here and elsewhere in your coursework. Note this activity will require you to do some legwork to locate an interview subject.

II. Assignments and Assessments

Note that the first assignment below is PRE-WORK, and must be completed in advance of our first class session.

- Interview Critique: This assignment will be distributed in early May 2020. Students are individually required to listen to and critique an actual Roadside MBA interview that we conducted as part of our research. I will give you considerable guidance on what makes for a successful interview, and ask you to apply these principles to offer constructive criticism of our real interview. This assignment is due prior to the first class session on and constitutes 15% of your grade.
- Growth challenge presentation: Each student will also be responsible for producing a short video presentation about the company that they interviewed. This presentation has two parts. This first part is an “Audit Sheet Exercise,” based on the material in Topic three of the course, each student will perform a strategy audit of your interview subject. For the second part, you should connect one of the other economic frameworks/strategy topics for the course to a growth/scaling challenge that the company you interviewed has experienced. You may choose any of the other four class topics (see below) as the basis for part two of your presentation. Some students will be asked to give their presentations live to the full class during the last class session. Your video presentation will represent 30% of the course grade.
- Final Exam: All students will individually complete a take-home final exam, which will be distributed after the last class session and will be due on Friday, July 10th at noon

Central Time. More details regarding the exam will be given in advance of the last class session. The final exam will be worth 40% of the course grade.

- Class Participation: **Attendance, preparation, and participation** are essential in this class, as in any class based on the case method. Obviously, you cannot participate if you are not present, so frequent absences will lead to a reduced participation grade. Learning opportunities are maximized when all students are actively engaged in class discussion. Active engagement means that you are **listening carefully** to the comments of other students and seeking opportunities to make comments that move the class discussion forward. To increase opportunities for effective participation, **I will occasionally cold call students** during the course of a discussion. If you feel that you are preparing well but that I am not calling on you often enough, please let me know so that I can address the problem.

Class preparation and participation will comprise the remaining 15% of the course grade. Your participation grade will be assigned based on attendance at the virtual sessions, a short quiz at the start of each class and an assessment of your contributions to the class discussion throughout the course. Attendance will be noted at the start of each class session. Students will earn participation points for each class session that they attend (and arrive punctually). One-third of your participation points will be awarded based on attendance. Northwestern provides exceptions for religious holidays, funeral attendance and student/dependent hospitalization; otherwise, attendance at each class session is mandatory. The class times have been selected to facilitate synchronous participation in all time zones.

III. Classroom Etiquette and Honor Code

Attendance at every virtual class session is mandatory. Class will start precisely at the appointed time and that is when each student is expected to be prepared to begin.

Students are expected to abide by Kellogg's Honor Code and Code of Student Etiquette at all times. Specific guidance on Honor Code issues will be provided during the quarter, as needed.

IV. Schedule of Course Activities

a. Prework

Guidance for effective interviewing

- Watch videos
- Interview critique exercise (Due prior to the first class session)

b. Class Schedule

Class Session #1

Topic: Strategy Redux – Fundamentals of Growth and Scaling

Readings: Mazzeo, Oyer & Schaefer, Roadside MBA, Prologue
VITAMINA (Santiago, Chile)

Audio Recordings: SILK ESPRESSO (Gresham, Oregon)
MUGSHOTS GRILL & BAR (Hattiesburg, Mississippi)

Guest Speaker Presentation: GRADUATE HOTELS (Ben Weprin – EMP 80)

Class Session #2

Topic: Competition and Growth – Sunk Costs and Industry Evolution

Reading: Sutton, Sunk Costs and Market Structure, Chapter 2

Audio Recordings: ENERGY & METEO SYSTEMS (Oldenburg, Germany)
PRODEW (Marietta, Georgia)

Video: KEY FIRE HOSE (Dothan, Alabama)

Recorded Lecture: Long-run Industry Structure Framework

Class Session #3

Topic: Product Portfolio Expansions – Capabilities and Adjacencies

Reading: Leinwand & Mainardi, The Essential Advantage, Chapter 7

Audio Recordings: SENSKE LAWN CARE (Kennewick, Washington)
NEW MILLENIUM DESIGNS (Slidell, Louisiana)

Video: SCOTT TURBON MIXER (Adelanto, California)

Recorded Lecture: Template for Competitive Advantage and Growth

Class Session #4

Topic: Scaling Internally – Hiring, Delegation and Incentives

Readings: Mazzeo, Oyer and Schaefer, Roadside MBA, Chapter 9

Video: RIVER ONLINE (Kolding, Denmark)

Guest Speaker Presentation: ENSPIRA (Kurt Landon)

Class Session #5

Topic: Organizing for Growth – Investments and Acquisitions

Readings: Roberts, The Modern Firm, Chapter 6

Audio Recordings: MIDWEST PRODUCTS (Jefferson City, Missouri)
ELEVATE (Richland, Washington)

Video: GARENA (Singapore)

Class Session #6

Student presentations

Course Change Proposal – Healthcare Strategy

The following information is required for all course change proposals at the undergraduate and graduate level. To facilitate the review/approval process, please use the headings below (and omit the italicized explanations below each heading).

