The Graduate School of Political Management

M.P.S. in Political Management
Fall 2015
September 2 – December 9

Corporate Public Affairs
PMGT 6420.10
3 Credits
Wed. 7:10-9:40 p.m.

BASIC INFORMATION AND RESOURCES

Instructor

Ken Cohen serves as the Vice President of Public and Government Affairs for Exxon Mobil Corporation. Mr. Cohen has worldwide responsibility for its government relations, communications, media relations, global community relations and corporate brand activities.

Mr. Cohen serves as Director of the National Math And Science Initiative. He is a member of numerous professional associations and serves on the Board of Directors of the Teagle Foundation and Vogel Alcove. In addition, he is on the executive committee of the United States Council for International Business and the Board of Trustees for the Council on Foreign Relations.

Cohen was an Assistant Professor of Law at Indiana University School of Law in Indianapolis. He was Editor-in-Chief of the Baylor Law Review. He earned his LL.M. from Yale Law School, where he was a Sterling Fellow. Mr. Cohen did his undergraduate work at Northwestern University and earned his J.D. degree from Baylor Law School.

Co-Instructor

The Honorable Mark Kennedy brings insights from serving as a senior executive at one of America's largest companies (Macy's) during a period of radical transformation, serving as a U.S. Congressman during similarly turbulent times, advising both Presidents George W. Bush and Barack Obama on international trade and now leading George Washington University’s Graduate School of Political Management.

Kennedy introduced the concept of “Shapeholders” to the field of business strategy - the political, regulatory, media, and activist actors that shape a firm’s opportunities and risks. Kennedy reveals how to effectively engage shapeholders both at home and abroad to profitably advance business strategies while benefiting society.

Kennedy is Chairman of the Economic Club of Minnesota and a member of the Council on Foreign Relations and the Chatham House in London. He is also affiliated with GWU’s Elliott School of International Affairs Institute for International Economic Policy.
Mark believes collaborating is essential to success. While a Republican Congressman, he partnered with twenty Democrats to introduce and lead legislation; more than half of the Democrats in the U.S. House co-sponsored one of his bills and nearly all voted in support of at least one of his initiatives.

A graduate of St. John's University, Kennedy received a Master's in Business Administration (MBA) with distinction from the The University of Michigan.

Contact Information
Ken Cohen
Mark Kennedy – markkennedy@gwu.edu

Communication
Email the professor for a response within 24 hours.

Blackboard Site
A Blackboard course site has been set up for this course. Each student is expected to check the site throughout the semester, as Blackboard will be the primary venue for outside classroom communications between the instructors and the students. Students can access the course site at https://blackboard.gwu.edu. Support for Blackboard is available at 202-994-4948 or helpdesk.gwu.edu.

Academic Integrity
All members of the university community are expected to exhibit honesty and competence in their academic work. Students have a special responsibility to acquaint themselves with, and make use of, all proper procedures for doing research, writing papers, and taking exams. Members of the community will be presumed to be familiar with the proper academic procedures and will be held responsible for applying them. Deliberate failure to act in accordance with such procedures will be considered academic dishonesty. Academic dishonesty is defined as “cheating of any kind, including misrepresenting one’s own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information.” Acts of academic dishonesty are a legal, moral, and intellectual offense against the community and will be prosecuted through the proper university channels. The University Code of Academic Integrity can be found at http://www.gwu.edu/~ntegrity/code.html.

Support for Students with Disabilities
GW’s Disability Support Services (DSS) provides and coordinates accommodations and other services for students with a wide variety of disabilities, as well as those temporarily disabled by injury or illness. Accommodations are available through DSS to facilitate academic access for students with disabilities. Please notify your instructor if you require accommodations. Additional information is available at www.gwu.edu/~dss.

In the Event of an Emergency or Crisis during Class
If we experience some an emergency during class time, we will try to stay at this location until we hear that we can move about safely. If we have to leave here, we will meet at [fill in proximate location] in order to account for everyone and to make certain that everyone is safe. Please refer to Campus Advisories for the latest information on the University’s operating status: http://www.campusadvisories.gwu.edu/.
Attendance Policy
Students are expected to attend all sessions noted on the syllabus, as a component of each student’s attendance and class participation grade. Please email the professor if you anticipate needing to miss or being late to a session.

