**Description**

This course will explore the relationship between business and its external stakeholders – including elected officials, regulators, mass public, public interest groups, NGOs, and activists – in the United States, with the goal of preparing you, as future managers, to develop and implement non-market strategies. The course is divided into four parts: 1) understanding the non-market environment of the firm, the actors firms engage with this environment, and the relationship of the non-market environment to the market environment; 2) learning how to formulate non-market strategies for firms and how to evaluate the efficacy of different non-market tactics; 3) examining the role of non-market factors across different substantive public policy areas of concern to firms, principally through cases related to market and social regulation, as well as marketing; and 4) exploring the various ethical issues surrounding non-market strategy.

The course will consist of case-based discussions, and after the first few weeks, lecture will be kept to a minimum. Additionally, we will host two guest speakers with extensive experience in corporate governmental and regulatory affairs.

**Requirements and Assessment**

A required case packet is available from Harvard Business School Publishing at the following link (also posted to Canvas): [https://cb.hbsp.harvard.edu/cbmp/access/43331757](https://cb.hbsp.harvard.edu/cbmp/access/43331757).

I will also post additional readings to the course’s Canvas page ([C] denotes these readings below).

I will determine your grade for the course based on the following:

- Attendance and Discussion Contributions: 15 percent
- Case Study Memoranda (3): 15 percent each
- Simulation Memoranda and Participation (3): 5 percent each
- Final Exam: 25 percent

Details on class discussion, the case study and simulation memoranda, and the final exam will be provided separately.
**Additional Information on Grading**

I intend to follow a curve in this course in which I award roughly half As and half Bs. However, I will not hesitate to award grades of C or lower to students whose performance (or lack thereof) justifies such a mark.

Given the case-based nature of the course, attendance is required, and active contributing from all course members is expected. Beginning with the third class session, two absences are permitted without penalty to accommodate illness, interview scheduling, etc. For each absence beyond these initial two, 2 points will be deducted from the 15 percentage points allocated for participation. Two tardies will count as one absence. There are no exceptions.

**Notifications regarding Disabilities, Religious Holidays, Campus Safety, Academic Dishonesty, and Professionalism**

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, [http://www.utexas.edu/diversity/ddce/ssd/](http://www.utexas.edu/diversity/ddce/ssd/).

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Please take the time to review the recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, [http://www.utexas.edu/safety](http://www.utexas.edu/safety).

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. Students are expected to abide by the School’s and University’s policies on scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program’s Statement on Scholastic Dishonesty at [http://www.mccombs.utexas.edu/BBA/Code-of-Ethics.aspx](http://www.mccombs.utexas.edu/BBA/Code-of-Ethics.aspx). By teaching this course, I have agreed to observe all faculty responsibilities described in those documents. By enrolling in this class, you have agreed to observe all student responsibilities described in those documents. If the application of the Statements on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at [http://deanofstudents.utexas.edu/sjs/](http://deanofstudents.utexas.edu/sjs/) to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Finally, students are also expected to abide by the McCombs Classroom Professionalism Policy, which includes a prohibition on laptop computers and similar devices (e.g., tablets and smart phones), absent a necessary learning accommodation. Please note, however, that there are two class sessions when I specifically request that you bring a laptop computer or tablet.
Tentative Schedule

**January**

20 - **Organizational Meeting**

25 - **Market & Non-Market Environments**

27 - **Market & Non-Market Environments, ctd.**
   - *Case*: Obesity and McLawsuits

**February**

1 - **Non-Market Issue Analysis**

3 - **Non-Market Actors I: Elected Officials (Institutions)**

8 - **Non-Market Actors I: Elected Officials, ctd.**
   - *Case (distributed in class)*: Federal Express and Labor Organization
   - **NOTE**: Please bring a computer or tablet to class, if possible **

10 - **Non-Market Actors II: Public Opinion & Competing Interests**
   - *Case*: Wal-Mart: The Store Wars

15 - **Non-Market Actors III: The Media & Issue Framing**
   - *Case*: Unintended Acceleration: Toyota’s Recall Crisis

17 - **Non-Market Strategy Formulation**

22 - **Legal Regulation of Non-Market Strategy**
   - Romero, Jessie. 2014. “MoneyTalks: Legal Challenges have opened the door to new kinds of political spending. What does the money buy?” *Econ Focus* Fourth Quarter: 16–20. [C]
   - **NOTE**: Please bring a computer or tablet to class, if possible **
February
24  Non-Market Tactics I: Industry-wide Coalitions
    - Case: Politics of Tobacco Control: A History of the U.S. Tobacco Industry

29  Non-Market Tactics II: Electoral Politics
    - Case: Rethinking Political Activity at Target

March
2  Non-Market Tactics III: Legislative Lobbying
    - Case: Nonmarket Action and the International Counter-Money Laundering Act

7  Guest Speaker

9  Non-Market Simulation I: Congressional Hearing
    - Case: Fuel Economy Standards 2007

14-16  NO CLASS: Spring Break

21  Non-Market Tactics IV: Grassroots Advocacy
    - Case: NIMBY—Canadian National’s Controversial U.S. Expansion [C]

23  Non-Market Tactics V: The Law & Litigation
    - Case: BitTorrent

28  Non-Market Simulation II: Board of Directors Meeting
    - Case: AIG and the American Taxpayers

30  Non-Market Actors IV: Regulators (Institutions)

April
4  Market Regulation/Design & Non-Market Entrepreneurship
    - Case: Uber: 21st Century Technology Confronts 20th Century Regulation

6  NO CLASS: Midwest Political Science Association Annual Conference

11  Environmental Regulation
    - Case: Keystone XL Pipeline
April 13  Non-Market Simulation III/Financial Regulation: Regulatory Rulemaking  
- *Case*: The Volcker Rule: Financial Crisis, Bailouts, and the Need for Financial Regulation

18  Guest Speaker

20  Legal Regulation of Marketing  

25  Advertising Regulation (& Self Regulation)  
- *Case*: Sweet Deal: Industry Self-Regulation of Breakfast Cereal Advertising to Children

27  Privacy Regulation  
- *Case*: ChoicePoint

May 2  Ethics and Agency Issues in the Non-Market  
- Hartnett, Kevin. 2015. “Would more lobbying improve America?”  
  *Politico*. August 26. [C]

4  Ethics, ctd., Course Reflections, & End-of-Course Evaluations

11  **Final Exam (2– 5 p.m.)**