



## SPRING 2014 SYLLABUS

### MGMT 715: Political and Social Environment of the Multinational Firm

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in Honor of Russell E. Palmer, former Managing Partner

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#### **Objectives:**

Are you well prepared to manage or analyze business challenges and competitive threats in a variety of political and social environments? For example, what should you do to dissuade or counter an individual critic armed with a camera phone and a YouTube account? Or a decentralized grassroots organization that seemingly pops up overnight, appears to have no single leader or headquarters, and yet is quite successful in capturing media attention? Or a government official who because of a tight reelection campaign or an internal challenge from a populist general turns on you? Lone individuals, small activist groups and unexpected political shifts have done extensive damage to the reputations — and value — of multinationals in recent years. And yet most companies don't plan for, or even think about, investing in building the kinds of solid relationships with community leaders, governments, NGOs, and other key players that can help them avoid such crises and, when necessary, draw upon their reservoir of stakeholder capital to respond quickly and decisively when a challenge or threat emerges. This class provides an integrative perspective towards the management of these risks. It highlights that better assessment of stakeholder opinion, understanding of how stakeholders impact firm value and of how to infuse stakeholder relationships with trust to unlock that value are increasingly critical elements of a firm's long-term success, particularly in emerging markets. The course will give students a combination of practical tools and the latest academic thinking in stakeholder engagement.

#### **Outline**

We will begin with an introductory module that makes the case for Corporate Diplomacy and offers an overview of best practice as well as the risks of failure. AES's investment in an electricity distribution company in the Republic of Georgia offers an introduction into the complex challenges we will explore.

Next we examine the six elements of Corporate DIPLOMAcy:

- Due diligence on the stakeholder landscape for a Russian activist fund management company, an Indonesian gold mining company and creditors in a Thai bankruptcy;
- Integration into strategic analysis and planning in a gold mine in Ghana;
- Personal trust building with skeptical stakeholders in Peruvian mining;
- Learning in a palm oil producer;
- Openness in reporting and communications in Romanian gold mining; and,
- Mindsets in IKEA as they grapple with accusation of Indian child labor and in the development of your careers in a conversation with guest speaker Nick Lovegrove.

We close by returning to electricity distribution through private equity investor Abraaj Capital's investment in the Karachi Electricity Supply Company.

Format will include lecture, case discussion, small group discussions and report-backs, in-class debates and role-play exercises.

## Assessment

### *KEY DATES*

By 6am on day of class with case discussion (i.e., classes 2-14), post a 5-6 sentence response to the focal question in Canvas. You must complete 7 of these 13 assignments. There is a strictly enforced limit of 150 words per post.

Wednesday, February 26 9:00am – Post team paper outlines to team folders in eRoom

Friday, March 7 5:00pm – Post final version of team papers to team paper folder

### *CONTENT*

Regular attendance is required. Students who fail to regularly attend the class will not receive course credit. Assessment for regularly attending students will be based on individual preparation of:

- (1) Class participation and engagement (30%)
- (2) Seven 5-6 sentence quick responses to the ***bold italicized*** discussion question (21%)
- (3) One 5-6 sentence example of a corporate diplomacy best practice (4%)
- (4) Team (**NO** team > 6 members) Paper Assignment
  - (a) A 2-4 page team paper outline (5%)
  - (b) A 20-25 page team paper (1 X 40%)

Note that there is NO MIDTERM OR FINAL EXAM.

These five components are discussed in more detail below.

- (1) I expect a high-level of interactive and integrative discussion in every class. You should carefully prepare for each class, contribute productively as well as listen carefully to others. The emphasis on case analysis and the large class size combine to make it crucial that preparation for and participation in class is of consistently high quality. Please consider the following guidelines for high quality class participation:
  - Relevance: Are your comments clearly related to the case and to the comments of others?
  - Advancement: Does your comment move the class discussion forward? Does it take the discussion farther or deeper than the previous comments?
  - Fact-Based: Have you used specific data from the case, from conceptual or background readings, or from personal experience to support the assertions that you are making?
  - Logical: Is your reasoning consistent and logical? Do you use economic concepts correctly?

To help you I have included discussion questions for each class. We will also employ small group discussions, debates, role play exercises and other activities. I will also cold call students.

A pattern of absences can result in LT/D/F grades for the course. Frequent but low quality participation and/or distracting behavior (e.g., use of internet or PDAs, side conversations, late entries, early departures, ...) hinders our progress and will also be penalized.