No Computers in Class

Professor Kennedy’s classes are highly interactive requiring constant attention by all students. The need for note taking is reduced based on the availability of extensive material on his YouTube channel – MarkRKennedy. Furthermore, scientific studies confirm that handwritten note takers outperform computer note takers on every dimension studied. A couple articles of interest on this topic:

http://www.theatlantic.com/technology/archive/2014/05/to-remember-a-lecture-better-take-notes-by-hand/361478/

http://pss.sagepub.com/content/early/2014/04/22/0956797614524581.full

Therefore, no computers or iPads are allow to be either open or used in class

Course Evaluation

At the end of the semester, students will be given the opportunity to evaluate the course through GW’s online course evaluation system. It is very important that you take the time to complete an evaluation. Students are also encouraged to provide feedback throughout the course of the semester by contacting any/all of the following:

Dr. Lara Brown
Director, Political Management Program
larambrown@gwu.edu | 202-994-4545

Dr. Jack Prostko
Associate Dean for Learning and Faculty Development
College of Professional Studies
jackp@gwu.edu | 202-994-3592

Suzanne Farrand
Director of Academic Administration, GSPM
sfarrand@gwu.edu | 202-994-9309
THE COURSE

Political Management Program Objectives
1. Assess a political environment, develop a strategy to achieve specified goals within that environment, and act to carry out that strategy through a campaign.
2. Draw upon a repertoire of effective campaign communication skills.
3. Collect, evaluate, and incorporate empirical evidence to shape and optimize a campaign.
4. Find, engage, and motivate the right people – leaders, professional colleagues, and citizens – to join and contribute to a campaign.
5. Address the recurring dilemmas of political life in a manner that upholds ethical standards as they practice the profession.

Course Description and Overview

Business success requires effectively engaging the activist, media, political, and regulatory actors with no stake in a company’s success, but significant power to shape its risks and opportunities, what Professor Kennedy defined as shapeholders. This course outlines Seven Steps for Shapeholder Success that sets out a path for sidestepping conflict, finding ways to profitably collaborate, and when necessary, to win political skirmishes. It covers the development and deployment of appropriate strategy, research, and tactics for corporations managing the complexities related to a global economy and shifting political alliances.

Course Learning Objectives
1. Identify societal actors (i.e. shapeholders) that shape business risks and opportunities
2. Understand how to apply the Seven Steps for Shapeholder Success, including:
   a. Align societal commitments with the company’s core competencies and purpose
   b. Anticipate shapeholder actions to sidestep conflict and capture opportunities
   c. Assess whether shapeholder opportunities and risks are legitimate and whether an upside is available to the company
   d. Advance in areas of mutual interest, Avert unworkable solutions to legitimate concerns, Acquiesce when not worth fighting illegitimate concerns, Assemble to win when facing a political skirmish a company can or must win
### Evaluation and Grading

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Learning Objective(s) Addressed</th>
<th>Due Date</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assignment 1: Applying Shapeholders to Personal Experiences</strong></td>
<td>Course Learning Objective 1 Start of 1st Class</td>
<td>5%</td>
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<tr>
<td>Based on the understanding of shapeholders that you obtain from pre-class assignments:</td>
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<td>• Identify a shapeholder of an organization with which you are familiar.</td>
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<td>• Define at least one way in which that shapeholder has the ability to shape the opportunities and / or risks of the organization in question.</td>
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<td>• Describe any ways in which the organization currently engages with the identified shapeholder.</td>
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<tr>
<td>Assignment should be no longer than one page and is due at the beginning of first on-campus class period.</td>
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<tr>
<td><strong>Assignment 2: Group In-Class Projects</strong></td>
<td>Course Learning Objective 1 and 2 Group Assignments during Class Periods</td>
<td>20 % in total</td>
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<td>There will be group exercises in nearly every class period. Groups will address the problem collectively. Different group member should alternate reporting the group’s findings on each breakout exercises so that all members will speak.</td>
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<td>Each report out will be timed with presenters cut off after time has expired. As such, students will be judged on quickly assessing a situation and reporting on it to a group in a clear and concise manner. This is an essential skill for business leaders.</td>
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<td>Group projects will be judged on the degree to which participants collect relevant data, map data onto appropriate frameworks, demonstrate sharp analytical skills, develop cogent arguments, identify the key strategic issues, and propose sound strategic recommendations, all this underlined by good team work.</td>
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<tr>
<td><strong>Assignment 3: Individual Advocacy Assignments</strong></td>
<td>Course Learning Objectives 1 and 2 Final Week</td>
<td>50%</td>
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<td><strong>What:</strong> In order to effectively advocate, one must fully understand the political, economic, and social landscapes of an organization and its geographic region. Students will evaluate an organization’s advocacy</td>
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efforts by beginning of:

