

**NORTHWESTERN UNIVERSITY
KELLOGG SCHOOL OF MANAGEMENT**

**Fall 2014
C-SUITE AND BOARDROOM DYNAMICS**

**940-0 Sec.31
Mondays – 6:00 p.m. to 9:00 p.m.**

INSTRUCTOR
Homi B. Patel

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Nature and Purpose of Course

This course deals with a wide variety of subjects that are a top priority for Boards of Directors, CEOs and CMOs that will expose you to how boards function, what their interests are, and how an effective CEO manages so many diverse roles where economic, legal and ethical priorities are constantly in conflict.

There are three modules in this class:

- The first deals with “Understanding the Boardroom.” Topics covered include Roles and Responsibilities of the Board, Corporate Governance, Succession Planning, Activists in the Boardroom, and How Great Companies Collapse.
- The second module is “You as a CEO – Marketing Leadership.” Topics include Aligning Marketing Strategy with Board Interests, Keeping Brands Relevant, Corporate Social Responsibility, Diversification and Acquisition, Managing Start-ups and Non-Profits.
- The last module, “You as a CEO – Leadership Skills,” deals with ethical dilemmas, human behavior, group dynamics, negotiation skills, and conflict management. Designed to build skills in the “gray” areas of management, you will play the role of a decision maker facing conflicting responsibilities, ambiguous standards and ethical conflicts.

This course includes a mixture of case discussions, lectures, role-playing and weekly discussion of current events. It deals with several discrete topics holistically with emphasis on the practical realities in the C-Suite and the Boardroom. It is a particularly useful platform of learning for students who wish to understand the “real world” implications of being in the C-Suite. Unlike most classes, the subjects are non-linear and do not necessarily build on each other.

There will be a number of guest speakers at the C-level. Past speakers have included: Mary Dillon – CEO of Ulta and former CEO of U.S. Cellular; Joe Ricketts, founder of Ameritrade and owner of the Chicago Cubs; Joe Tripodi, CMO of Coca Cola; Charlie Mills – CEO of Medline Industries. A complete list of speakers is attached.

940-0 is required for the six-course major in marketing management; but not for the four-course marketing major. It is tied in with the Advanced Topics in the Marketing (922-0) course taught by Professor Calder in the winter quarter in that problems of high-level strategic relevance raised by guest speakers and the instructor in this course could become projects for student groups in Marketing (922-0) to investigate in more detail.

COURSE DETAILS

Required Materials

1. There is a Case Packet of readings and cases for this course. There are no assigned books. Students are expected to be familiar with all background readings and be prepared to discuss all cases in class.

Evaluation

The components of the final grade are:

Group Rating	10%
Attendance and Class Participation	30%
Dashboard Assignment (Group)	15%
Berkshire Hathaway Case (Group)	15%
Group Project	30%

Group Rating (10%)

Since all of the work will be done in groups, at the end of the semester each student will grade the participation and involvement of each member of his group.

Attendance & Class Participation (30%)

Much of the learning in this class comes from class discussion between students and with the various lecturers. Your participation grade will be evaluated on the basis of both quality and frequency of voluntary and cold-call contributions. Your familiarity with the reading materials and how your comments add to the discussions in a logical and relevant manner providing new insights, personal experiences and constructive critiques of others' contributions will determine your grade. The Group rating along with the class participation rating will determine differentiation in grades awarded to members of the same group.

Dashboard Assignment & Berkshire Hathaway Case (15% each)

Each group will submit a written paper answering all the specific questions. Additionally, selected groups will be assigned a specific aspect of the case. They will be required to lead the discussion on that question with a 15 minute oral presentation.

Group Project (30%)

The objective of the research project is to provide you with some experience in applying the concepts and methods discussed to a real corporate problem.

KELLOGG HONOR CODE AND CODE OF CLASSROOM ETIQUETTE

Each student is expected to abide by the Kellogg Honor Code. Activities such as discussing class materials outside of class are not Honor Code violations. In fact, such interaction is encouraged, as it enhances the overall learning experience.

Please note that the Honor Code requires any student observing another student violating the Code to inform the professor of that violation. Failure to do so is, in itself, a violation of the Honor Code.

Students in this class are also expected to abide by the Kellogg code of Classroom Etiquette, so as to create an environment that maximizes learning and mutual respect.

The use of laptops in the classroom, if used at all, should be limited to the purpose of taking notes on the classroom discussion.

Weekly Schedule:

Attached is a weekly schedule. Please note that because of the significant number of guest speakers, at times we may have to make changes to adjust for the speakers' schedules.

C-SUITE AND BOARDROOM DYNAMICS

**Course 940-0 Sec. 31
Fall 2014**

Homi B. Patel

Module 1: Understanding the Board

September 22nd

Understanding the Boardroom

- Session 1 Anatomy of a Boardroom – a CEO’s Perspective
- Session 2 Coca-Cola Co. – A Century of Boards, Strategies and Outcomes
- Background Reading: *How Well-Run Boards Make Decisions* by Michael Useem

September 29th

Performance and Accountability

- Session 1 Developing a Marketing Dashboard for Directors (lecture for group Exercise 1)
- Session 2 The Fall of Enron – Case Discussion
- Background Reading: *Bringing Customers in the Board Room* by McGovern, Court et al.
- Case: *The Fall of Enron* by Healy and Palepu