1. **Program**
Kellogg-Schulich Executive MBA Program
2. **Course Number and Credit Value**
EMBA 6620 2.00
3. **Course Title**
 - a) **Long Course Title**
Healthcare Strategy
 - b) **Short Course Title**
Healthcare Strategy
4. **Existing Pre-requisites/Co-Requisites**
N/A
5. **Type of Course Change (indicate all that apply)**

<input type="checkbox"/>	in course number
<input checked="" type="checkbox"/>	in credit value (provide course outline)
<input type="checkbox"/>	in course title (provide course outline; short course titles may be a maximum of 40 characters, including punctuation and spaces)
<input type="checkbox"/>	in course description (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense)
<input type="checkbox"/>	in learning objectives/outcomes (please append the program's existing learning outcomes as a separate document)
<input type="checkbox"/>	in integration (provide statement of approval from other program)
<input type="checkbox"/>	in cross-listing (provide statement of approval from other program)
<input type="checkbox"/>	in pre/co-requisite
<input type="checkbox"/>	expire course
<input type="checkbox"/>	other (please specify)

6. **Effective Session of Proposed Change(s)**
Winter 2021
7. **Academic Rationale**

This course used to be taught as a 2-credit elective in ten 1.5-hour sessions. It has now been updated and expanded into a 30-hour, 4-credit course, with a commensurate increase in topics, readings and deliverables.

8. **Proposed Course Information**

Existing Course Information (Change from)	Proposed Course Information (Change to)
<i>Course Credits: 2</i>	<i>Course Credits: 4</i>

9. Consultation
N/A

Originator

Craig Garthwaite _____
Signature Date

Craig Garthwaite _____
Name Area or Specialization

Approvals:

Area or Specialization

I have reviewed this change form and I support the proposed changes to the course.

Matthias Kipping _____
Signature Date

Matthias Kipping _____
Name Kellogg-Schulich Executive MBA
Area or Specialization

Degree Program

I have reviewed this change form and I support the proposed changes to the course.

Matthias Kipping _____
Signature Date

Matthias Kipping _____
Name of Program Director Kellogg-Schulich Executive MBA
Program

Program Committee

This course change has received the approval of the relevant Program Committee.

Marcia Annisette
Signature

November 17, 2020
Date

Marcia Annisette
Name of Committee Chair

Kellogg-Schulich Executive MBA
Committee

Required Attachments

- For changes in the number of credits, course title or course description, please attach the Schulich course outline (which must conform to program norms; see the Program Assistant for details).
- For cross-listed / integrated courses, please include a signed statement of agreement from the director of the other graduate course / other degree program.

Send to

Send an electronic copy of all forms and attachments, and forward emails of support from other faculty members, to the appropriate program committee secretary.

Northwestern | Kellogg

STRT 945X: Healthcare Strategy Winter 2020 Syllabus

Saturday, January 11 – 8:30-11:45am
Sunday, January 12 - 8:30-11:45am

Friday, February 7 - 8:30-11:45am
Saturday, February 8 – 8:30-11:45am
Sunday, February 9 – 8:30-11:45am

Professor Craig Garthwaite

4231 Global Hub
(847) 491-2509

e-mail: c-garthwaite@kellogg.northwestern.edu

COURSE OVERVIEW AND OBJECTIVES

The fundamental question of strategy is both simple and difficult: “How can a firm make long-run profits?” As you have discussed in your other strategy classes at Kellogg, the answer to this question is far more complicated than simply raising revenue or cutting costs. Firms face fundamental trade-offs and deal with a variety of legal and economic constraints that limit their ability to earn long run profits.

In 2015, the U.S. healthcare sector accounted for approximately 17 percent of GDP. This economic activity involves a diverse set of industries with public, nonprofit, and for-profit buyers and sellers. Firms operating in the U.S. healthcare sector face additional difficulties that at times require sector specific strategies. For example, the government represents a near majority of spending, customers rarely directly pay for services, quality is difficult to observe, information is not commonly held across market participants, and value is often best provided by a coordinated set of economic actors that face different incentives. Together, these features (and many others) make developing and maintaining profit maximizing strategies quite difficult. Further complicating matters, many firms in the health sector are non-profit organizations whose explicit goal to maximize social value while competing directly with for-profit firms.

The aim of this course is to build upon your existing courses and frameworks to provide the tools necessary for crafting successful strategies for firms operating in the U.S. health sector. As a participant, you will be introduced to the key strategic problems facing the complete set of healthcare organizations and to develop strategic frameworks that can be applied in a variety of settings.

In addition, this course will explicitly cover recent health reform efforts and how those can represent both opportunities and threats for participants in a variety of markets. This will involve a variety of more policy related topics and questions than might be found in a strategy class focusing on a different sector.

TEACHING APPROACH

This course combines both lecture and case discussion formats. Because the aim of the course is to build your own critical and analytical thinking abilities, you will spend much of your time preparing for and engaging in class discussion. These will include longer cases and shorter examples of firms that are currently confronting the theoretical course concepts.

Many of our discussions will be based on both large and small business cases. Cases tend not to have a single, tidy solution. However, there are always better and worse answers, and valid and invalid inferences. Cases *never* contain all the information you would like to have to make a decision—in this way, they are very much like real life. You may find it frustrating to be pushed to make a decision or take a stand when you are not sure whether it is the right one; this is the nature of real-world business decision-making. Cases often offer conflicting information. They will require you to make judgment calls. This kind of ambiguity is also a feature of real-world business decisions, particularly in a field such as health which almost uniquely combines the uncertainty of the business and policy world.

PREPARATION

Preparing for class discussion means more than just reading the case. There is no explicit preparation task to do as you read the material for the course, but it is a good idea always to be asking yourself, “Do I believe this argument? Where else does it apply? When would this approach not be useful?”

If for some reason you are not prepared for class, I expect you to let me know before class. I know that you are juggling work, other classes and other commitments; you don’t need to give me an explanation. However,

if you haven't told me otherwise, then you have implicitly committed to be ready to contribute to the class if I should call on you.