- **Class 2:**
  - Selecting an organization (pending approval by the professor)

- **Class 3 (5% of grade):**
  - Identify at least one political viewpoint that manifest itself into pressures on organization to alter behavior
  - Identify at least one organization that is active in promoting business behavior on that issue
  - Determine when that organization(s) has a partisan alignment or has effectively followed a non-partisan path
  - One page only

- **Class 6 (5% of grade):**
  - Determine the closest thing you can find to a purpose statement for the company
  - Identify how many clicks it took to find from the company's home page
  - Assess its classification as a purpose statement
  - Proposed an improved purpose statement
  - One page only

- **Class 7 (5% of grade):**
  - Identify five issues the organization should anticipate facing the next three years
  - One page only

- **Class 8 (10% of grade):**
  - Identify one issue where the company should be prepared to assemble to win, including your assessment as to why the shareholder claim is illegitimate and why the company has an upside in challenging this claim
  - Apply the (IA) framework, built around the analysis of issues, actors, interests, arenas, information, and assets (see, David Bach and David Bruce Allen, "What Every CEO Needs to Know about Nonmarket Strategy," MIT Sloan Management Review [Spring 2010, Vol. 51, No. 3] to the issue identified the week before, defining:
    - Actors – Involved in selected issue
    - Arenas – Where selected issue will play out
    - Interests – For each Actor
    - Assets – For each Actor
    - Information – For each Actor (most likely to impact outcome)
  - 2-3 pages only
• Class 9 (5% of grade):
  o Describe one case where a company has or could advance mutual interests, identifying how it both helps the organization’s bottom line and benefits society.
  o One page only
• Class 10 (10% of grade):
  o Describe one case where a company has or could assemble to win, identifying its optimum:
    ▪ What (Question)
    ▪ Where (Arena)
    ▪ Who (Messenger, Coalition)
    ▪ How (Channels of Communication)
  o One to two pages only
• Class 12 (5% of grade):
  o Identify a crisis the company faced or could face and either assess how it acted or outline a contingency plan it should be prepared to execute
  o One page only
• Class 13 (5% of grade):
  o Identify one country / issue where the company could face local favoritism and outline a path for overcoming that obstacle

Length: Assignment longer than the pages specified will be penalized (single-spaced, one-inch margins, 12-point type). It is imperative for public affairs professionals to be able to summarized complex topics.

Other Specifications: You must provide references/citations for any material that is not your own. This involves using quotation marks around direct quotations from other sources and giving credit to the original source. Please refer to MLA In-Text Citation rules. If you use but do not cite others’ content in your work, you will likely have committed plagiarism, resulting at minimum in failure of the assignment.

Attendance, Preparation, and Participation

Participation

Class participation involves being clear about your own position and defending it, and the willingness to seek alternative perspectives on the situation. Participation enables you to learn from your colleagues and to help them learn from you – which is what the case method is all about. Accordingly, students are expected to participate effectively in the class – analyze, comment, question, discuss, and build on
others' contributions. Good class participation is not repeating case facts, monopolizing class time, or ignoring the contributions of fellow participants.

Students should be prepared every class session to identify one point raised by the reading assignments where they would either like further clarification of the class to discuss?

Preparation

For the learning process to be really effective, it is necessary that students carefully prepare the cases/readings before class and actively participate in the case discussions during class. Students are expected to be fully prepared for each lesson and may be called upon to start the discussion or answer a specific question during the class on any day.

What students get from this course depends on what they put in. Preparation involves not just thorough analysis, but also developing a personal position on the issues raised in the case. Unless students have thought about and adopted a personal position, it is very hard to learn from others' contributions in the class.

If for some reason students are not fully prepared on a particular day, let the professor know before class so that he doesn't embarrass you inadvertently. Students are urged to attend all classes, even if they have not prepared adequately.