- (2) You should address in no more than 150 words the ***discussion question(s) in bold italics*** for a given class. You are free to discuss the questions with your classmates or peers but you must each write up your submissions independently. The post should not emphasize facts from the readings but rather draw upon relevant material in the readings to address the focal (i.e., ***bold italicized***) question. Your answer should focus on the actions that the protagonist in the case should take to protect or create additional value given the choice highlighted in the question and highlight the key drivers of your recommendation.
- (3) I will frequently post news clippings and multimedia that highlight real-time application of course concepts as “pages” on Canvas. At least once during the semester, you must post one short (150 word) example of a best practice of Corporate Diplomacy. Examples would include the use of stakeholder mapping & analysis, measurement of the financial returns to stakeholder engagement, efforts to build personal relationships with external stakeholders, adaptive learning systems that build trust with external stakeholders, effective communication strategies with external stakeholders and mindsets or organizational cultures that clearly prioritize long-term creation of value for shareholders and stakeholders. You are encouraged to contribute additional new material or to respond to the material that I and your peers post beyond this one required discussion post. I will try to highlight some of the most relevant material, debates and tools in class discussion.
- (4) Teams consisting of NO MORE THAN SIX students (preferably maximizing diversity in background, functional expertise, major, ...) will identify a corporation that faced a dilemma relating to the management of external stakeholder relations.
  - a. Team paper outlines should highlight the key components of the paper’s structure as detailed below in (b). More thorough outlines elicit more helpful feedback. It is insufficient to merely identify a topic in your outline. You need to provide me with meaningful guidance as to the substance of your paper.
  - b. Nine basic components should be found in the submitted 20-25 page paper. Page lengths described for each component are suggestions of a normal distribution across sections only and should not be considered binding if your topic merits relatively more/less detail in a given section. However, the complete paper must fall within the page limit and formatting requirements described above.
    - 1) An unnumbered title page that identifies all team members and contains an executive summary which summarizes the strategic problem, the choices that you are analyzing, the choice that you are recommending and the key assumptions or factors leading to that recommendation.
    - 2) An introduction that identifies a specific company and a specific strategic choice that it faces that clearly involves a (potential) conflict with a set of external stakeholders (1 page);
    - 3) An elaboration upon the conflict in a general context but with examples or emphasis upon the particular country and industry setting that you have chosen. You should try to link your example to other similar conflicts in the same firm, industry or country. (3-5 pages);
    - 4) The development and analysis of a stakeholder map that highlights the identity and priority issues for the key stakeholders involved culminating in the

identification of 2-4 strategic options for the company. These options typically include initiatives that address specific issues in partnership with specific stakeholders (5-6 pages);

- 5) An assessment of the relative efficacy of these proposed strategies. This analysis can include
  - a) Comparison of the financial costs and benefits using the FVTOOL or other techniques.
  - b) Comparison of the impact on the overall level of stakeholder support using GIST or other techniques.This assessment should culminate in a specific actionable recommendation and an attempt to identify the key assumptions of contingencies that impact this recommendation. It should be clear to the reader under which conditions you would alter your recommendation. (5-6 pages)
- 6) The discussion of key aspects of implementation of the recommended strategy including (5-6 pages).
  - a) Mechanisms to build interpersonal trust with external stakeholders
  - b) Mechanisms to insure learning and adaptation
  - c) Mechanisms to effectively communicate the goals, design and implementation of the initiative
  - d) Mechanisms to insure internal organizational support for the initiative
- 7) Succinctly summarize the key takeaway of the case (i.e., what lessons can other firms facing similar challenges take from your analysis and recommendations?) (1 page)
- 8) A list of references that includes both secondary (newspaper or magazine) **AND** primary (company newsletter, press release, annual report, company internet site or conversations with individuals familiar with the corporate response to the strategic choice) sources. Please provide enough information so that a reader can easily find the reference.
- 9) A set of exhibits that complement your written analysis.

Text should be double-spaced with 1" margins in a 12-point times new roman font.

References, and exhibits (i.e., tables, charts and figures) do not count towards the page limit but should be used only when they complement the text.

Examples of exceptional papers will be provided on Canvas. Please note that the course assignment evolves each year so past exemplars may not follow the structure above.

