

HARVARD UNIVERSITY  
EXTENSION SCHOOL

Academic Administration



51 Brattle Street  
Cambridge, Massachusetts  
02138-3722

**MGMT E-5064: Business, Government and Society**  
**Understanding Non-Market Strategies**  
**Course Syllabus – Spring 2015**

***Course time and location:***

Hybrid, Wednesdays: 5:30 - 7:30 PM\*

Online – Live Web conferencing- Blackboard Collaborate + Mandatory On campus weekend

Access to Web-Conference: Link TBC

***Professor:***

**Dr. Mark Esposito**

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Appointments: via Skype or telephone

***Teaching Assistant:***

TBC

About the Course

***Course Overview***

Business operates in both a market and a nonmarket environment, the latter being the space where the formal and informal rules governing market competition are set and enforced. Successful corporate strategy aligns the firm's capabilities with the demands of both its market and nonmarket environment. This course systematically examines the political, regulatory, societal, cultural, and natural factors that shape business' nonmarket environment. Students learn how to analyze and proactively manage the nonmarket environment through integrated market and nonmarket strategies.

***\*Note***

This course is taught in a hybrid model, with an intensive—and mandatory—two-day residency and [live web conferences](#) using Blackboard Collaborate. The course meets via live web conferences on Wednesdays, **Feb. 11, 18, 25; March 25; April 8, 29; May 6, 13**, always from 5:30 to 7:30 pm.

The on-campus session follows: **Saturday and Sunday, March 7-8, 9 am-5 pm** and will take place at One Brattle Square, in Cambridge, MA

## ***Course Objectives***

The course is wants to focus on a number of contemporary issues: We examine the roles of markets, governments, and society in a market economy. We will examine markets, market failures, the role of government in correcting market failures, and government failures. We will also look at a systematic analysis of politics as it relates to business. Participants learn to analyze the motives for government intervention to better judge when and how political developments may affect business.

Tools for nonmarket analysis and nonmarket strategy formulation are introduced. We then turn to business-government relations in specific regulatory domains, as we introduce the concept of Fast Expanding Markets and its evolution. We will finally turn our attention to the controversies of the emerging markets (BRICS/MINT) and more explicitly to the role of business in society in the broader scope of economic development.

Participation (both on individual assignments than team based) is a key component of this course.

## ***Course Materials***

This course requires students to work continually throughout the semester and entails a fair amount of reading, writing, reflection and discussion. Given the interdisciplinary nature of the course, a course pack will be the main required material.

**“Course Pack”:** There is also a course pack with additional readings/book chapters, available for purchase through Harvard Business School Publishing here: TBC

**“Isite/Canvas”:** In addition to the books and course pack, we will also have a web-enhancing platform, where some additional resources, videos, wiki etc, will be used to support our course. It will be hosted on a new companion website on Canvas. A direct link to both Isites and Canvas can be found here:

Access to Isites: <http://isites.harvard.edu/icb/icb.do?keyword=k105005>

Access to Canvas: <https://canvas.harvard.edu/courses/1186>

**Additional Readings:** Several additional readings will be made available to participants, on our companion website or by email. Those will need to be integrated into the preparatory material for our classes, when requested by the professor.

## ***Our Modus Operandi***

During this course, a number of approaches will be used: From lectures to case studies and learning through the case method, to simulations, debates and in class activity. Given the highly interactive nature of this course, participants’ commitment in the course is paramount to the welfare of the course itself.

Each class will be comprised of a regular format, depending on the content described. Guest speakers have been arranged and the instructor reserves the right to invite other speakers during the length of the course, if pertinent to the nature of the lectures.

- Lecture
- Case Study
- Videos
- Debate
- Simulation
- In Class Workshops

## ***Grading***

A student's final grade in this course will be based on the following weighting:

**Class Participation: (20% of total grade)** All students are expected to participate in class discussions and group projects.

**Mandatory Residency Weekend: (20% of total grade)** Students will be organized in teams during the residential weekend. A nonmarket simulation will be assigned, providing a briefing to the challenge and several opportunities for debriefing during the two days. More details will be disclosed upon the beginning of the course. **Residency is scheduled on March 7-8, 2015**

**Theoretical Individual Paper: (30% of total grade)** Each individual student must prepare a 7-9 pages individual paper (APA referenced, 12 Times Roman, 1.5 spacing) on a topic of her/his choice, inherent to the detection of a nonmarket which will identified and analyzed. More details on the assignment will be disclosed at the beginning of the course **Due Date: April 8<sup>th</sup> 2015**

**Final Project: (30% of total grade)** In their respective teams, students will be asked to prepare, throughout the course, a topic inherent to a Fast Expanding Market, which will be analyzed and addressed from both a theoretical and practical perspective. More information on the project will be provided during the first class of the course. **Due Date: May 13<sup>th</sup> 2015**

**Class Attendance:** Regular attendance is required for all sessions. Each student needs to be able to prepare for classes and participate to the group projects, regardless of absences.

This is a graduate-level course and graduate-level work, which includes active participation in class discussions and activities and high-quality written work, is expected. Much of a manager's success depends on communication; therefore effective written and oral communication will constitute a significant portion of a student's grade. Written work should be clear, logical, grammatically correct, spell-checked, and persuasive and backed up by citations for any data, ideas or other content used. It should represent the student's best effort. Grades reflect the quality of a student's work submitted throughout the term according to the Harvard Extension School's grading standards. Most of the grading occurs in groups, to reflect the nature of collaboration outside of the classroom.