Behavioral Standards

A significant part of the learning in this course takes place through the process of class discussion. Each student is responsible for helping to make this process effective. **Use of laptops and/or any communication devices are NOT permitted during the class.** Please do not come late to class. Both these behaviors hurt not only the student, but also have a negative impact on the learning community in general.

| Total          | 100% |
Following is the grade scale for all GSPM classes:

<table>
<thead>
<tr>
<th>Grade*</th>
<th>Grading Standard</th>
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<tbody>
<tr>
<td>A 94-100</td>
<td>Your work is outstanding and ready for submission in a professional environment. Your material, effort, research, and writing demonstrate superior work.</td>
</tr>
<tr>
<td>A- 90-93</td>
<td>Represents solid work with minor errors. Overall, excellent work.</td>
</tr>
<tr>
<td>B+ 87-89</td>
<td>Very good. Represents well-written material, research, and presentation, but needs some minor work.</td>
</tr>
<tr>
<td>B 83-86</td>
<td>Satisfactory work, but needs reworking and more effort. Note that although not a failing grade, at the graduate level, anything below a “B” is viewed as unacceptable.</td>
</tr>
<tr>
<td>B- 80-82</td>
<td>You’ve completed the assignment, but you are not meeting all of the requirements.</td>
</tr>
<tr>
<td>C+ 77-79</td>
<td>Needs improvement in content and in effort. Shows some motivation and concern.</td>
</tr>
<tr>
<td>C 73-76</td>
<td>Needs reworking, improved effort, and additional research. Shows minimal motivation and concern.</td>
</tr>
<tr>
<td>C- 70-72 (lowest grade to pass)</td>
<td>Poor performance. Major errors, too many misspellings, problems with accuracy, etc.</td>
</tr>
<tr>
<td>F Below 70</td>
<td>Unacceptable performance, or inability to submit the assignment.</td>
</tr>
</tbody>
</table>

*Please note that you may be penalized for late submission of assignment(s). Any assignment 1-3 days late will be docked one letter grade level. Any assignment 4-6 days late will be docked one additional letter grade level. Any assignment more than 6 days late will be docked one additional letter grade level, and the student will be given an “incomplete” until the assignment is received. “Incomplete” grades, until resolved, may cause academic holds to be placed on students’ GW accounts.
Text and Learning Materials

Readings:

  - Pages 1, 4 (Sec 3), 8 (Sec 7), 11 (Sec 10)
  - Take survey at http://www.people-press.org/quiz/political-typology/ (you will not be required to disclose your political type)
- Chapter 1 “What Will IT Take to Put You In This Car Today?” Predictioneers’ Game, Bruce Bueno de Mesquita (New York: Random House, 2010)
- Chapter 2 “Game Theory 101” Predictioneers’ Game, Bruce Bueno de Mesquita (New York: Random House, 2010)
- Chapter 3 “Game Theory 102” Predictioneers’ Game, Bruce Bueno de Mesquita (New York: Random House, 2010)

Readings: Chapters in Forthcoming Book by Prof. Kennedy (Note: Titles subject to change; chapters will be in draft form, will be provided two weeks in advance of assignment and are © Mark Kennedy)

- Chapter 1 "Engagement Imperative - A Tale of Two Companies: Arthur Andersen – From Elite to Delete; Starbucks – A Star that Makes Big Bucks" Pitchforks Into Profits. Hon. Mark Kennedy. Pending Publication
- Chapter 2 "Citizens Shape Shapeholders - The Mother of All Shapeholders – A Divided Citizenry" Pitchforks Into Profits. Hon. Mark Kennedy. Pending Publication
- Chapter 4 “Carrot Activists - The best offense is a good defense” Pitchforks Into Profits. Hon. Mark Kennedy. Pending Publication
- Chapter 5 “Media” Pitchforks Into Profits. Hon. Mark Kennedy. Pending Publication
- Chapter 7 "Align - Fifty Shades of Greenwash" Pitchforks Into Profits. Hon. Mark Kennedy. Pending Publication
- Chapter 8 "Anticipate - Wall Street - Better to Astonish than Be Astonished” Pitchforks Into Profits. Hon. Mark Kennedy. Pending Publication
• Chapter 9 "Assess - The $6 Billion Questions - Is it Legit, Can I Win?" *Pitchforks Into Profits.* Hon. Mark Kennedy. Pending Publication
• Chapter 10 "Legitimate Concerns / Opportunities – Advance or Avert - Tide Ultra 2x - Cheaper, Faster, Cleaner." *Pitchforks Into Profits.* Hon. Mark Kennedy. Pending Publication
• Chapter 11 "Illegitimate Concerns - Acquiesce or Assemble - Facebook, Twitter and Modern Day Pirates." *Pitchforks Into Profits.* Hon. Mark Kennedy. Pending Publication
• Chapter 12 “Navigating International Markets - Overcoming “Multinationals Need Not Apply” Signs.” *Pitchforks Into Profits.* Hon. Mark Kennedy. Pending Publication
• Chapter 13 "Building a Better World." *Pitchforks Into Profits.* Hon. Mark Kennedy. Pending Publication

Cases:

Additional topical readings or cases may be assigned by the professor in class
Tentative Class Schedule: The instructors reserve the right to alter course content and/or adjust the pace to accommodate class progress.