Resources to aid you with your background research include

- Country-level
  - [World Economic Forum Global Competitiveness Report](#)
  - [Economist Intelligence Unit Country Reports](#)
  - World Bank
    - [Doing Business Guides](#)
    - [Business Environment](#)
    - [Investment Climate](#)
    - [Investing Across Borders](#)
    - [Enterprise Surveys](#)
    - [Private Sector Data](#)
    - [Governance Indicators](#)
  - United Nations

- [Foreign Direct Investment Report](#)
  - [Investment Prospects](#)
- [Transparency International Corruption Perceptions](#)
- [Business Monitor International](#)
- [CIA World Factbook](#)
- [Heritage Institute Index of Economic Freedom](#)
- [IHS Global Insight](#)
- [ISI emerging markets](#)
- [Factiva](#)
- Industry- and Firm-level
  - [Business Monitor International](#)
  - [Euromonitor](#)
  - [Orbis \(includes Datamonitor\)](#)
  - [EBSCO Business Source Complete](#)
  - [ISI emerging markets](#)
  - [Factiva](#)
  - [PROMT](#)
  - [Proquest Annual Reports](#)

PLEASE NOTE THAT ANY QUOTATIONS OF LONGER THAN A PHRASE MUST BE EXPLICITLY NOTED IN THE TEXT. INSUFFICIENT ATTRIBUTION TO EXTENDED QUOTATIONS FROM EXTERNAL SOURCES WILL RESULT IN FORMAL CHARGES OF PLAGIARISM TO THE OFFICE OF STUDENT CONDUCT. IF YOU HAVE ANY QUESTIONS ON POLICY, SEE [http://gethelp.library.upenn.edu/PORT/documentation/plagiarism\\_policy.html](http://gethelp.library.upenn.edu/PORT/documentation/plagiarism_policy.html)

### About the Instructor

**Witold J. Henisz** is the Deloitte & Touche Professor of Management in Honor of Russell E. Palmer, former Managing Director at The Wharton School, The University of Pennsylvania. He received his Ph.D. in Business and Public Policy from the Haas School of Business at University of California, Berkeley and previously received a M.A. in International Relations from the Johns Hopkins School of Advanced International Studies.

In a National Science Foundation funded project he showed that markets value stakeholder engagement twice as much as the net present value of the gold ostensibly controlled by 19 publicly traded gold mining companies. He then assessed the contingencies that influence the choice of which stakeholder these firms should reach out to in order to positively influence valuation as well as how to best develop a cooperative relationship with that stakeholder. He draws upon these insights as well as examples from large scale construction management, sustainable tourism, development and military counterinsurgency in his forthcoming (April 2014) book *Corporate Diplomacy: Building Reputations and Relationships with External Stakeholders*. His research has been published in top-ranked journals in international business, management, international studies and sociology. In addition, it has been profiled for managers in *Harvard Business Review*, *Brunswick Review*, *Accountability.org*, *Motley Fool*, *TriplePundit*, *Investor Relations Web Report*, *The Public Affairs Council*, *The Penn Gazette* and *Knowledge@Wharton*. He served as a Departmental Editor at The Journal of International Business Studies and is currently an Associate Editor at Strategic Management Journal.

Witold has won multiple teaching awards at the undergraduate and graduate levels for his elective courses that highlight the importance of integrating a deep understanding of political and social risk factors into the design of an organization's global strategy. He led the redesign of the global required course in the Wharton MBA curriculum. He teaches extensively on the topic of 'Corporate Diplomacy' in open

enrollment and custom executive education offerings and serves as the Academic Director for a new open enrollment program specifically on this topic.

He is also a principal in the political risk management consultancy PRIMA LLC whose clients include AngloGold Ashanti, Rio Tinto, Shell Corporation, Maritime Financial Group, The World Bank, The Inter-American Development Bank, The Rand Corporation, The Central Intelligence Agency, Computer Sciences Corporation (CSC), Science Applications International Corporation (SAIC), The Department Of Homeland Security, The Conference Board, Eurasia Group, Hynix Semiconductor, Willkie Farr & Gallagher LLP and Philippine Long Distance Telephone Company (PLDT). He previously worked for The International Monetary Fund.

### **Feedback**

I encourage anyone with specific or general questions regarding the course structure, content or discussions to drop by during my office hours or by appointment or to contact me via email or phone. There will be a detailed mid-course evaluation whose results I will present in class. If desired, we can form a quality circle to anonymously gather additional feedback.

