

Syllabus

Class Meets:
Monday and Wednesday, 8-10 am
January 14-April 23, 2018
Room B3570
3 Credits

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Course Overview

Sustainability has become a major element of business practice and business education today. Few, if any, companies can ignore the environmental issues of our day, whether they be climate change, water scarcity, ecosystem destruction, toxic pollution or one of the many others. For those companies that can think strategically about these issues, they can transform them from external threats or “externalities” to strategic opportunities. Wind farms and solar arrays, hybrid and electric vehicles, LED light bulbs, LEED certified buildings (like the Ross School), energy and water efficient appliances; these are but a short list of the kinds of innovations that are expanding market share for the companies that develop them (and strategic losses for those whose markets are cannibalized by them).

This course will offer an overview of the topic of business sustainability with a particular emphasis on the topic of climate change and the country of Iceland; a country that offers an unusual context for considering the issues of sustainability. Specifically, this course will address:

1. An overview of the issue of business sustainability, including case studies of business models for tapping the strategic potential created by sustainability and how companies can create opportunities from the issue.
2. An overview of the issue of climate change, including the science that explains it and the policy responses to address it.

3. A specific focus on the challenges and opportunities that climate change presents, particularly around energy (i.e. renewable energy) and mobility (i.e. alternative fuel vehicles and self-driving cars).
4. The unique context of Iceland for exploring these issues.

Given its location at the fault line between the European and North American tectonic plates, Iceland enjoys unparalleled access to geothermal energy, literally drawing energy from beneath the surface of the Earth. But the question remains how Iceland can harness this energy in a way that feeds its economy and helps it reduce its carbon footprint.

This action-based global course will include on-campus course sessions through the winter semester with travel to Iceland, which includes visits with company, academic and government representatives, interactions with locals, and excursions to glaciers and hot springs in the greater Reykjavik area.

Course Assessment and Grading

This course will apply the Ross School of Business mandated grade distribution for elective courses. For more information, go to: <https://www2.bus.umich.edu/MyiMpack/academics/bba-grading-scales-distribution>

You will be assessed on:

1. **Individual Participation, both in class and in-country (20%)**
Participation means more than attending course sessions, more than simply “speaking in class,” and more than just “coming along for the ride.” Instead, it assesses your substantive contribution to the course through your insightful comments, and your level of engagement with ideas introduced by the course instructors and other students. It is assessed in terms of both your informal and formal participation in the course.
2. **Individual Journal (15%)**
You will keep a journal covering personal reflections on two topics. First, what are your reflections on business sustainability? How do you feel about the issue of climate change and the role of business in developing solutions that will be necessary to address it? Second, what are your reflections and observations about Iceland? This is a unique and fascinating culture and context for addressing climate change? What have you learned about the culture, economy and politics and how is different or the same as those with which you are familiar? Think of this assignment as being something you will keep and return to over the years to remember your trip learnings. As such, is it more for your benefit than for a grade. Try to approach it in that spirit.
 - a. As part of your journal, you will be required to prepare a one page dossier on interesting cultural, economic and political facts about Iceland, which you will share in **Session #11/13 on February 13/20** to help us get ready for our trip.
 - b. Submit your final journal in **Session #16 on Monday March 18**, either a typed/hand written copy or the original (which will be returned to you).
3. **Iceland Group Project (25%)**
Your team will be assigned the task of teaching the rest of the class about a particular aspect of Iceland’s history, economy and culture. Your deliverable will be a Powerpoint slide deck and a 10 minute presentation to the class in **Sessions #13 on February 20** to help everyone prepare for their upcoming trip.
4. **Final Group Project (40%)**
In the 2015 Paris Climate Conference (or COP21), 195 countries agreed to reduce

greenhouse gas emissions "as soon as possible" and to do their best to keep global warming "to well below 2 degrees C". The focus of the efforts to meet these targets is energy, and every country will be required to analyze its own energy portfolio to consider how it will meet their allotted targets. To do its part, Iceland aims to contribute to European countries' collective target of reducing greenhouse gas (GHG) emissions 40% by 2030 compared to 1990 levels, by focusing on the mobility, agriculture, fisheries, industrial processes, waste, and land use, land-use change and forestry (LULUCF) sectors. One interesting feature of Iceland's economy is that its heating and electricity production already comes from nearly 100% renewable geothermal energy (75% coming from hydropower and 25% from geothermal power), however cars require imported fossil fuels. In this project, you will analyze the Icelandic economy, both as it is now, and how it might evolve to become a leader in carbon reductions. Pick a specific sector and offer guidance that the Icelandic people might use to meet – or even exceed – their carbon reduction objectives.