Class #1) Engagement Imperative – September 2 – Kennedy and Cohen

• PRE-CLASS ASSIGNMENTS:
  o READING: Chapter 1 "Engagement Imperative - A Tale of Two Companies: Arthur Andersen – From Elite to Delete; Starbucks – A Star that Makes Big Bucks" Pitchforks Into Profits. Hon. Mark Kennedy. Pending Publication

• PARTICIPANT PREPARATION / PRESENTATION: Be prepared to discuss during beginning of first class a situation where you have been involved in addressing a shapeholder challenge or opportunity, or observed an organization doing so.

• CLASS DISCUSSION:
  o How shapeholders shape the operating environment for organizations, their opportunities and risks
  o The imperative for businesses to engage with society, not out of charity, but to avoid costly conflicts, capture new opportunities, perhaps just to survive.
  o Shapeholders shape industries
  o Industry segments embrace of shapeholders have expanded or constrained market opportunities
  o Factors that make it hard for businesses to understand shapeholders
  o Opportunity for sustainable differentiation from effective shapeholder engagement

• ASSIGNMENT:
  o How students have witnessed or experience shapeholders

• GROUP BREAKOUT DISCUSSION: “Amazon in 2015: Domestic Drone Regulations” case:
  1. How do shapeholders determine the fate of the drone industry?
  2. How does being a pioneer in the use of commercial drones help Amazon?
  3. What strategy for shapeholders engagement should Amazon pursue in order to shape drone regulations?

• FULL CLASS DISCUSSION OF CASE

Class #2) Citizens Shape Shapeholders – September 9 – Kennedy and Cohen
• PRE-CLASS ASSIGNMENTS:
  o READING: Chapter 2 "Citizens Shape Shapeholders - The Mother of All Shapeholders — A Divided Citizenry" *Pitchforks Into Profits*. Hon. Mark Kennedy. Pending Publication
    ▪ Pages 1, 4 (Sec 3), 8 (Sec 7), 11 (Sec 10)
    ▪ Take survey at http://www.people-press.org/quiz/political-typology/ (you will not be required to disclose your political type)

• CLASS DISCUSSION:
  o How a divided citizenry shapes shapeholders
  o The fault lines upon whichever various shapeholders often align
  o The need to see all perspectives and not let personal views taint conclusion as to best path for the organization (unless you happen to be the owner)
  o The need to constantly search for mutual interests
  o Best way to assess whether shapeholders align with a company’s interests.

• GROUP BREAKOUT DISCUSSION: How citizenry shapes shapeholders?:
  1. Identify at least one political viewpoint that manifests itself into pressures on organization to alter behavior
  2. Identify at least one organization that is active in promoting business behavior on that issue
  3. Determine when that organization(s) has a partisan alignment or has effectively followed a non-partisan path

• FULL CLASS DISCUSSION OF CASE

Class #3) Activist Shapeholders – September 16 – Kennedy and Cohen

• PRE-CLASS ASSIGNMENTS:
  o READING: Chapter 4 “Carrot Activists - The best offense is a good defense” *Pitchforks Into Profits*. Hon. Mark Kennedy. Pending Publication

• CLASS DISCUSSION:
  o How *Rules for Radicals*, by Saul Alinsky tapped the energy of the 1960’s and directed it towards forcing the “establishment” to be responsive to society.
• How activism blossomed and not only took aim at political leaders, but businesses as well.
• How Mark Zuckerberg and other social media pioneers put activism on steroids (amplifying all these actions), undermined traditional media, and established the blogosphere in its place.
• How tensions among citizens influence shapeholders, what motivates those shapeholders that impact public opinion – activists and the media.
• The business case for media outlets typically taking a negative and sensational approach to business coverage.
• The purposes, tactics, and techniques of activist groups around the world.

• GROUP BREAKOUT DISCUSSION: “Cookie Controversy: Deforestation, Girl Scouts, and Palm Oil” Case:
  1. What motivated RAN’s attack on the Girl Scouts?
  2. What benefits and risks are there to RAN in attacking the Girl Scouts?
  3. What techniques to RAN use?