## 1. Conceptual Introduction (Thursday, January 16)

### Readings

Browne, John and Robin Nuttal (2013) "Beyond Corporate Social Responsibility: Integrated External Engagement" *McKinsey Quarterly*

### Discussion Questions

1. Identify a firm that in your opinion mismanaged its external engagement to the detriment of its financial or operational performance in a foreign market (or identify a class of political problems with which firms have difficulty.)
2. What tools from your work experience, other Wharton OR college courses, would you currently use to answer the following questions regarding this firm's experiences:
  - a. What did the firm not understand?
  - b. What should the firm have done differently?
3. Why can't investors and external stakeholders easily identify and implement strategies that make both shareholders and stakeholders better off?

## 2-3. Introductory Case: Power Trip or Power Play in the Republic of Georgia (T/Th January 21/23)

### Readings

Power Trip or Power Play: AES-Telasi (A) (Witold J. Henisz and Bennet A. Zelner)  
Power Trip or Power Play: AES-Telasi (B) (Witold J. Henisz and Bennet A. Zelner) [TO BE DISTRIBUTED AFTER FIRST CLASS]

### Discussion Questions

1. Did AES-Telasi face substantial policy risks? Why?
2. Who were the key political and social actors for Michael Scholey in the Georgian environment? Who were his allies? Opponents?
3. Who were the key political and social actors for Michael Scholey in the international environment? Who were his allies? Opponents?
4. What strategy did AES adopt to deal with this divided political and social environment?
5. *How should Scholey adapt his strategy in the (A) case? Why?*

### ***[FOR 2<sup>nd</sup> Class]***

6. What did Scholey and AES-Telasi do differently in the (B) case?
  - a. Do you agree with these changes? Why or why not?
  - b. What reactions did these changes elicit? Were these intended or unintended? Explain.
7. What were the strengths and shortcomings of the strategy of Michael Scholey towards the policy risks faced by AES-Telasi in the (B) case?
8. *What alternative strategy would you recommend that Ignacio Iribarren (Michael Scholey's successor) implement upon his arrival?*

#### 4. Due Diligence: Activist Shareholding in Russia (Tuesday, January 28)

##### Readings

###### *Background*

Puffer, S. M. and D. J. McCarthy (2003). "The emergence of corporate governance in Russia." Journal of World Business 38(4): 284-298.

###### *Case*

Dyck, Alexander "The Hermitage Fund: Media and Corporate Governance in Russia" *HBS Case 9-703-010*

##### Discussion Questions

1. What are the various ways in which managers in Russia extract value out of their companies disproportionate to their equity stakes? Which of these methods are peculiar to Russia?
2. What institutions and mechanisms normally constrain such behavior? Why are they absent in Russia?
3. What is Browder's strategy? How does it differ from traditional investing? Do you agree with Browder's contention that media attention limits corporate governance abuses in Russia? Elsewhere? How does the media effect governance?
4. ***If you were an investor in Hermitage in the summer of 2002, what would you advise Bill Browder to do? Should he refine or change his activist strategy?***

#### 5. Due Diligence: Corruption in Indonesian Mining (Thursday, January 30)

##### Readings

###### *Background*

Corruption and Development (C. Gray & D. Kaufman, Finance & Development, 3/1/98, pp. 7-10)

###### *Case Discussion*

Busang: River of Gold (A) (HBS Case 9-798-002)

##### Discussion Questions

1. How does corruption affect the development of the private sector?
2. How is corruption related to the structure of a nation's political institutions?
3. How is corruption related to informal norms within a country?
4. What are the "rules of the game" in Indonesia's mining sector at the time of the case? Has Bre-X played by the rules?
5. Has Bre-X developed relationships in Indonesia? Does it need to? How?
6. ***How should David Walsh respond to Minister Sudjana's announcement? What options are open to him and to Bre-X?***



## 6. Due Diligence: Stakeholder Mapping in a Thai Bankruptcy (Tuesday, February 4)

### Readings

#### *Background*

Can the IMF play Supercop? (James Smalhout, Euromoney, September, 1998, pp. 90-93)  
Prevention is more complex than cure (James Smalhout, Euromoney, Sept. 2001, pp. 320-325)  
Stinging Critiques of IMF, US Treasury (Chakravarthi Raghavan, Third World Network  
The Insider (Joseph Stiglitz, The New Republic 4/17/2000

#### *Case*

Henisz, Witold Thai Petrochemical Industry: Negotiating Debt after the East Asian Crisis (A)

