

Political Affairs & Corporate Strategy
PMGT 265.10
Spring 2003
6:10PM-8:40 PM
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Course Overview

How is corporate political management strategically integrated within the business environment? This course introduces the political management student/professional to the goals, functions and vocabulary of business and to the corporate strategy process. The business strategy process is extended to strategies for the external political environment. Principles for conducting a strategic political management process are introduced.

Key to any strategic activity is an understanding of the basic functions of the activity. Also critical to effective integration is knowledge of the vocabulary of the activity. In this course the strategic activity of interest is value enhancement for the business enterprise through engagement of outside stakeholders and particularly government bodies.

Thus, the first part of the course focuses on introducing the student to key concepts of capitalism and business organization. The second part of the course builds on the fundamentals introduced in part one to explore the concept of competitive strategy in the business environment, applies that concept to the political affairs function and develops stakeholder evaluation tools. The third section focuses on examples of strategic political management in a situational context to develop the student's experience.

Student activities including reading, class discussion, developing information from experiences related by outside lecturers, analysis of case studies and research. The course goal is to develop tools and strategic processes to manage relationships with political stakeholders of the business enterprise, e.g., to construct a political management process that adds value to the business enterprise in business terms.

The course does **not** require any math calculations or detailed knowledge of business. Economic concepts and principles will be introduced and discussed at an elementary level. Knowledge of governmental processes and lobbying is assumed but is not the topic of this course.

Required Reading

- Charan, Ram. What the CEO wants you to Know: How your company really works. New York: Crown Business, 2001.
- Siedel, George J. Using the Law for Competitive Advantage. San Francisco: Jossey-Bass, 2002.

Case Studies, Notes & Articles:

- Harvard Business School (HBS) Case Number 9-702-018, Corporate Renewal in America
- HBS Note 9-794-028, Willis Emmons, Public Policy and the Manager, Conceptual Framework
- Harvard Business Review, No. 88314, David B. Yoffie, How An Industry Builds Political Advantage, 1988
- HBS Note 9-902-222, Michael Watkins, Government Games: Understanding the Role of Government in Business Strategy, 2002
- HBS Case Number 9-190-136, MCI Communications: Planning for the 1990s
- HBS Case Number 9-389-017, The Poletown Dilemma. 1989
- HBS Case Number 9-390-068, The Poletown Dilemma: The Outcome. 1989.
- HBS Note 9-792-002, Note on Pharmaceutical Industry Regulation, 1994.
- HBS Case Number 9-799-062, Environmental Risk Management at Chevron Corporation, 1999.
- HBS Case Number 9-799-011, Social Security Reform, 1999.

Handout Material:

- Grunig, Larissa A. "Excellence in Public Relations," Chapter 19 in The Handbook of Strategic Public Relations & Integrated Communications. Clarke L. Caywood (ed.). New York: McGraw Hill, 1997.
- Grant, Robert M. Contemporary Strategy Analysis. Second Edition. Cambridge, Massachusetts: Blackwell Publishers Inc., 1996, pp. 3-44.
- Peters, Thomas J. and Robert H. Waterman, Jr. In Search of Excellence. New York: The Warner Books Edition, 1982, pp. 8-19, "Criteria for Success."
- Vernon, Heidi. Business and Society, A Managerial Approach. 6th Edition. New York: Irwin McGraw-Hill.

Additional References:

Journal, newspaper and magazines articles. Handouts provided in class.

Reference: Gibaldi, Joseph. **MLA Handbook for Writers of Research Papers**. Fifth edition. New York: the Modern Language Association of America, 1999.

Grades

Grades will be based on class attendance and participation, short papers including written analysis of case studies, an exam and a research paper. Weight given each element will be:

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|-------------------------------------|-------|
| 1. Attendance & class participation | 15 %; |
| 2. Exam, business fundamentals | 25 % |
| 3. Case work and other homework | 30 % |
| 3. Research paper - 15 pages | 30 %. |

The **research paper** will be approximately 15 pages. The topic of the paper is an examination of a public company in association with a key business policy issue identified at the beginning of the semester and approved by the instructor. Required content is demonstration of the relevance of company's business purpose and strategy to the selected public issue. Additional topics to be addressed include: Identification of the business activities of the company and the significance of those activities within the company; application of the 4 functions in a strategic plan to the strategy of the company and its position relative to the public issue facing it; presentation of primary information on the company's political affairs management and strategy relative to the public issue selected. The grade evaluation will be based on the thoroughness of the research, the proper sourcing of material and the relevancy and persuasiveness of the material. An oral presentation may be required.

2003 Syllabus

Topics

Section I.

- January 13 Class 1. **Headline: Know who you represent.**
 - Survey of class members' academic background, work experience and interests, experience with business concepts and case study process
 - Overview of course material and grades
 - Fundamentals of research
 - Fundamentals of Writing
 - Introduction to Business concepts
 - Corporate political affairs – rationale in the context of the organization
 - Brief History of U.S. Business –.
 - Brief review of theory of US capitalism
 - Sources of information

Assignment:

Reading: **Handout: Vernon, parts of Chapter 6**
And/or other articles on history of business in America
HBS Case # 9-702-018, Corporate Renewal in America

Work Assignment for January 27

- Identify 5 major business political issues that span the next election cycle.
 - Select a company to evaluate during the semester that is facing a major policy issue or major engagement with government. Bring a copy of the annual report to next class. Identify the company's basic business strategy from its annual report. Define the company's industry or industries and its various lines of business. Also identify the importance of each business activity.
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- January 20 **No Class** **HOLIDAY, Martin Luther King**

 - January 27 Class 2. **Headline: The strategic goal of any business is obtaining competitive advantage**

- Discussion of Assignment 1:
- Review: Major tenets of the U.S. business system, shareholder value, competition and global context of business; ethics and social responsibilities; Overview of business functions and organization.

Assignment:

Reading: Excerpts from In Search of Excellence
 Grunig, “Excellence in Public Relations.”
 Charan, pp. 1-64.

Preparation: Identify key aspects of excellent organizations.

- February 3 Class 3. **Headline: U.S. businesses must comply with many laws and still create value. Laws define a business’s interface with government.**
 - Legal context of business –Outside Speaker
 - Review elements of business Interface with governments.
 - Discussion of the model of strategic “excellence.”

Assignment:

Reading: Summary of business law, TBD.
 Siedel. pp. 1-28.

Section II.

- February 10 Class 4. **Headline: Corporate strategy development has 4 major components.**
 - Principles of corporate strategy
 - Summary of strategy assessment process, Michael Porter, et.al.
 - Major business strategies
 - Game Theory applied
 - Strategy in the Legal context
 - Introduction to Case Study process

- Regulation of the Pharmaceutical Industry.

Assignment: Case Analysis: Pharmaceutical Industry Regulation

- April 21 Class 12. **Headline: Never enough new thinking**

Assignment:

Reading: Case Analysis: Social Security Reform

- April 28 Class 13. **Headline: Getting good with presentations.**
 - Final Presentations
 - Wrap-up
 - Student survey for course improvement.

- May Class 14. **To Be Determined**