• FULL CLASS DISCUSSION OF CASE

Class #4) Political Shapeholders – September 23 – Kennedy

• PRE-CLASS ASSIGNMENTS:
  o READING: Chapter 5 “Media” *Pitchforks Into Profits.* Hon. Mark Kennedy. Pending Publication
  o READING: Chapter 6 "Political Shapeholders - Any Party That Promises to Tax Peter Can Count on the Support of Paul " *Pitchforks Into Profits.* Hon. Mark Kennedy. Pending Publication

• GUEST PANEL:
  o Representatives from Carrot Activist Groups

• CLASS DISCUSSION:
  o Political math and Politician math
  o Styles of political leaders
  o Importance of staff
  o Role of money in politics,
  o Impenetrable world of regulators.
• GROUP BREAKOUT DISCUSSION: “BMW in 2015: Extending Their Success in China” Case:
  1. Which shapeholders influenced China’s action influenced BMW’s success today?
  2. How was this impacted the political math within the Chinese government?
  3. What political risks do BMW face going forward?
  4. What efforts can BMW engage in that would be effectively targeted towards changing China’s political math?

• FULL CLASS DISCUSSION OF CASE

Class #5) Align – September 30 – Kennedy

• PRE-CLASS ASSIGNMENTS:
  o READING: Chapter 7 "Align - Fifty Shades of Greenwash" *Pitchforks Into Profits*. Hon. Mark Kennedy. Pending Publication

• GUEST LECTURE
  o Hüseyin Gelis - President and CEO - Siemens Corporation – Turkey on the need to be authentically local in international markets

• CLASS DISCUSSION:
  o How a company that makes a commitment to the public when every function in the company is not aligned to its achievement often finds itself always two steps behind, rather than one ahead
  o Public engagement should be aligned with a company’s core competencies.
  o Importance of being authentic to be credible with shapeholders
  o How Creating Shared Value (CSV) is better for businesses and society than Corporate Social Responsibility (CSR)
  o Only the CEO can weigh the benefits and costs of shapeholder engagement strategies, ensure their fulfilment, and guide alignment of societal engagement with company capabilities.
  o In order for the general management to marshal every employee of an organization towards this end, they must define a purpose for the company that benefits both the bottom line and society.
  o Standards for a differentiated purpose and the steps companies must undertake to offset the public’s deep seeded scepticism regarding corporate claims of positive intent.

• GROUP BREAKOUT DISCUSSION: “BP in 2015” Case:
  1. How should BP frame itself and its purpose going forward?
  2. What goals benefiting society within its existing lines of business could BP commit to?
3. How can it regain the trust and goodwill of shareholders, stakeholders, and shapeholders?

**FULL CLASS DISCUSSION OF CASE**

**Class #6) Anticipate – October 7 – Kennedy and Cohen**

**PRE-CLASS ASSIGNMENTS:**
- READING: Chapter 8 "Anticipate - Wall Street - Better to Astonish than Be Astonished” *Pitchforks Into Profits.* Hon. Mark Kennedy. Pending Publication

**CLASS DISCUSSION**
- Importance of anticipating shapeholder concerns and actions
- The case for developing 360° Vision to get a full spectrum view of emerging trends.
- The issues that motivate shapeholders have a natural and predictable lifecycle.
- Risks are easier to counter and opportunities are easier to capture if identified early.
- Processes for anticipating shapeholder action, including through regular interaction with a broad and diverse group of shapeholders with common interests.
- Major trends that will shape nonmarket issues in the near future.

**GROUP BREAKOUT DISCUSSION:** “Procter & Gamble: Anticipating a Critical Tide” Case:
1. How effectively has P&G anticipated environmental concerns for the Tide product?
2. How should P&G maintain this strategy of anticipation going forward?
3. What additional steps should the company take to deploy its research and marketing resources in a manner that best anticipates future societal concerns?