READINGS

A course packet, which includes the cases on the syllabus, is required. This course packet is available from the Xanedu.

In addition to the Xanedu course packet, this course also relies on a large number of mandatory readings from the popular press. These readings are available in a PDF packet that you could download from the Course Canvas website.

ADDITIONAL COURSE MATERIALS

The following materials will be posted on the course's Canvas website.

- **Course announcements:** I will use the Canvas site to post course-related announcements and reminders. As a result, you should check the site regularly. If there is something critical to which I need to draw your attention, I will also email you.
- **Assignments:** The website will contain the group case assignments, the individual case assignments, and the preparation questions for each case.
- **Slides and handouts from class:** Anything I hand out in class will be posted on Canvas. If you miss something or lose something, you can find it there. These will also be posted to the "Modules" section of Canvas.

DELIVARABLES

Lincoln Douglas Debate: 35%

On the last day of the course, we will have an in-class debate about important issues in healthcare strategy. Specifically, your team will be asked to prepare to participate in a debate covering one of the following question:

***Option 1:** Resolved: Biosimilar products should be allowed to be automatically substituted for the reference biologic product in the same way as generic small molecule products.*

***Option 2:** Resolved: Accountable Care Organizations (ACOs) will emerge as an effective method of meaningfully controlling healthcare costs.*

During the first week of class, you will organize yourself into groups of no more than six members that are interested in debating one of these two options.

The debates will follow a modified “Lincoln-Douglas” debate format that is described in detail in a reading on the Canvas site. For each debate, the affirmative and alternative teams will be chosen at random. In addition, two teams will be selected to be judges (one team will be chosen randomly from the pool of affirmative teams and the other from the pool of alternative teams). At the formal close of the debate, the judges will vote on the winning team.

All teams will be asked to turn in a memorandum—not to exceed 1,200 words of text, including figures, graphs, or tables, but excluding footnotes (roughly 3 pages)—that (a) summarizes the team’s opening argument, the contentions it intends to make, and the logic, reasoning, and evidence used to support the contentions; (b) rebuts the points that a team arguing the opposing position would be likely to make. Each memorandum must be turned in at the beginning of class and should indicate the word count (again, including figures, graphs, and tables). All teams will be graded based on the quality of the arguments and debate points in their memorandum. There is no restriction on the sources that you can access for the debate. However, please be sure to footnote your sources.

Final Exam: 40%

The final exam is a 100-minute timed exam to be downloaded and completed by March 16, 2020. The exam will consist of short essays and one longer essay and/or analysis of an article/case.

Class Preparation and Participation: 25%

The class participation grade provides you with an *added* incentive to prepare for class—the value of your own learning should be the primary incentive. Case discussions work well as learning tools when everyone participates.

Your participation will be graded on quality, not volume. You should provide insights, observations, inferences, or conclusions that not only express your viewpoint, but *also* defend your analysis. Your comment should be relevant to the topic at hand, and should advance the discussion. A simple opinion or viewpoint is not very valuable without any justification. I value comments that respond to, elaborate on, lend support to, contradict, or correct a comment by one of your classmates. Counter-productive comments include opinions without a justifying argument, pure repetition of previous point, and rambling, vacuous or disparaging comments.

Discussion constitutes a large portion of our class time; you will have ample opportunity to participate. **I will cold call in class**, both to give you an incentive to prepare for class, and to make sure the class discussion does not collapse to a handful of students.

DAY-BY-DAY SCHEDULE

January 7 (Thursday) 8:30 – 12:00

The United States Healthcare Sector and the Affordable Care Act (ACA)

- D. Leonardt, “Making Healthcare Better,” *New York Times*, 11/3/2009.
- A. Gwande, “The Cost Conundrum,” *New Yorker*, 6/1/2009

BACKGROUND READING (these articles will not be formally discussed but you may find them useful)

- OBAMACARE HBS CASE #9-714-029
- “The Hospital Industry,” *Health Economics*, Jay Battacharya, Timothy Hyde and Peter Tu, 2014.
 - *We will cover this reading in more depth during Session 2, but if you have little familiarity with these issues it would be good to skim this article now*

Value Creation and Capture in Healthcare

●—
January 8 (Friday) 8:30 – 12:00

Added Value in Healthcare

Added Value in Pharmaceutical Industry

- A. Jack, “The fall of the world’s best-selling drug,” *Financial Times*, Nov. 28, 2009.
- J. Rogkoff, “How Pfizer Set the Cost of its New Drug at \$9,850 Per Month,” *Wall Street Journal*, Dec. 9, 2015.

Added Value in Insurance Networks

- B. Wysocki, “FTC Targets Hospital Merger in Antitrust Case,” *Wall Street Journal*, June 17, 2005.

BACKGROUND READING (these readings are not required)

- T. Gryta, “What is a Pharmacy Benefit Manager,” *Wall Street Journal*, July 21, 2011.
- “Follow the Pill: Understanding the U.S. Commercial Pharmaceutical Supply Chain” Kaiser Family Foundation
 - *Note: This article is a little bit old, so don’t pay much attention to the market statistics. However, its description of the activities of the various firms is the most accurate I have found. It will be useful for*

students without a strong understanding of how both products and money move between various firms in the pharmaceutical market.

Industry Analysis and Long Run Industry Structure

The Hospital Industry

- D. Armstrong, “A Surgeon Earns Riches, Enmity By Plucking Profitable Patients,” *Wall Street Journal*, 8/2/2005.