The final project will have three parts:

- a. Submit report in **Session #15 on Wednesday March 13**: Your paper should not be more than 15 pages (not including endnotes and attachments), double spaced, 12 point, times roman font with one-inch margins. Include a 1 page executive summary. Please reference your sources using the APA style.
- b. Presentation in **Session #15/16 on Wednesday March 13 or Monday March 18**: Your presentation should use Powerpoint and summarize your work in 10 minutes.
- c. Public Poster Presentation in **Session #17 on Wednesday March 20**.

Course Material

There is a course packet of case studies and a series of online readings for this course. This material should be supplemented by steady reading of contemporary environmental issues as published in *The New York Times*, *Wall Street Journal*, *Business Week* etc.

Course Structure

The course is divided into three interrelated phases: pre-departure, in-country experience, post-trip.

Phase 1: Pre-departure

The pre-departure phase consists of traditional classroom sessions, which will combine lectures, discussions, videos, guest speakers, and other activities. They are designed to prepare you for the four themes of the course – climate change, business sustainability, energy and mobility, and the culture, politics and economy of Iceland.

There will also be a full day of Global Practicum Training on **Sunday, January 27** (12:00pm to 5:00pm) which is **required** for participation in the program. This session will cover topics such as General Health and Safety (CDC and State Department Information locations, emergency card, etc), Program-specific Logistical Class (Location-specific dress code, food, crime rate, water potability, etc), and the Challenge Course.

There is also a required Cultural Intelligence Assessment that you must complete. You will receive an email inviting you to fill out the questionnaire. Once you do, please print your personalized report and be prepared to discuss it in **Session #8 on Monday, February 4**.

Phase 2: In-Country Experience

The in-country experience is an intensive week of academic, cultural, and social activities, including lectures, company visits, and professional meetings; cultural and social events; group research

time; and limited personal time. It is not a vacation. During the trip, you will also continue to document your personal experiences, and corresponding thoughts, feelings, and actions for your journal.

Phase 3. Post-Trip

The post-trip phase begins with a debriefing session, the goal of which is to help “repatriate” following the intensive week in Iceland. More importantly, however, it is meant to guide you as you begin to reflect on your journal.

The remainder of the post-fieldtrip trip phase is dedicated to the completion and presentation of your final project, presentation and poster. Coaching sessions with the course instructor, and sessions for feedback from other students, are designed to improve the quality of both its content and presentation.

Syllabus

1. Pre-Departure Sessions

| Session #1 | <i>Introduction</i> | Monday, 1/14 |
|------------------|---|-----------------|
| READINGS: | <p>Sustainable Business</p> <ul style="list-style-type: none"> ▶ "Communicating about climate change with corporate leaders and stakeholders," <i>Oxford Encyclopedia of Climate Change Communication</i>. ▶ "The next phase of business sustainability," <i>Stanford Social Innovation Review</i>, Spring 2018. | |
| READINGS: | <p>Iceland</p> <ul style="list-style-type: none"> ▶ Inspired by Iceland – Official Tourism Site for Iceland ▶ Iceland.is ▶ Lonely Planet – Iceland Travel | |
| VIDEO: | <p>Iceland Trip in 2017</p> <ul style="list-style-type: none"> ▶ "Hail to the Victors" 115 feet below the surface, <i>Youtube</i>, 2017 | |
| Session #2 | <i>The Science of Climate Change</i> | Wednesday, 1/16 |
| GUEST: | <ul style="list-style-type: none"> ▶ Guest lecture: Dr. Henry Pollack, Department of Geophysics, | |
| READINGS: | <ul style="list-style-type: none"> ▶ Adalbjornsson, T. (2018) "Meet Iceland's whaling magnate. He makes no apologies." <i>New York Times</i>, August 10. ▶ Moore, T. (2017) "Iceland's tourism boom – and backlash," <i>Financial Times</i>, March 8. ▶ Jewell, N. (2017) "Iceland building biodome community to be fully sustainable oasis," <i>Inhabitat</i>, February 2. ▶ Valdimarsson, O. (2016) "Arr! Forget icesave, Iceland's next scare is the pirate party," <i>Bloomberg</i>, January 18 ▶ Robinson, E. and Valdimarsson, O. (2016) "This is where bad bankers go to prison," <i>Bloomberg</i>, March 31. | |