**FULL CLASS DISCUSSION OF CASE**

**Class #7) Assess – October 14 – Kennedy**

**PRE-CLASS ASSIGNMENTS:**
• GUEST PANEL:
  o Government Affairs Professionals on Anticipatory strategies

• CLASS DISCUSSION:
  o A company must answer two questions for every opportunity and risk it anticipates or stumbles upon – is it legit?, can I win? This is vital for determining how a company should respond.
  o It is important to incorporate competing viewpoints to ensure that internal myopia does not cause costly misjudgements.
  o How to gauge the moral and policy legitimacy of claims made by shapeholders.
  o Various theories for justifying government intervention in markets, including market inefficiencies; the need to ensure health, safety, and security; the desire to promote equality through redistribution; and attempts to smooth market cycles and industrial policy.
  o How to should weigh the cost of acting or fighting (for both the company and shapeholders), and the likelihood of activist success given these costs.
  o CEO’s need to ensure that not only is this analysis integrated into its strategic planning process, but also that a process exists to surface this analysis for issues that could meaningfully impact a company’s results that emerge between planning cycles.

• GROUP BREAKOUT DISCUSSION: “Nike Inc.: Running from Trouble” case:
  1. What costs would the activists have to incur to identify, organize and motivate a coalition big enough to force action by Nike?
  2. How could he make shareholders, stakeholders, and shapeholders happy?
  3. How should Knight manage activist concerns and maintain the company’s bottom line?

• FULL CLASS DISCUSSION OF CASE

Class #8) Legitimate Concerns / Opportunities – Advance or Avert – October 21 – Kennedy

• PRE-CLASS ASSIGNMENTS:
  o READING: Chapter 10 "Legitimate Concerns / Opportunities – Advance or Avert - Tide Ultra 2x - Cheaper, Faster, Cleaner." Pitchforks Into Profits. Hon. Mark Kennedy. Pending Publication

• CLASS DISCUSSION:
How action should be based on assessments as to whether shareholder claims or opportunities are legitimate and whether the company would prevail if issue is contested or capture opportunity if pursued

Applying the Shareholders Decision Matrix

Determining whether to:

- **Advance** when a business can profit while benefiting society
- **Avert** to pre-empt government action by addressing issues before being forced to by new regulations or public opinion pressures
- **Acquiesce** when doing so is either preferable to contesting or inevitable
- **Assemble** to win when contesting an illegitimate claim is necessary and success is possible

**GROUP BREAKOUT DISCUSSION: “Coca-Cola in Boston” Case:**

1. Identify three actions by Coke and classify them according to the decision grid
2. What should Isdell do to address obesity concerns of politicians, the public, and Coke shareholders?
3. How should Coke be positioned in a world where obesity is a growing health concern?

**FULL CLASS DISCUSSION OF CASE**

**Segment #9: Illegitimate Concerns - Acquiesce or Assemble – October 14 – Kennedy**

**PRE-CLASS ASSIGNMENTS:**

- **READING:** Chapter 9 " Illegitimate Concerns - Acquiesce or Assemble - Facebook, Twitter and Modern Day Pirates." *Pitchforks Into Profits.* Hon. Mark Kennedy. Pending Publication

**CLASS DISCUSSION:**

- Understand how to Assemble to win the result you seek to achieve for the position you advance by optimizing the right mix of What (Message), Where (Arena), Who (Coalition) and How (Channel).
- The need to have both inside (direct contact with decision makers) and outside (broad coalitions, grassroots, communications) strategies.
Winning political contests begins with determining the optimum mix of what and where - what question they want to animate the debate (message framing) and where (which arena) they want to ask that question.

Then they must focus on who – who do they need to persuade, who will be opposing their efforts, who do they need to assemble into a coalition.

Finally, they need to determine how to best deliver their message by optimizing the right mix of coalition partners and grassroots support to reach key decision makers through the ideal channels of communication.

Companies should only proceed to Assemble to win if they assess the claim is illegitimate and they have a chance to prevail.

For legitimate claims with no upside for the company, they should Avert Unworkable Regulations by proposing or enacting workable solutions.

Even if a shapeholder claim is not legitimate, if the cost of acting is inconsequential relative to fighting, then it may make sense to Acquiesce in some ways.

• GROUP BREAKOUT DISCUSSION: “The Fall of SOPA” Case:
  1. How did “New Media” mobilize support so effectively?
  2. Are the tactics used by “New Media” to kill SOPA applicable to a wide range of issues?
  3. Reflecting on what (your question and message), where (the arena), who (your coalition) and how (your communications channels), think about a strategy that “Old Media” and Representative Lamar S. Smith could embrace to more effectively challenge online piracy.