BACKGROUND READING (these readings are not required)

- “The Hospital Industry,” *Health Economics*, Jay Battacharya, Timothy Hyde and Peter Tu, 2014.
 - *We will be covering the dynamics of the hospital industry during this class. This textbook chapter is too long to assign in total, but based on your familiarity with the U.S. Hospital sector you may find parts of it useful. I leave it to your discretion to skim and/or read the sections that you might find useful.*

January 8th – Kaveh Safafi 2-5

Module 1a: A Multi-Domestic Strategy for Healthcare [KAVEH SAFAFI]

Hour 1:

- Introduce course concept: how do you think about global expansion when you have a healthcare product or service in the US, and you want to take it to another country
- Introduce the Desirability, Viability, Feasibility construct as a way to think about the product market fit for global expansion outside the US

Hours 2-3:

- Deep dive in the health systems framework as a way to assess the DFV of a particular country
- Discuss the framework elements as whole. Deep dive into:
 - payers and payment: public vs private; activity vs budgets prospective vs retrospective 2 party vs 3 party
 - delivery system – public vs private, hospital vs physician
 - price setting mechanism: regulated vs market, efficacy vs activity
 - policy and political priorities access vs affordability vs effectiveness
 - cultural role of patients as consumers and consumerism

January 9th - -Kaveh Safafi – 8:30 – 11

Module 1b: A Multi-Domestic Strategy for Healthcare [KAVEH SAFAFI]

- [Case study hospital at home business explain business model and business case in US context](#)
- [Take H@H case study and apply DVF for expansion into UK and into Australia as examples \(could do others as well\)](#)

[Craig Garthwaite – January 9th 1:30-5](#)

Competitive Advantage

DaVita and the Dialysis Market

- RENAL CARE IN THE UNITED STATES (KELLOGG CASE)

Strategic Fit: ACA Insurance Marketplaces

- B. Herman, “Struggling with Health Net, Centene will drop many Arizona ACA plans,” *Modern Healthcare*, July 26, 2016.
- L. Lorenzetti, “UnitedHealth Hasn't Given Up on Obamacare Altogether,” *Fortune*, April 20, 2016.
- Please briefly review the 2015 10-K Forms for both UnitedHealth and Centene to better understand the lines of businesses in which they are operating. These are available at:
 - Centene:
<https://www.sec.gov/Archives/edgar/data/1071739/000107173916000192/form10k.htm>
 - UHC:
http://www.unitedhealthgroup.com/~/_media/8C945A8A1C9647A899EE8AE0EC588ADB.ashx

BACKGROUND READING (these readings are not required)

- L. Levitt et al., “Assessing ACA Marketplace Enrollment,” Kaiser Family Foundation.
 - Note, we talked in the first class about the ACA Marketplaces, I'm providing you this overview to refresh how the enrollment has gone. This might be useful as you consider which firms have found success in this market and why.
- J. Paradise, “Medicaid Managed Care: A Primer and National Overview,” Slideshow for Council on State Governments
 - Note that this will be useful for understanding the business models of some insurance companies that are now operating in the ACA exchanges

[Griffin Myers - January 10th – 8:30 – 12:00pm](#)

Module 2a: Business Models for Value Based Healthcare [GRIFFIN MYERS]

[Objectives of a Healthcare System](#)
[Value in Healthcare](#)
[Healthcare Value Chain](#)
[Price Mechanisms & Market Failures](#)
[Prices & Costs](#)
[On Market Failures and the Affordable Care Act](#)
[Insurance Markets](#)
[Types of \(Actuarial\) Products](#)
[Delegated Services](#)
[Fee-for-service: A Deep Dive](#)
[Variation](#)
[Demand Management](#)
[PICO Model](#)
[MLR](#)
[Principles of Working with or Managing Physicians](#)

- [Gawande A. The Cost Conundrum. The New Yorker. June 1, 2009. \(<https://www.newyorker.com/magazine/2009/06/01/the-cost-conundrum>\)](#)
- [Gawande A. The Hot Spotters. The New Yorker. January 24, 2011. \(<https://www.newyorker.com/magazine/2011/01/24/the-hot-spotters>\)](#)
- [Schroeder, S. We can do better--improving the health of the American people. New England Journal of Medicine. 2007;357:1221-8. \(<https://www.nejm.org/doi/full/10.1056/NEJMsa073350>\)](#)

[February 4th \(Thursday\) 8:30 – 11 \[ANYTIME THAT WORKS FOR GRIFFIN HERE WORKS\]](#)

[Module 2b: Business Models for Value Based Healthcare \[GRIFFIN MYERS\]](#)

- [A Framework for Value Creation](#)
- [Service Integration](#)
- [Operational Enhancement](#)
- [Performance](#)
- [Incentive Optimization](#)
- [Pricing & Value Capture](#)
- [Medicare Advantage as a Laboratory: FFS, PPO, HMO, Capitation](#)
- [Bundles & IPUs](#)
- [Principles of Value-based Care"](#)
- [Case Discussion: Oak Street Health](#)
- [Implications of Value-based Models](#)

- [Harvard Business School Case: Oak Street Health: A New Model of Primary Care](#)
[Porter, M. What is value in healthcare? New England Journal of Medicine. 23 December 2010. \(<http://vbhcprize.com/wp-content/uploads/2014/03/Porter-What-is-value-in-healthcare.pdf>\)](#)

[February 5th \(Friday\) – 8:30 – 12:00](#)

[Sustainability of Competitive Advantage](#)

- AMGEN INC: PURSUING INNOVATION AND IMITATION (A): HBS CASE: 714424-PDF-ENG
- E. Silverman, “As Hep-C Sales Decline, Wall Street wonders what Gilead does for its next act,” STATNews, July 26, 2016.
- S. Chen, M. Cortez, and J. Hopkins, “Gilead Tries to Repeat Home Run With \$11.9 Billion Kite Deal,” *Bloomberg*, Aug 28, 2017

BACKGROUND READING (these readings are not required)

- “Pharmaceuticals and the Economics of Innovation,” *Health Economics*, Jay Battacharya, Timothy Hyde and Peter Tu, 2014.
- M. O’shea and C. Mikson, “The Hatch-Waxman Act: still critical, still in flux,” *The National Law Journal*, vol. 27, no. 70.

