

Fall 2019 Beginning of Semester Note to My Students

By Don Sutherland

At the start of each semester, I e-mail my students in advance of the start of classes to address the issue of course expectations. I include a copy of my syllabus, which is also posted on Blackboard. Student understanding of course expectations may enhance their overall performance.

Below is the note to my incoming fall 2019 students:

To all,

Welcome to my BBA 407 (Strategic Management Course).

BBA 407 is a sort of capstone course. It draws upon concepts learned in earlier courses ranging from financial accounting to corporate finance.

Even as the course will introduce students to a variety of principles, concepts, and frameworks, students should understand that these principles, concepts, and frameworks exist within a larger context of change. No situation is static. Change is continual—within companies, the industries in which they operate, and the world as a whole.

Indeed, just this month, the Business Roundtable set aside the narrow notion that the primary purpose of a corporation is to build value for its shareholders. Instead, it endorsed the broader stakeholder approach that has long dominated the academic understanding of corporate strategy. The Business Roundtable's statement on the purpose of a corporation highlighted a commitment to “delivering value to our customers..., investing in our employees..., dealing fairly and ethically with our suppliers..., supporting the communities in which we work..., [and] generating long-term value for shareholders.” That statement also proclaimed, “Each of our stakeholders is essential” and that “We commit to deliver value to all of them...”

Beyond the corporation, the U.S. economy is facing significant changes in the years ahead. With the nation growing older, on average, the working age population is growing far slower than it did during the 1980s and 1990s. Policy headwinds threaten to reverse trade liberalization that had been a defining characteristic of global economic policy making. Populist movements in the United States and parts of Europe are eroding the notion of mutual benefit that is at the heart of market transactions and economies.

The role of the natural environment as a consideration of corporate strategy has also increased. Climate change has moved beyond the scientific realm into business strategy. The risks associated with climate change are not theoretical or abstract possibilities that lie in the distant future. Increasing evidence from attribution studies reveal that the risks are already unfolding. As a result, companies are increasingly seeking to build climate resiliency. To do so, they are examining their supply chains and other aspects of their operations. They also recognize that there are potentially sizable opportunities for

innovation or improvement that can arise from pursuing climate resiliency. Proactive strategy can unlock the value inherent in such opportunities; passivity will leave that value to competitors.

All said, there is no one-size fits all strategy, much less permanent approach that nurtures corporate success. How companies define their direction, establish their goals, develop and implement their business model can differ dramatically in different contexts. The requirements for success differ markedly in a rapidly growing economy and in a slow-growth economy. How companies respond to technological, structural economic change, sociocultural trends, the shifting political/legal environment, and, as is becoming more evident, the natural environment, can determine their fate.

Good luck in the coming semester, both in BBA 407 and in all your other classes.