• FULL CLASS DISCUSSION OF CASE

Class #10: Managing Globally – November 4 – Kennedy

• PRE-CLASS ASSIGNMENTS:

• GUEST PANEL:
  o Government Affairs Professionals on Assembling to Win

• CLASS DISCUSSION:
  o Achieving Fair treatment vs. local competitors
  o Expropriation
• Competition cases perhaps motivated by protectionism
• Bull’s-eye for local political action
• Avoiding being enmeshed in the web of corruption that still permeates commerce in too many countries

• GROUP BREAKOUT DISCUSSION: “Akzo Nobel: Gazprom and the European Commission” Case:
  1. What actions by Gazprom made it ripe for investigation as a monopoly by the EU?
  2. Under current circumstances could Akzo advocate with the Germans for the pipeline’s approval.
  3. Should Akzo go further and weigh in on the antitrust case? If so, what would be his message and to whom should it be delivered?

• FULL CLASS DISCUSSION OF CASE

Class #11: Crisis Management – November 11 – Kennedy and Cohen

• PRE-CLASS ASSIGNMENTS:

• GUEST LECTURE
  o TBD

• CLASS DISCUSSION:
  o Principles for responding to a crisis

• GROUP BREAKOUT DISCUSSION: “Toyota in Crisis” Case:
  1. How did Toyota respond in a sub-optimal fashion?
  2. What internal dynamics contributed to Toyota’s clumsy response?
  3. What actions should companies take to position to respond in an appropriate manner?

• FULL CLASS DISCUSSION OF CASE

Class #12: Entering International Markets / Game Theory – November 18 – Kennedy and Cohen

• PRE-CLASS ASSIGNMENTS:
  o READING: Chapter 1 “What Will IT Take to Put You In This Car Today?” Predictioneer’s Game, Bruce Bueno de Mesquita (New York: Random House, 2010)
READING: Chapter 3 “Game Theory 102” Predictioneer’s Game, Bruce Bueno de Mesquita (New York: Random House, 2010)


CLASS DISCUSSION:

- As companies seek to expand beyond their own nation’s borders, they find the key to success lies less in their ability to deliver their product or service and more in their skill in traversing the unfamiliar, sometimes hostile, political and societal forces that shape their operating environment.

- This is particularly challenging because local players often view multinationals (MNCs) as prime candidates for the villains in the stories they promote to advance their own interests because MNCs are big and “not from here.” MNC face a host of challenges, including market access.

- The preferences, power players, and rules of the game vary widely around the world. Therefore, each must be understood uniquely.

GROUP BREAKOUT DISCUSSION: Regarding IKEA Woos India Case:

1. What shapeholder influenced India’s lack of responsiveness to IKEA?
2. How did this impact the political math within the Indian government?
3. Were IKEA’s efforts effectively targeted towards changing India’s political math?

FULL CLASS DISCUSSION OF CASE

Class #13: Political Engagement / PAC Management - December 2 – Kennedy and Cohen

PRE-CLASS ASSIGNMENTS:


CLASS DISCUSSION:

- Roles of PAC’s
- Strategies for collecting PAC contributions from company personnel
- Strategies for deploying PAC contributions

PANEL DISCUSSION WITH PAC MANAGERS
Segment #14: Building a Better World – December 9 – Kennedy

• PRE-CLASS ASSIGNMENTS:

• CLASS DISCUSSION:
  o Macro value creation opportunities facing all commercial enterprises – competitiveness, embrace of markets, balanced global economy
  o Appropriate role for businesses in public debate on these issues
  o How engaging on cross industry issues benefits businesses while benefiting society
  o The roles of Associations like the U.S. Chamber in this debate
  o Businesses can be a positive force for good in the world.
  o Given the scale of their operations, adjusting their focus to be more in line the needs of society can have a profoundly positive impact.
  o Determining when and how they should engage on issues that impact not just their company or industry, but the broader environment within which commerce operates.

• GROUP BREAKOUT DISCUSSION: Regarding “Building a Better World” Reading
  1. What prevents companies from appreciating the benefits of more effective shapeholder engagement?
  2. How do companies benefit when shapeholder engagement is a focus of not just the external relations functions, but general management as well?
  3. What role to associations and chambers play in engaging on macro CSV issues?
  4. Identify companies that do a particularly good job of creating shared value (CSV) from a micro (enterprise) perspective and those particularly engaged with creating shared value from a macro (cross-industry) perspective.
  5. How do those that are actively engaged in advancing micro and macro CSV benefit?

• FULL CLASS DISCUSSION
• CLOSING REFLECTIONS