[Friday February 5th – Afternoon](#)

[STUDENT DEBATE](#)

[Saturday February 6th – 8:30 – 12:00](#)

Boundaries of the Firm

Mergers among Providers

- D. Diamond, “A Nation of McHospitals?,” *POLITICO*, November 8, 2017

BACKGROUND READING (these readings are not required)

- M. Gaynor and D. Haas-Wilson, 1999, “Change, Consolidation, and Competition in Health Care Markets,” *Journal of Economic Perspectives*, 13(1): 141-164.
 - *Note: We will not formally discuss this article in class. However, it will serve as the basis for some of the lecture and if you don’t have much experience in M&A or anti-trust issues in health this provides perhaps the best concise overview of the work in this area.*

[Adam Koppel 1:30 – 5:00](#)

[Module 3a: Value Creation and Capture in Early Stage Biopharmaceutical Firms \[ADAM KOPPEL\]](#)

[Sunday February 7th -8:30 - 11](#)

[Module 3b: Value Creation and Capture in Early Stage Biopharmaceutical Firms \[ADAM KOPPEL\]](#)

[Sunday February 8th -11-12](#)

[Conclusion](#)

Course Change Proposal – Family Enterprises: Success and Continuity

The following information is required for all course change proposals at the undergraduate and graduate level. To facilitate the review/approval process, please use the headings below (and omit the italicized explanations below each heading).

1. **Program**
Kellogg-Schulich Executive MBA Program
2. **Course Number and Credit Value**
EMBA 6890 2.00
3. **Course Title**
 - a) **Long Course Title**
Family Enterprises: Success and Continuity
 - b) **Short Course Title**
Family Enterprises
4. **Existing Pre-requisites/Co-Requisites**
N/A
5. **Type of Course Change (indicate all that apply)**

	in course number
✓	in credit value (provide course outline)
	in course title (provide course outline; short course titles may be a maximum of 40 characters, including punctuation and spaces)
	in course description (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense)
	in learning objectives/outcomes (please append the program's existing learning outcomes as a separate document)
	in integration (provide statement of approval from other program)
	in cross-listing (provide statement of approval from other program)
	in pre/co-requisite
	expire course
	other (please specify)

6. **Effective Session of Proposed Change(s)**
Spring 2021
7. **Academic Rationale**
The increase from a 2 to 4 credits is justified by an enlargement of the scope of the course, which now also examines the competitive advantage of family businesses and introduces various family enterprise frameworks. This has resulted in a doubling of the number of sessions and the associated readings. While the main assessment (case study of a family business) remains similar, it now also requires an engagement with these additional topics.
8. **Proposed Course Information**

Existing Course Information (Change from)	Proposed Course Information (Change to)
<i>Course Credits: 2</i>	<i>Course Credits: 4</i>

9. Consultation

N/A

Originator

Justin Craig _____
Signature Date

Justin Craig _____
Name Area or Specialization

Approvals:

Area or Specialization

I have reviewed this change form and I support the proposed changes to the course.

Matthias Kipping _____
Signature Date

Matthias Kipping _____
Name Kellogg-Schulich Executive MBA
Area or Specialization

Degree Program

I have reviewed this change form and I support the proposed changes to the course.

Matthias Kipping _____
Signature Date

Matthias Kipping _____
Name of Program Director Kellogg-Schulich Executive MBA
Program

Program Committee

This course change has received the approval of the relevant Program Committee.

Marcia Annisette

Signature

November 17, 2020

Date

Marcia Annisette

Name of Committee Chair

Kellogg-Schulich Executive MBA

Committee

Required Attachments

- For changes in the number of credits, course title or course description, please attach the Schulich course outline (which must conform to program norms; see the Program Assistant for details).
- For cross-listed / integrated courses, please include a signed statement of agreement from the director of the other graduate course / other degree program.

Send to

Send an electronic copy of all forms and attachments, and forward emails of support from other faculty members, to the appropriate program committee secretary.

COURSE SYLLABUS

Thursday, April 27, 2017 (8:30 am-11:45 am)

Session #1-2: Evolution of Family Enterprise

Topics:

- The role of family business in society
- The types of family enterprises
- The challenges for family enterprises
- Family business competitive advantage
- Introducing Family Enterprise Frameworks

Reading Assignments:

- Please read Chapters 3, 4, 5, 6 from Succeeding Generations
- Understanding tensions and conflict: A phases of learning approach for leading family businesses *Ken Moores and Mary Barrett in Understanding Family Enterprise: A Book of Readings*, Editors: Ken Moores and Justin B. Craig, Bond University Press, 2011.
- Craig, J. B., & Moores, K. (2015) Appreciating the nature of the family business difference: The A-GES Framework. In Newbert, Scott L., ed. *Small Business in a Global Economy: Creating and Managing Successful Organizations*, 2 volumes (Santa Barbara, CA: Praeger, 2015).

