

# Spring 2020 Beginning of Semester Note to My Students

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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 spring 2020 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.

The role of the natural environment as a consideration of corporate strategy has 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 reveals that the risks are already unfolding.

Despite loud rearguard expressions of denial from a shrinking number of political leaders, pundits, and others, the business community is increasingly recognizing the importance of responding to the rising challenge of climate change. For example, a recently published report by the McKinsey Global Institute explained:

*After more than 10,000 years of relative stability—the full span of human civilization—the Earth's climate is changing. As average temperatures rise, climate science finds that acute hazards such as heat waves and floods grow in frequency and severity, and chronic hazards, such as drought and rising sea levels, intensify... While companies and communities have been adapting to reduce climate risk, the pace and scale of adaptation are likely to need to significantly increase to manage rising levels of physical climate risk. Adaptation is likely to entail rising costs and tough choices that may include whether to invest in hardening or relocate people and assets.*

To build climate resiliency, companies 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.

In the end, 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. In turn, their fate will have a large and profound impact on all of their stakeholders.

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