### Discussion Questions

- 1) Identify the key stakeholders in the bankruptcy of Thai Petrochemical
- 2) Identify the key issues that are a priority or concern for each stakeholder
- 3) Identify the relative power of each stakeholder and overall importance of each issue
- 4) Identify the relationships between stakeholders that will influence their reactions to any proposals made on behalf of international creditors
- 5) ***Based upon your analysis, should creditors undertake a***
  - a. ***Debt restructuring with Prachai and current TPI management as planner***
  - b. ***Debt restructuring with an external planner—most likely, Effective Planner, the creditors' steering committee nominee after the disagreements with Prachai***
  - c. ***strategic partnership with a local company to restructure and manage TPI***  
***Why or on what would it depend?***

## 7. Integration: The Net Present Value of Sustainability (Thursday, February 6)

### Readings

#### *Background*

Davis, Rachel and Daniel M. Franks (2011) "The Costs of Conflict with Local Communities in the Extractive Industry."

#### *Case Discussion*

Henisz, Witold (2012) "Calculating the Net Present Value of Sustainability Initiatives at Newmont's Ahafo Mine in Ghana"

### Discussion Questions

- 1) Why has the sustainability budget at Newmont and other major mining companies been increasing over the past decade?
- 2) Using what criteria (i.e., net present value or broader) should the decision be made as to what sustainability initiatives merit funding?
- 3) ***Which of the four initiatives should Newmont fund?*** What are the critical assumptions that go into this calculation that you feel
  - a) are sufficiently justified or established?
  - b) require additional analysis or a stronger evidentiary base to justify?
- 4) What do you think the biggest benefit for an organization would be to the adoption and use of the FVTOOL? What are the most important inputs to realizing this potential gain?

## 8. Participatory Stakeholder Engagement (Tuesday, February 11)

### Readings

#### *Background*

Breaking Ground: Engaging Communities in Extractive and Infrastructure Projects (World Resource Institute)

“Social License to Operate,” by Ian Thomson and Robert G. Boutilier, SME Mining Engineering Handbook, Chapter 17.2.

#### *Case Discussion*

Corporate Responsibility & Community Engagement at the Tintaya Copper Mine (A)

### Discussion Questions

1. What are the core elements of community engagement or consent processes?
2. ***Do you believe that the application of these processes made a difference in the Tintaya mine? Why or why not?***
3. Are these processes applicable outside of extractives and infrastructure? Why or why not? If you believe that they are, be ready to provide a specific example in class.

## 9. Learning at Golden Agri (Thursday, February 13)

### Readings

#### *Background*

Schein, Edgar (1993) “How Can Organizations Learn Faster? The Challenge of Entering the Green Room”

#### *Case Discussion*

Please review the e-case at <http://nexus.som.yale.edu/goldenagri/>

Using username: GlobalManagement and password: NUS-Yale1.

### Discussion Questions

1. What strategy should GAR take in marketing its palm oil?
2. Should GAR maintain its agreements with Greenpeace and The Forest Trust or adopt the lower RSPO or ISPO standard?
3. What position should GAR take in its dealings with the RSPO? with the Indonesian government?
4. How should GAR balance its commitment to no deforestation with maintaining opportunities for small farmers?
5. How should GAR communicate its strategy in regards to the RSPO and the Indonesian government to rural Indonesian communities in which the company operates, the company's investors, and global consumers interested in ethical sourcing?
6. How will your strategy impact the overall palm oil industry's effect on deforestation and economic development?
7. ***How can GAR actually implement the novel strategy you have outlined? Be specific with concrete steps GAR should take that will enhance the likelihood your proposed strategy is adopted internally and supported externally.***

## 10-11. Openness: Rosia Montana (T/Th, February 18/20)

### Readings

#### *Background*

- Cattaneo, Ben (2009) The New Politics of Natural Resources  
Zorilla, Carlos (2009) "Protecting Your Community Against Mining Companies and Other Extractive Industries"

#### *Case Discussion*

- Rosia Montana: Political and Social Risk Management in the Land of Dracula (A) (Witold Henisz, Sinziana Popa and Tim Gray)  
Rosia Montana: Political and Social Risk Management in the Land of Dracula (B) (Witold Henisz, Sinziana Popa and Tim Gray) [TO BE DISTRIBUTED AFTER 1<sup>st</sup> CLASS]

### Discussion Questions

1. Is the Rosia Montana mine a financially viable investment project?
2. Does the Rosia Montana mine have political and social support? From whom?
3. ***Given the political, economic and social environment in Romania in the mid-1990s, did Gabriel Resources management teams follow a well-designed strategy for the exploitation of the mine in the (A) case? Why or why not?***