Supplemental Readings (optional):

- “Thomas Mann’s Buddenbrooks” (a Kellogg Case), 7 pp.
- “Kellogg’s Award Winning Families”, 4 pp.
- “The Dynamics of Family Controlled Firms”, by Manfred Kets de Vries, 12 pp.

Friday, April 28, 2017 (8:30 am-11:45 am)

Session #3-4: Vision and Continuity

Topics:

- What do owners want?
- Thinking about the future: “how is the vision different in family companies?”

Reading Assignments:

- Neubaum, D. O., Dibrell, C., Thomas, C., & Craig, J. B. (2017) Stewardship climate: Scale development and validation. Forthcoming *Family Business Review*, March, 1-24.
- Please read Chapters 3, 4, 5, 6 from Succeeding Generations

Supplemental Readings (optional):

- “Leveraging the Mission in Family Business”, by D. Miller and I. Le Breton-Miller, 5 pp.
- “The Case for the Family-Owned Conglomerate”, by McKinsey, 12 pp.

Saturday, April 29, 2017 (8:30 am-11:45 am)

Session #5-6: Family Enterprise Governance

Topics:

- Governing the Family
- Family Councils
- Governance process
- Governance policies

Reading Assignments:

- Moores, K., & Craig, J. B. (2015) The Dempsey Boat Case. *Family Business Casebook*. **Please make sure you read Dempsey Boats case.**
- “Governance Structures and Processes for Continuity” Chapter 12, Succeeding Generations, Ivan Lansberg, pp. 279-309.
- “Governance in Action” Chapter 13, Succeeding Generations, Ivan Lansberg, pp. 311-327.
- Craig, J. B., & Moores, K. (2002) How Australia’s Dennis Family Corporation professionalized its family business. *Family Business Review*, March, XV(1), 59-70.

Sunday, April 30, 2017 (8:30 am-11:45 am)

Session #7-8: Board of Directors: Jim Ethier (Chairman Emeritus of Bush Brothers and Kellogg Adjunct Professor) will jointly deliver these sessions.

Topics:

Research and experience show that the Board of Directors is the single most underutilized resource in family companies. But, what makes for an effective Board of Directors? How should they be structured and what processes should they adopt to function most effectively? These are some of the fundamental topics we will discuss.

Reading Assignments:

- The Future of Bush Brothers and Company: Developing a Shared Vision for a Complex Family Enterprise." Lansberg, Ivan; Grady, Katherine; Waikar, Sachin. pp. 1-19. Case No. 5-414-754. 2015.
- “The Role of the Board in the Family Business” Chapter 3, Building a Successful Family Business Board, by J. Pendergast; J. L. Ward, et. al, pp. 25-34.
- “The Special Value of Independent Directors to the Family Business” Chapter 4, Building a Successful Family Business Board, by J. Pendergast; J. L. Ward, et. al, pp. 35-52.
- “The Role of the Board in Family Business Continuity Planning” Chapter 5, Building a Successful Family Business Board, by J. Pendergast; J. L. Ward, et. al, pp. 53-66.
- “Designing the Board” Chapter 6, Building a Successful Family Business Board, by J. Pendergast; J. L. Ward, et. al, pp. 67-88.
- Craig, J. B., & Moores, K. (2010) Strategically aligning family and business systems using the Balanced Scorecard. *Journal of Family Business Strategy*, 1, 78-87.

Monday, May 1, 2017 (8:30 am-11:45 am)

Session #9-10: Succession: Letting-go and Taking Charge

Topics:

Leadership succession is one of the fundamental challenges confronting family enterprises worldwide. In most instances, incumbent leaders resist planning for an orderly transition. As a result, many leaders die (or become incapacitated), on the job - throwing the family and the enterprise into disarray and seriously compromising continuity. This module addresses both ends of the succession transition: the process by which senior leaders turn-over power (or avoid doing so) *and* the challenges that aspiring leaders of the next generation face when establishing their credibility and authority.

Too frequently, successors are chosen for top roles with little evidence of their leadership capabilities, putting at risk the continuity of the family and its enterprise (and compromising their own personal and professional development). The right to lead a family company is not automatically bestowed upon anyone; it has to be *earned* in the eyes of the owners, the employees and the family. This module examines the process by which successors acquire the authority and trust they need to effectively lead a family business.

Reading Assignments:

- “Letting Go” Chapter 11, Succeeding Generations, Ivan Lansberg, pp. 249-275.
- “Mentoring” Chapter 8, Succeeding Generations, Ivan Lansberg, pp. 179-198.
- “Anointment and Taking Charge” Chapter 9, Succeeding Generations, Ivan Lansberg, pp. 199-222.
- “Tests of a Prince” by Ivan Lansberg, HBR, Sept. 2007, 9 pp.
- “Why Should Anyone Be Led by You?” by Robert Goffee and Gareth Jones, HBR, Oct. 2000, 8 pp.
- “The Succession Conspiracy” by Ivan Lansberg, Family Business Review, December 1, 2013 26: 333-355

Supplemental Readings (optional):

- “Developing Successors: The First Steps” Chapter 7, Succeeding Generations, Ivan Lansberg, pp. 151-178.

GRADED ASSIGNMENT: FINAL PAPER

Please write a case study of your family's business -- about 5-9 pages. Include as exhibits a family tree and the company organization chart -- including the ownership structure and makeup of the board. Please make sure that you identify the key issues for the future, propose an action plan for addressing the most important one or two issues, and effectively apply course concepts and readings. Ensure you reference readings and frameworks introduced in the class.

