

**THE WHARTON SCHOOL
UNIVERSITY OF PENNSYLVANIA
March 2019
MGMT 773 Syllabus – WEMBA WEST**

Course: MGMT 773 -- Managing Organizational Change (with an emphasis on Leading Bold Breakthrough Change)

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Class Dates:

Pre-Work*	Day 1	Day 2	Day 3
<p><u>Before Day one</u></p> <ul style="list-style-type: none"> • Read <i>Driving Disruption</i> in its entirety • Read Lencioni <i>The Five Dysfunctions of a Team</i> in its entirety • Read Pearce <i>Leading Out Loud, 3rd ed</i>, pgs 1-77 • Complete and submit the Breakthrough Change Project Proposal Form by 2/26 [9:00 PM PST_[MAG1]] 	<p><u>Class 1: Mon. 3/4</u> 9:00am-12:00pm</p> <p><u>Class 2: Mon. 3/4</u> 1:00pm-4:00pm*</p>	<p><u>Class 3: Tues. 3/5</u> 9:00am-12:00pm</p> <p><u>Class 4: Tues. 3/5</u> 1:00pm-4:00pm*</p>	<p><u>Class 5: Wed. 3/6</u> 9:00am-12:00pm</p> <p><u>Class 6: Wed. 3/6</u> 1:00pm-4:00pm*</p> <p>*afternoon sessions may run 30-35 minutes over the finish time.</p>

COURSE DESCRIPTION

This syllabus is not a contract. The professors reserve the right to make changes to improve the student learning experience.

We expect you to actively engage in this course. There is no standing on the sidelines unless you are auditing the class. We want to teach students who want to enhance their leadership skills and perspectives, especially targeting bold, future-defining change initiatives.

BREAKTHROUGH CHANGE IS NOT FOR THE FAINT OF HEART AND NEITHER IS OUR COURSE.

Change is inherent in organizational life. We believe it is the fundamental role of the leader to drive change. Small incremental changes are a fact of life and in most good organizations they are happening all the time. We will not spend much time on this. Our students, who typically have ten years of successful business experience, certainly know how to drive this kind of change. Our focus is on big, bold, risky, breakthrough changes.

The emphasis of the course is on the “how” of change, rather than the “what.” The “what” is often dictated by strategic, financial, or marketing considerations. Since those are not the focus of this course, we mostly will leave the “what” to others. Here, we focus on the “how” so that we can leave the course better-equipped to participate in the change process (when it is initiated by others) and effectively drive the change process (when we are the principal agents of change).

True to our focus on the “how” of breakthrough change, as a class we will leverage the combination of our own experiences, others’ experiences, and the academic literature to derive pragmatically important insights into organizational change. To that end, analysis and discussion of your own and your classmates’ change initiatives are a central component to the course. Further, especially given our emphasis on “learning by doing,” this class will be most valuable for those students who are currently working on a real change project or are about to undertake one.

Leading breakthrough change is fundamentally all about exceptional leadership skills, a proven process, and having the right team at your side. We will dig deeply into all of that. Indeed, this is essentially a leadership course aimed at one of the most prevalent problems in the world of both business and non-profits: how to transform our organizations for the challenges and opportunities of the 21st century.

CLASS PREPARATION AND PLANNING: IMPORTANT CONSIDERATIONS

- **There is a very reasonable level of pre-reading for this course. You must do all of it. If you do not have time to do the pre-reading, please drop the course. If it appears you have not adequately prepared, your grade will suffer even if you are P/F.** This class will be demanding, and thorough preparation is critical.
- **Spirited class discussions, team-based learning, and sharing your ideas are core features of this course.** You will need to be willing to engage in all three to fully benefit from the class.
- The timing of the case assignments is approximate. Much of the course involves a discussion of our various experiences and this gives color, depth and texture to our exploration of the issues surrounding change leadership. However, this also means that we don’t know exactly how long each class discussion will take. As a result, a case that has

been assigned for one class may slip into the next. Case discussion will never happen ahead of the class assignment. Students should prepare their notes to anticipate this eventuality. Your flexibility is appreciated.

- This syllabus includes a set of discussion questions for each case. These are meant only as rough guides to help with your case preparation. You do not have to submit your responses. Note that we may not cover all (or any!) of these questions in class – it depends on the flow of that session’s conversation.
- **Please remember to bring and use your name tents in every session. Without a name tent we cannot give you credit for your class participation.**

READING MATERIAL AND HANDOUTS

- The basic text for this class is: *Driving Disruption, An Operator’s Manual*. This is a brand new book and it’s not yet out in its printed form. We will provide you with an electronic copy by February 8th and a hard copy of the book will be available by the time class begins. My hope is it will serve as a virtual user manual for you as you go forward.
- Cases are available on Canvas. Any additional materials will be posted, as needed, on Canvas.
- Other texts are Lencioni’s *The Five Dysfunctions of a Team* and Pearce’s *Leading Out Loud 3rd Edition*
- Lecture slides will be posted on Canvas.