October 6th

Corporate Social Responsibility

- Session 1 The Dannon Company – Marketing and Corporate Social Responsibility – Case Discussion
- Session 2 Dashboard Presentations
- Background Reading: *Corporate Positioning: How to Assess – and Build – a Company’s Reputation* by Tom Kosnick
- Case: *The Dannon Company – Marketing and Corporate Social Responsibility (A)* by Chris Marquis, et al

- **Written Dashboard Presentations Due**

October 13th

Managing Activists in the Boardroom

Session 1

*Guest Speaker: Tom Watkins
CEO of Human Genome
Director, Vanda Pharmaceuticals

Subject: When a Partner Becomes a Predator

Session 2

The Two Faces of the Same Activist
Target vs. Ackman, Penneys with Ackman

Case Discussion and Role Playing

Cases:

- 1) *Target Corporation: Ackman vs. the Board* by Palepu et al.
- 2) *J.C. Penney Presentation* (Pre-Class Reading)

Module 2: You as a CEO – Marketing Leadership

October 20th

Diversification and Product Line Management

Session 1

Diversification as a Corporate Strategy

Session 2

Berkshire Hathaway Case Presentations

Background Reading: *Diversification via Acquisition: Creating Value* – by Salter and Weinhold

Case:

Berkshire Hathaway Case by Anand & Jayanti

- **Written Berkshire Hathaway Case Due**

October 27th

Brand Management

Session 1

*Guest Speaker: Rick Lenny
Former CEO of The Hershey Company
Director - McDonald's, Discover Financial,
Con-Agra Foods

Subject: Playing to Win – Turning Insights Into Action

Session 2

Role Playing – Differences at Work

Background Reading: *Differences at Work: The Leadership Challenge* by Sandra Sucha

November 3rd**Non-Traditional Businesses**

Session 1

*Guest Speaker

Session 2

Marketing and Board Issues for Start-ups

Module 3: You as a CEO – Leadership Skills**November 10th****Managing Change**

Session 1

*Guest Speaker: Brian Gamache
CEO, WMS Industries

Subject: Being a CEO – There is No Formula

Session 2

Role Playing Difficult Situations

- **Personal Reflections – Written Assignment Due**

November 17th**Ethical Issues Confronting Boards**

Session 1

Ethical Issues Confronting Boards; Martha Stewart Case Discussion

Session 2

Google's Ethical Issues in China Case Discussion

Background Reading: *Ethical Managers Make Their Own Rules* by Sir Adrian Cadbury

Cases:

- 1) "Google Inc. – Figuring Out How To Deal With China" – BAB 131
- 2) *Martha Stewart (A)* by Lynn Paine and Christopher Bruner

November 24th**Thanksgiving Holiday****December 1st****Humanizing Business**

Session 1

Human Behavior

Session 2

Personal Reflections

Case & Reading:

Note on Human Behavior: Character and Situation by Nohria, et. al.

- **Group Project Due**
- **Bring laptops for class evaluations**

HOMI B. PATEL

BIO-DATA

Homi B. Patel is retired Chairman, Chief Executive Officer and director of Hartmarx Corporation. After obtaining an MBA from the Graduate School of Business at Columbia University in New York and spending four years at Corbin Ltd., Homi joined Hartmarx Corporation (HMX – NYSE) as Vice President and General Manager for the company's Fashionaire Division. He held various marketing and divisional positions leading to his appointment as President in 1992, Chief Operating Officer in 1993, Chief Executive Officer in 2002 and Chairman in 2004.

He serves on the Board of Directors of the Amalgamated Life Insurance Company and is a Trustee of the National Retirement Fund. He is a former director of Mrs. Fields Cookies, TCBY yoghurt and Neways Corporation.

Homi serves the larger apparel industry as President of the Clothing Manufacturers Association of America and Chief Labor Negotiator for the industry.

Homi's other civic activities include serving as a global advisory Board member of Northwestern University's Kellogg School of Management, a director of the Chicago Botanic Garden, Northwestern Memorial Hospital, and Lake Forest Hospital. He is a past trustee of the Boys and Girls Clubs of Chicago, the Jane Addams Hull House, the University of South Carolina School of Hospitality, and the Lake Forest Country Day School. Among his various recognitions, Homi has received the Good Scout Award from the Boy Scouts of America, the American Heritage Award from the Anti-Defamation League and was the keynote speaker and recipient of the Delta Pi Epsilon Distinguished Lecturer Award at the National Business Education Association Convention.

Homi lives in Lake Forest, Illinois with his wife, Anne, and has two sons and a daughter.

GUEST SPEAKERS – MKTG. 940

(2010 – 2013)

C-SUITE AND BOARDROOM DYNAMICS

Jeffrey Aronin - CEO, Paragon Pharma; Founder & CEO, Ovation Pharmaceuticals; Director, Discover Financial

Bruce Carbonari - CEO, Fortune Brands

Mary Dillon – CEO, U.S. Cellular; Director, Target

Dean Harrison – CEO, Northwestern Memorial HealthCare; Director, Merrick Ventures

Steve Ingham – COO, Viking

Don Jacobs – Director, Terex, Prologis Corp., CDW Corp.

Charlie Mills – CEO, Medline Industries

Geoffrey Murray – Founder & CEO, Know Delay

Joe Ricketts – Founder & CEO, TDWaterhouse/Ameritrade; Owner, Chicago Cubs

Sophia Siskel – CEO, Chicago Botanic Garden

Joe Tripodi – CMO, Coca-Cola