For those without a family case we will give you a written case study (Keystone A Case) to address the issues and recommendations as above. For Keystone you do not need to replicate the exhibits that are in the case.

Assignment Deadline: **Please upload your paper onto the course electronic Canvas by Monday, May 29, 2017 at 11:59 pm CDT.**

COURSE EVALUATION

Course assessment is based on 50% for class participation and 50% for the graded paper.

COURSE CODE OF CONDUCT

The course embraces the Kellogg Honor Code. In addition, a code of confidentiality is expected for the benefit of sharing of personal experience.

OUR FAVORITE FAMILY BUSINESS BOOKS

- **Bacardi and the Long Fight for Cuba**. Gjelten, Tom. New York: Viking, 2008. 480 pages.
- **The Trust: The Private and Powerful Family Behind The New York Times**. Tifft, Susan E. and Alex S. Jones. Boston: Little, Brown and Co., 1999. 870 pages.
- **Katharine Graham: A Personal History**. Graham, Katharine. New York: Random House, 1998. 625 pages.
- **Family Capitalism: Wendels, Haniels, Falcks, and the Continental European Model**. James, Harold. Massachusetts: HBS Press, 2006. 425 pages.
- **The Living Company**, Arie de Geuss, HBS Press, 1997. 240 pages.

Please see our website for additional publications.

- www.kcfe.net

Memo

To: Schulich Faculty Council

From: Ashwin Joshi, MBA Program Director

Date: November 18th, 2020

Re: Creation of New MBA Specialization in Digital Transformation

Motion: That Faculty Council approve the creation of a new specialization for the MBA program in the field of digital transformation, to be launched in Fall 2021.

Rationale:

Digital transformation of the world of business is well underway. While in some industries (e.g., newspapers), digital products have rendered physical goods near obsolete, in others (e.g., transportation), it serves as an invaluable complement to the production and movement of physical goods. The aim of this proposed new specialization in digital transformation is to produce MBA graduates that are able to lead effectively and efficiently in this rapidly evolving environment.

Learning Outcomes:

Having taken this specialization, students will be able to:

1. Assess the benefits and costs of undertaking digital transformations of products and businesses to determine whether this is the appropriate course of action in specific instances.
2. Establish the pathways that need to be traversed to effect the digital transformation of products and businesses.
3. Execute the digital transformation process in order to create smart, connected products and businesses.

Demand for the Specialization:

Across numerous focus group sessions with students, findings from GBC surveys of the student body, and individual interactions with students, student demand for this specialization is both long-standing and substantial. While the School currently offers two one-year specialized master programs in the fields of business analytics (MBAN) and artificial intelligence (MMAI), there is currently no option for students within the MBA program to specialize in this growing field.

Competitive Landscape:

A number of Schulich's peer schools have already created similar specialization offerings. The Smith School of Business at Queen's University, for example, offers a specialisation in [Digital Transformation](#). The Haskayne School of Business at the

University of Calgary is launching a specialization in [Business Intelligence and Data Analytics](#) in Fall 2020, and the DeGroote School of Business at McMaster University currently offers a specialization in [Business Analytics](#).

Specialization Structure and Courses:

Schulich’s proposed specialization would require completion of the following four courses, totalling 12.00 credits.

1. MMAI 5100 3.0 Database Fundamentals
2. MBAN 5140 3.0 Visual Analytics and Modelling
3. MBAN 6200 3.0 Realizing Value from AI Analytics
4. MBAN 6500 3.0 Artificial Intelligence in Business I

These courses have been chosen due to their managerial and foundational nature in AI and Analytics. The Data Visualization course (MBAN 5140) is a must for today’s managers. The course titled Realizing Value from AI and Analytics (MBAN 6200) is managerial in nature and allows students to understand how AI and Analytics initiatives are delivered in organizational settings. AI in Business I (MBAN 6500) provides students with an understanding of AI applications in business, which is a foundational course. Lastly, Database Fundamentals (MMAI 5100) will provide the necessary foundational work with regard to managing and building databases.

Collectively, these courses will enable students to (i) assess whether digital transformation is a desirable outcome in a given situation, (ii) establish the steps that need to be taken to effect the digital transformation, and (iii) manage the execution of this transformation.

We also recommend that students in this specialization take courses from the following list of electives:

COURSE NUMBER	TITLE
ORGS 6350 3.00	Managing Change
ORGS 6400 3.00	Power and Politics in Organizations
ORGS 6420 3.00	Crisis Management
ORGS 6500 3.00	Interpersonal Managerial Skills
ORGS 6560 3.00	Negotiations
ORGS 6650 3.00	The Art and Science of Leadership
ORGS 6720 3.00	Managing Team Dynamics
SGMT 6250 3.00	Strategy Execution

Teaching Resources:

The courses are already being taught in the MBAN and MMAI programs. The same instructors will teach the courses to the MBA students.

Impact on Existing Programs (e.g., MBAN and MMAI):

We do not anticipate any adverse reactions of this specialization on the existing MBAN and MMAI programs. Indeed, we may be able to attract more instructors given that they will now have the opportunity to teach in the MBA program as well.

The MBAN program also plans to give advanced standing to those students who have completed this specialization as part of the MBA program. This will enable those students to complete the MBAN Program in 2 terms rather than in 3.

Consultation:

The MBAN and MMAI Program Director, the MSCM Program Director, the Area Coordinator of the OMIS area, the Associate Dean Academic and the Associate Dean Students have all been consulted. They support the motion to launch the Digital Transformation Specialization within the MBA program.