COURSE POLICIES AND GRADING

- **We recommend that you register for this course pass-fail.** The heart of this class is the in-class discussion, and worries over grades tend to distract participants and detract from the conversation. Having said that, if you are not prepared to fully engage with your classmates and with the work, either don’t take this class or feel free to audit it. **You cannot coast by going P/F.** If you do not engage fully, you will fail.
- Grades will be based on **class participation and engagement, including written assignments (70%)** and a **Final Paper (30%)**.
- **On-time completion** of the project proposal pre-work assignment **is required** of all students.
- **Class participation/engagement:**
 - All students are expected to prepare the core reading materials and actively participate in discussions.
 - Cold-calling and asking for volunteer speakers will be part of this course’s operating rhythms.
 - Quality, not quantity, matters most for participation grades.

- Absences, late arrivals, and early departures are not acceptable given the short duration of the course and the heavy emphasis on class discussion. In fact, if you miss a session you will fail and we urge you to audit the course for no grade.
- With so many students it is difficult to call on everyone who has their hand raised. Therefore you always have the opportunity after each class to e-mail a question or observation to further the discussion. You may also start a discussion on Canvas. The best of these will be used in the following class, or responded to in some other way. These should never be more than half a page or 150 words in length. They must be meaningful and make sense to add to your grade.

PRE-WORK ASSIGNMENT (MANDATORY)

- We would like this course to be as real as possible to everyone who takes it. Therefore we urge students who are taking this course to be actively engaged in a bold change initiative or about to start on one. We would like to know what this effort is so you **must complete the “change project proposal” form** included at the end of this syllabus. Our intent is that this should take you no more than 20-30 minutes to complete, **and must not be more than one page**. We are looking for succinct, punchy responses. Since I may ask you about these in class please don’t submit confidential info that cannot be discussed. You are welcome to use pseudonyms for companies, people, etc., but we do want these to be real change issues that you are facing. You will be working on this change project as part of your in-class work each day. We ask that your change topics fall into one of the following categories:
 - A change project that you are currently working on in your professional life
 - A change project that you would like to work on in your professional life, but it has not yet been approved
 - A change project for a non-profit organization with which you are actively involved

Please upload your completed change project proposals to Canvas **by 9 PM February 26th (This is 6 days before our first class session.)**

- **AGAIN, TAKE THIS CLASS PASS-FAIL IF YOU ARE CONCERNED ABOUT GRADES. THERE IS NO COASTING.**

ASSIGNMENTS

PRE-WORK

(1) **Read *Driving Disruption in its entirety***. This will allow you to meaningfully participate in class discussion and contribute from the start. THIS WILL BE IMPORTANT DAY ONE.

(2) Read Pearce’s *Leading Out Loud, 3rd ed.*, pages 1-77. THIS WILL BE IMPORTANT FOR DAY ONE.

(3) Read Lencioni's *The Five Dysfunctions of a Team* in its entirety. THIS WILL BE IMPORTANT FOR DAY TWO.

(4) Read all the cases. The syllabus below helps you appreciate where to put the emphasis as you read each case.

(5) **Complete and submit the BREAKTHROUGH CHANGE PROJECT PROPOSAL form by February 26, 2019.**

COURSE ASSIGNMENTS

(1) Five dysfunctions assessment, due March 4th at 7:00 PM.

(2) Final paper, details to be provided in class, due 5pm March 14th [MAG2].

We have an amazing collection of guest speakers coming to each class. They are from big companies and small startups. Some are very seasoned senior execs; others are earlier in their careers. They will participate in fascinating class discussions around the harsh realities of leading real breakthrough change.

CLASS #1: THE CONCEPTUALIZING STAGE OF LEADING BREAKTHROUGH CHANGE: BUILDING OUT YOUR TEAM AND GETTING THEM FOCUSED

Guest Speaker: TBD

Required Readings:

- CASE: *Profiling at National Mutual – Part A* (9-191-078)

National Mutual (Part A) Discussion Questions

- Design a plan for Mears to implement Profiling. Should the approach be broad or focused? What parts of the company should be involved – and in what order? Who should be in charge of the roll-out? How should training be designed?
- What specific measures should Mears use to determine the impact of Profiling? What should be considered a “success?”
- List all things that were executed poorly in this case.

CLASS #2: THE CONCEPTUALIZING AND COMMUNICATING STAGES OF LEADING BREAKTHROUGH CHANGE: BEGINNING TO EMERGE AS THE LEADER

Guest Speaker: TBD

Required Readings:

- Pearce's *Leading Out Loud (3rd Edition)*. Read pages 1-77. Read more carefully the chapters that especially resonate with you. Please go back at some point and read this book from cover to cover. Terry's concepts are important to your future as a leader.
- CASE: ASDA – Part A and Part B (9-498-005 & 9-498-007) **SKIM OVER ALL THE ATTACHMENTS**

Special ASDA Preparation:

Imagine you are Archie Norman showing up for your first day at ASDA. You call a meeting of the 50 top ASDA execs to meet you. You want to deliver a 3-5 minute introductory speech. What would you say? Prepare a script or an outline.