#### *For 2<sup>nd</sup> Class:*

4. What did Alan Hill and his management team do differently in the (B) case?
  - a. Do you agree with these changes? Why or why not?
  - b. What reactions did these changes elicit? Were these intended or unintended? Explain.
5. ***How could Alan Hill's strategy as described in the (B) case be improved? Explain.***

## 12. Mindsets at IKEA (Tuesday, February 25)

### Readings

#### *Background*

- Hertel, S. (2010). "The Paradox of Partnership: Assessing New Forms of NGO Advocacy on Labor Rights." *Ethics & International Affairs* 24(2): 171-189.  
The Political Economy of Child Labor and its Impacts on International Business (S.L. Bachman, Business Economics, July 2000, pp. 30-41)

#### *Case*

- IKEA's Global Sourcing Challenge: Indian Rugs and Child Labor (A) (HBS Case 9-906-414)

### Discussion Questions

1. When are NGOs most able to impact multinational strategy? Why?
2. When are multinational corporations most able to cooperate with NGOs? Why?
3. What are the drivers of the use of child labor
4. What are the risks involved for IKEA in its treatment of child labor issues?
5. How should IKEA respond to the accusations leveled against it? [**Brief In class Role Play Exercise**]

6. How should IKEA manage its policies with regard to child labor?
  - a. What should they do independently? Why?
  - b. What should they do in concert with NGOs such as Rugmark? Why?
  - c. What should they do in concert with IGOs such as the ILO or UNICEF? Why?
7. *Should IKEA sign on to Rugmark? How should they deal with Rangan?*

**Post team paper outlines to team folders in Canvas by Wednesday, February 26 at 9:00am.**

### **13. Mindsets: Triple Strength Leadership (Thursday, February 27)**

#### Readings

Lovegrove, Nicholas and Matthew Thomas (2013) “Triple Strength Leadership” *Harvard Business Review*

Additional reading TBD

#### Discussion Questions

Please prepare and post questions to ask of our guest speaker, Nick Lovegrove. Nick is a Senior Director of Albright Stonebridge Group, drawing on 30 years of prior experience with McKinsey & Company to help lead client service management and development.

Mr. Lovegrove most recently served as Director and Managing Partner of McKinsey’s Washington, D.C., office. In that role, he held overall responsibility for McKinsey’s service to its Washington, D.C.-based clients, including private sector companies, federal government departments and agencies, multilateral institutions, industry associations and philanthropic foundations. His primary focus was on performance improvement in healthcare, education, and sustainable economic development. In addition, he held global responsibility for McKinsey’s research and knowledge development on public sector performance and economic development.

Previously, Mr. Lovegrove spent 24 years in McKinsey’s London Office, where he became Senior Partner and advised many of McKinsey’s most important British and European clients – in particular in the consumer goods, retail, media, and healthcare sectors. He founded and led McKinsey’s European Media Practice, working with broadcasters, publishers, information service providers and regulators. He subsequently founded and led McKinsey’s European Public Sector Practice.

Prior to his work at McKinsey, Mr. Lovegrove served as a Senior Advisor to UK Prime Minister Tony Blair’s Strategy Unit. In this role, he advised on industry regulation, education strategy, and the knowledge economy. In a personal capacity, he has also served on several non-profit boards, including the Royal Shakespeare Company and TeachFirst.

#### 14. Course wrap-up (Tuesday, March 4)

##### Readings

###### *Case Discussion*

Abraaj Capital and the Karachi Electric Supply Company (HBS Case N9-812-019)

###### *Wrap-up*

Mastering Management (Stephen Kobrin, Financial Times, 3/15/96, p. 13)

##### Discussion Questions

1. Consider the comparison between the performance of Karachi Electric Supply Company and AES-Telasi. To what do you attribute these differences?
2. Which elements of Corporate DIPLOMacy has Abraaj Capital deployed in its investment in Karachi Electric Supply Company? How did these help to improve performance?
3. *What, if any, elements of the Corporate DIPLOMacy framework are still missing from Abraaj's strategy for KESC? How should they be incorporated?*
4. Are there additional important drivers of the performance of Karachi Electric Supply Company?

**NB: There is no class on Thursday, March 6**

**Deadline for Team Paper Submission: Friday, March 7, 5pm**