## ***Academic Integrity***

*Common sense warning:* Just as ethics and integrity are important in management practice, academic integrity is important in this course. Please take the time to familiarize yourself with the Harvard's policies on academic integrity.

Other resources including, *Writing with Sources: A Guide for Harvard Students* and *Writing with Internet Sources*, are also available for download from the above Summer School site. It is important to understand the standards to which you will be held; ignorance of the standards will not be considered an excuse for violating them.

## ***Questions and Out-of-Class Communication***

For any other queries, you can send an email to the Professor at: [markesposito@fas.harvard.edu](mailto:markesposito@fas.harvard.edu)

We will communicate with individuals and the class regularly through email, so make sure to keep your email address up-to-date with the Harvard Extension School and check your email regularly.

### ***The Fine Print***

***Workload.*** The value you receive from this course will be commensurate with the thought, effort and reflection that you put into the endeavor. The course has quite a bit of reading assigned for each session and the request to be immersed in the world of nonmarkets for the entire length of the course. Students who engage in this course, they do beyond the academic side of things, remaining engaged into a simultaneously experiential & experimental approach. A 100% commitment is necessary to make of this course a success.

***On Time.*** Students are expected to arrive to class on time and stay for the duration of the class session. If you expect to be late or absent from class – or need to leave early – let the instructor know prior to the start of class.

***Deadlines.*** All assignments must be submitted at the specified day and time and ***late submissions will not be accepted.*** If you are absent the day an assignment is due, the assignment is still due at the specified day and time. Assignments will be submitted online (*instructions will follow*) True medical or family emergencies will be dealt with on a case-by-case basis.

***Professional Conduct.*** Professional behavior is expected throughout the class. This means respectful communication both inside and outside of class. During discussions, civil discourse should be maintained at all times and comments should be aimed at moving the discussion forward. This does not mean that students must always agree with others since reasoned, respectful dissention may be part of the discovery process and lead to previously unconsidered options. Certainly no shouting matches or fist fights, though. In addition, please turn off and put away all cell phones and PDAs prior to class and refrain from texting, emailing or web surfing during class during the residency. If you are awaiting an urgent call and need to leave your phone on during class, let the instructor know prior to class.

## Course Outline and Schedule\*

### **Session 1, February 11<sup>th</sup>: Introduction to the rationale of the course:**

Introductory conversation on course structure, expectations, instruments of work, team activities and conceptual framework of the course.

### **Session 2, February 18<sup>th</sup>: Markets and their limits**

What is the market system and where does it come from? Why and when do markets fail? What is the role of government in such situations? Why is organizing collective action so difficult? What is Swarm Economics?

*Read prior to class:*

- Responding to Market Failures (396344-PDF-ENG)
- The Making of Economic Society (Heilbroner)
- Swarm Economics

*N.B. Robert Heilbroner and William Milberg, *The Making of Economic Society*, ch. 3 (especially sections entitled “Appearance of the Economic Aspects of Life” and “The Invention of Economics”)*

### **Session 3, February 25<sup>th</sup>: Nonmarket Analysis and Nonmarket Strategy**

What does the nonmarket environment of business consist of? What nonmarket challenges is Wal-Mart facing? How are they related to its strategy and positioning?

*Read prior to class:*

- Wal-Mart: Nonmarket Pressure and Reputation Risk (A) (P52A-PDF-ENG)
- What Every CEO Needs to Know About Nonmarket Strategy (SMR345-PDF-ENG)
- Analyzing the Nonmarket Environment of Business: The (ia)3 Framework (DE2-114-I)

### **Mandatory Weekend, March 7-8 (9am- 5pm each day), One Brattle Square, Cambridge, MA**

The weekend component exposes participants to a daunting nonmarket strategy dilemma that we will call “*EDIE*” based on a true story, where business, governmental and societal circumstances and decisions need to be orchestrated within a limited amount of time. The ability of the teams to respond to a dynamically changing context is the major learning objective, using the frameworks from the course. The reading materials and additional briefings will be made available during the course.

#### **Session 4, March 25<sup>th</sup>: Fast Expanding Markets: The revolution of the MicroEconomy**

*Read prior to class:*

- Fast Expanding Markets ( EBR)
- Thinkers50 : Fast Expanding Markets
- Several Fast Expanding Markets extracts ( provided)

Guest Speaker: Professor Terence Tse (TBC)

#### **Session 5, April 8<sup>th</sup>: Understanding Economic Development: A Porterian Perspective**

Microeconomics of Competitiveness: Understanding where development happens.  
Clusters and Cluster Policy: What can governments do to develop regions?

*Read prior to class:*

- Clusters and the New Economics of Competition (98609-PDF-ENG)
- **Individual Paper due**

Guest speaker: Professor Amit Kapoor (TBC)

#### **Session 6, April 29<sup>th</sup>: From Social Responsibility to Shared Value into Social Progress**

The evolutionary journey from ethics to shared value and beyond the thinking of Social Progress: an iterative journey

*Read prior to class:*

- Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility (R0612D-PDF-ENG)
- Creating Shared Value (HBR R1101C)
- Philosophical foundations of Social Progress

Recorded Guest Lecture: Professor Patrick O' Sullivan ( TBC)

#### **Session 7, May 6<sup>th</sup>: The nonmarket dilemma of the BRICS: Leaving the BRICS Behind?**

*Read prior to class:*

- Does Competitiveness build future or just GDP?
- Towards a new Global Russia: Leaving the BRICS behind?

#### **Session 8 May 13<sup>th</sup>: Wrap up session**

- **Final Group Project due**

\* The professor reserves the right to make amendments to the course structure, also during the course, should he deem it necessary to the fulfillment of the pedagogical objectives.