Executive Committee Schulich School of Business Meeting Minutes

A regular meeting of the Executive Committee of Schulich Faculty Council for the 2020-2021 academic year was held via Zoom on Friday October 23rd 2020 from 11:30am – 1:00pm.

In Attendance:

Chair: C. Graham

Secretary: L. Da Silva

Members of Executive Committee Present:

M. Anisette (Associate Dean Academic)	M. Kristal (Director, MBAN)
A. Campbell (Director, IMBA)	M. Levesque (Chair, Tenure & Promotions Committee)
M. Cao (Director, MF)	A. Mustapha (Interim Executive Officer)
B. Durrani (President, UBS)	A. Samji (President, GBC)
E. Fischer (Director, PhD Program)	R. Shao (Vice-Chair, Faculty Council)
D. Johnston (Director, MSCM)	K. Tasa (Director, MMgt)
A. Joshi (Director, MBA; Chair, Nominating Committee)	V. Trivedi (Director, MAcc)
K. Kanagaretnam (AD Students; Chair, Master's Admissions Committee)	M. Valente (Director, BBA/IBBA)
M. Kipping (Director, EMBA)	D. Zwick (Interim Dean)
H. Kim (Chair, Student Affairs Committee)	

Members of Executive Committee Absent/Regrets:

J. Clayton (Director, MREI)	D. Matten (Associate Dean Research; Chair, Research & Library Committee)	P. Tebasi Nejad (PhD Students' Association)	D. Rice (Director, MMKG)
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1. Call to Order

Chair, C. Graham called the meeting to order at 11:35am and welcomed committee members. The Chair announced that E. Rush is now on leave and L. Da Silva is interim Secretary to Council. The agenda was reviewed, and minor revisions were made to the order. The agenda was moved by M. Kipping, seconded by M. Levesque. All were in favour.

2. Faculty Council Agenda Items

The committee discussed the following agenda items:

a) Dean's Remarks

Dean Zwick summarized what he planned to discuss at Council: including update on the budget; enrollment numbers for fall and winter 2020-2021; SEEC update on reorganization;

Dean's office project re ARMS; Updates to SSB Website; Senior leadership program initiatives.

Dean Zwick suggested the Dean's Remarks agenda item be a starting point for a Q&A and updates to be brief or circulated prior to the meeting. It was agreed that 30 minutes would be the allotted time for Q&A and would be added to the Council agenda.

b) **PhD/GBC/UBS Initiatives**

GBC President, A. Samji updated the committee on elections; student reps to now join council and committee. UBS President, B. Durrani noted that it is business as usual.

c) **Discussion re voting process**

The Chair informed the committee that W. Sheremata raised a motion of the concern that the committee does not have a process to allow members to freely vote. The members discussed possible options and their opinions on the voting process. The members agreed they are fine with the current process. This resulted that the Chair tabled the motion and noted that if anyone would like to privately comment they are free to email him directly. The motion will not be added to the Faculty Council Agenda.

d) **Motion: Addition of ACTG non-core members to Tenure and Promotions Committee (A. Joshi)**

A. Joshi summarized the motion and rationale. It was also requested that with a time constraint the motion would need to go to Council through e-vote. It was recommended to explain in the e-vote motion the meaning of non-core committee. Members agreed to send to Council through E-vote.

e) **Discussion re Potential Committee-of-the-Whole Topics**

The Committee discussed in detail the option on the Committee of the Whole Topics. It was agreed that Council already has a full agenda and adding strategic forums as an agenda item a few times a year with specific topics may be a better option. The Chair noted that he would contact B. Lyons to report an update of the last Committee of the Whole discussion at Council.

f) **Discussion re York Cares United Way Campaign (rep to attend November 6th Faculty Council)**

The Committee discussed the possible presentation re York Cares United Way Campaign and agreed that the presentation could be emailed around to the Schulich community rather than added as a formal item on the Council agenda.

g) **Discussion re Decanal Search**

The Chair circulated a PDF of the last decanal search for information only. The members discussed the structure of the search and agreed that a small discussion should happen at Council and a separate meeting should be set for a more detailed discussion. The members agreed that the following should be brought to Council:

The Chair to summarize starting point from last search and then move on to the following 5 items of discussion:

1. Should the structure of the search committee be: faculty and alumni?
2. Determine a process of how to fill those committee positions
3. Should a different Chair be appointed?
4. Should this be an open search?

5. Motion for an open forum

3. Faculty Council Consent Agenda Items

The following consent agenda item was raised for discussion:

BBA/iBBA Program Committee (M. Valente)

a) New Course Proposals

ORGS 4100 3.00 Resilience to Catastrophic Failure in Organizations

The following items were approved from the consent agenda with no changes:

Nominations Committee (A. Joshi)

a) Updated Nominating Slate for 2020-2021

Master Programs Committee (M. Annisette)

a) Program Changes

1. Master of Accounting (ACTG 6650 3.0 elective to core course) (U. Trivedi)
2. Diploma in Advanced Accounting (ACTG 6650 3.0 elective to core course) (U. Trivedi)

b) Course Changes

1. FNEN 6850 3.0 (change of rubric to FINE) (Y. Tian)
2. FINE 6850 3.0 (pre-requisite change) (Y. Tian)
3. BSUS 6300 3.0 (description & learning outcomes) (C. Cho)

4. Adjournment

Motion to adjourn moved by K. Tasa, seconded by M. Levesque. The meeting adjourned at 12:57pm.