Several of you will be called on to give an Archie Speech. YOU ARE EXPECTED TO BE PREPARED TO DO THIS.

ASDA Discussion Questions

- What were the problems that Archie Norman and ASDA faced at the time of the A case?
- List Archie's 5 biggest issues in order of importance
- What is your opinion of the changes – their natures, timing, and order – that Norman made in response to these issues?
- Consider the communications and continuous improvement efforts that were a part of ASDA's transformation program. Do you agree with his approach of instituting numerous mechanisms simultaneously? Would you consider implementing such initiatives (any or all of them) at your company? What are the challenges associated with implementation, especially for efforts like the "Tell Archie" initiative?
- Does Archie exhibit principles for leading breakthrough change as discussed in *Driving Disruption*?

After Class Two Evening Assignment:

Think through how course principles we have covered or are about to cover apply to your project and prepare a 1-2 page brief to be submitted tomorrow. Bring 7 copies to class as this will be collected and also discussed in small groups.

CLASS #3: THE PLANNING AND TEAM BUILDING STAGES OF LEADING BREAKTHROUGH CHANGE

Guest Speaker: TBD

Required Readings:

- CASE: *Intuit's New CEO: Steve Bennett* (9-803-044)
- Lencioni's *Five Dysfunctions of a Team*. Please read the book in its entirety **and complete the exercise (distributed on Canvas, due by 7 pm Monday night)**. We suggest that you bring a copy of your answers to class. This book is a quick read and will be extensively discussed in class.

Intuit Discussion Questions

- How is Intuit performing prior to Steve Bennett's arrival? What kind of executive do you think Scott Cook and Bill Campbell were looking for? Did they get it?
- How does Bennett appear to prioritize the challenges and opportunities? How would you prioritize them?
- Evaluate Bennett's innovation strategy of balancing "high-beta" and "low-beta" projects. How could Bennett best communicate this approach to employees to gain buy-in and encourage motivation for low-beta projects?
- What might Bennett have done differently to implement change and improve the performance of Intuit?
- What do you think of Bennett's style of communication? How does this help or hinder his efforts?
- Compare Steve Bennett to Archie Norman.

During the Lunch Break

Sit with your 6-person team for a discussion regarding the application of course principles to students' real world projects.

CLASS #4: THE PLANNING AND TEAM BUILDING STAGES OF LEADING BREAKTHROUGH CHANGE

Guest Speaker: TBD

Required Readings:

- CASE: Jeanne Lewis at Staples, Inc.-Parts A & B (9-499-041 & 9-499-042)

Staples Discussion Questions

- In her new role, Lewis must "lead from the middle." How does she lead up, down, and laterally? Is there a particular direction toward which she needs to dedicate more focus?
- Compare Jeanne Lewis to Steve Bennett
- Have you ever been the successor to an admired leader? Have you watched someone else as they took on an admired leader's role? Are there ramifications for designing and implementing organizational change that are specific to this situation?

CLASS #5: ENTREPRENEURISM, INNOVATION AND THE IMPLEMENTATION STAGE OF LEADING BREAKTHROUGH CHANGE

Guest Speaker: TBD

Required Readings:

- CASE: *Bank of America*-Parts A&B (9-603-022 & 9-603-023)

Bank of America Discussion Questions

- What are the issues in trying to scale up innovative, experimental projects?

- What are the issues in trying to spread innovative processes to other parts of the organization?
- What do you make of the projected versus actual failure rates? How should management respond to these figures?
- Are they using measurements to their advantage or disadvantage? How would you do it differently?
- How does this fit with Horizons and Streams? Is this 1, 2, or 3?
- What's good about this approach? What's not?

CLASS #6: PULLING IT ALL TOGETHER TO LEAD BREAKTHROUGH CHANGE

Guest Speaker: TBD

Required Readings:

- CASE: *Lehman Brothers -- Parts A, B, C* (9-906-034, 9-906-035 & 9-902-003)

Lehman Brothers (Parts A, B, C) Discussion Questions

- Which of Jack Rivkin's specific actions led to the rise of Lehman's Equity Research Department?
- What are the unique challenges of building a high-performing professional service team? To what should the team leader pay particular attention?
- What were the challenges of the Equity Division? How did these challenges compare to the challenges of the Research Department?
- How did the cultures of the Equity Division and the Research Department compare? Did Rivkin modify his style to account for any differences that may have been present?

MGMT 773: BREAKTHROUGH CHANGE PROJECT PROPOSAL (one page maximum), due February 26th by 9:00pm.

Your Name/e-mail address/cell phone:

Title/Main Idea: (1 or 2 sentence elevator pitch). Why do you consider this a breakthrough for this organization?

Description: (What are the key things we need to know?)

Your role: (Where/how do you fit with the initiative?)

Support: (Is there executive-level support for the project?)

Stage: (How much work has been done? Has the project “kicked off” yet?)

Resources: (Have the budget and people been allocated? Are you competing for resources?)

Resistance: (Is there resistance to the initiative? What types? How much? From whom? How is it shown?)

What three things do you hope to get from this course that will help you with this project and future projects?