Session #3 **Martin Luther King Day, No Class** **Monday, 1/21**

Session #4 ***Sustainable Business and Climate Change*** **Wednesday, 1/23**

- READINGS:** ► [“Climate change strategy: The business logic behind voluntary greenhouse gas reductions,”](#) *California Management Review*
- CASE:** ► *Travelers Insurance: Focusing on Climate Change and Natural Catastrophe Risk*, 2013, WDI/Erb Institute Case 1-429-347.
- QUESTIONS:** ► Is there a business case to be made to take action on climate change? What strategies should Evan recommend based on the particular business case? Should Travelers revise its catastrophe models to account for more extreme weather events? Could these adjustments make the company into a better underwriter, or will they cause the company to price itself out of the certain markets? Should the company change its policies to reflect the increasing likelihood of these events? Should it withdraw from specific regions, choose not to renew existing policies, or raise premiums for existing customers with high-risk exposure? Should it purchase more weather derivatives from reinsurance companies as a hedge against climate risk? Should it find a way to turn the massive volume of climate data available through agencies like the National Climatic Data Center into practical actuarial and business data? Or, would it be wiser to wait for third-party contractors to develop this data into useable business models?

Session #5 ***Global Practicum Training*** **Sunday, 1/27, 12-5pm**
Room R1220

Session #6 ***Climate Change Communication*** **Monday, 1/28**

- READINGS:** ► [“Climate science as culture war,”](#) *Stanford Social Innovation Review*, Fall 2012.

Session #7 ***Business Sustainability and Consumer Products*** **Wednesday, 1/30**

- CASE:** ► *The Clorox Company Goes Green*, 2010, WDI/Erb Institute case study 1-428-989.
- QUESTIONS:** ► The Clorox Company launched green household cleaning products line GreenWorks in 2008 and immediately commanded 40% of the market. Following stagnant sales in the early 2000s due to fierce competition with Procter and Gamble, Unilever and others, the company made a bold move into the green consumer market with the launch of GreenWorks, acquisition of Burt’s Bees natural personal care products, and a strategic partnership with the Sierra Club. Where should Clorox go from here? Can Clorox leverage the success of GreenWorks in other areas? If so, how? Should Clorox switch strategies from fast follower to first mover? If so, how will this affect potential new “green” products?

Session #8 ***Sustainable Business, Water and Activism*** **Monday, 2/4**

- CASE:** ► *Coke in the Cross Hairs: Water, India and the University of Michigan*, 2010, WDI/Erb Institute Case 1-429-098.
- QUESTIONS:** ► Why should Coke even pay attention to the issues raised at the University of Michigan? How do you, as a corporate executive, know when to attend to some social issues and not others? Does this one have merit? On what grounds? Did Amy Landau really fail in her efforts to address water issues in India? How do the four characters in the case fit together? Are their goals in opposition? Are

their tactics in opposition? Is the outcome a good one? More personally, where do you stand on the green continuum? There is no longer such thing a single green movement. There are shades of green, and the lines of the movement blur into the corporate sector. Are you a 'bright green' – believe that corporations are the solution -- or "dark green" – believe that corporations are the problem? Where will you most fit, given your interest in promoting sustainability? Is one right and one wrong?

Session #9 *Business Sustainability and Mobility* **Wednesday, 2/6**

- READINGS:** ► [“How driverless vehicles will redefine mobility and change car culture,”](#) *The Conversation*.
- CASE:** ► *Blueprint for Ford’s Future: From Personal Automobiles to Mobility*, 2013, Erb Institute Case 1-429-303
- QUESTIONS:** ► Is Ford headed in the right direction? Can Ford make the transition from being a car manufacturer to a provider of mobility services? If so, should the company make this transition? What are the key drivers behind this shift? How should the company be positioned for long-term growth? What is Ford’s value proposition within the context of the new mobility market? What are the toughest challenges and greatest uncertainties/risks Ford is facing? How well has Ford protected itself from these risks? What are the critical challenges in the Ford business model as outlined in the “Blueprint for Mobility”? What are the immediate threats and opportunities to this business model? What is the role of partnerships and nontraditional stakeholders in Ford’s vision of the future? Does this exemplify a new model of business management? What are the pros and cons of the Zipcar partnership to each company? If you were a developing country or a burgeoning megacity, would you look to partner with Ford? What are the unique benefits/drawbacks Ford brings to the partnership (compared to other automotive companies/firms in other industries)? Can you envision any forms of resistance that the advocates for these partnerships might encounter in Ford? How can Ford be a leader in resource-efficient, sustainable transportation and still be the company that sells SUVs like the Explorer? How should Ford market these products? How can Ford convince customers and potential partners about its seriousness in entering the mobility market? Looking to the future, if you were David Berdish, what would you do? If you were Bill Ford Jr.?

Session #10 *Business Sustainability and Ocean Plastics* **Monday, 2/11**

- CASE:** ► *Dell: Upcycling Ocean Plastics through Supply Chain Innovation*, 2018, WDI/Erb Institute case study #7-949-121
- QUESTIONS:** ► Why would a company like Dell address a problem so large as the ocean plastics crises? How would you make the business case for such an effort within Dell, or another company? Can you imagine other similarly large problems that companies like Dell might tackle in the coming decades? What are the risks and benefits of Dell’s strategy for incorporating ocean plastics in its packaging or products? How does Dell define additionality and does its approach truly achieve it? What future measures should Bhargava recommend for additionality, sourcing ocean plastics, improving the supply chain, producing other products, or establishing the consortium? Do the financials for this endeavor add up? If you were Kevin Brown, would you continue to devote resources to this effort? Why or why not?

Session #11 *Iceland I* **Wednesday, 2/13**

- DUE:** ▶ Discuss your one page journal dossier (8:00-8:30).
GUEST: ▶ Guest lecture: [Dr. Johann Gudjonsson](#), School of Dermatology, Icelandic native (8:30-10)

Session #12 *Iceland II* **Monday, 2/18**

- GUEST:** ▶ Guest lecture: [Dr. William Miller](#), School of Law, author of *Bloodtaking and Peacemaking: Feud, Law, and Society in Saga Iceland* (1990).
READINGS: ▶ Saga 1 – Thorstein the Staff Struck (on Canvas)
▶ Saga 2 – Audun and the Polar Bear (on Canvas)
▶ Worrall, S. (2017) "[How much Viking lore is true](#)," *National Geographic*, January 22.

Session #13 *Iceland III* **Wednesday, 2/20**

- DUE:** ▶ Continue to discuss your one page journal dossier (if necessary).
▶ Presentations of Icelandic economy, industry, politics and people/culture.
▶ Final check-in before departure

2. In-Country Experience

- ▶ Departure: Friday, March 1/Saturday, March 2
- ▶ Return: Saturday, March 9

3. Post Experience

Session #14 *Post Experience I* **Monday, 3/11**

- ▶ Debrief

Session #15 *Post Experience II* **Wednesday, 3/13**

- ▶ Final Project, presentation & poster preparation

Session #16 *Post Experience III* **Monday, 3/18**

- ▶ Presentation to class

Session #17 *Post Experience IV* **Wednesday, 3/20**

- ▶ Poster Session
- ▶ B1590 (the Corner Commons)

Ross Community Values

Personal integrity and professionalism are fundamental values of the Ross community. A course of this nature— unlike other traditional courses— will put your integrity and professionalism to the test. Consequently, this course (especially the fieldtrip) will be conducted in strict conformity with the Academic Honor Code. The Code and related procedures can be found [here](#). Any violation subjects the student to possible return home before the trip is complete.

Students with Disabilities

The Ross School of Business is committed to providing equal opportunity for participation in all programs, services, and activities. Request for accommodations by students with disabilities may be made by contacting the Services for Students with Disabilities (SSD) Office located at G664 Haven Hall, telephone number is 734.763.3000. Once your eligibility for an accommodation has been determined you will be issued a verified individual services accommodation (VISA) form. Please present this form to me at the beginning of the semester, or at least two weeks prior to the need for the accommodation (test, project, etc.).