



Course Syllabus

7/24/17

**MBA 6200-101  
ENTERPRISE RISK  
MANAGEMENT**

College of Business  
Administration  
BUSINESS BEGINS AT MARQUETTE

FALL TERM 2017

D2L Site Opens on Sunday, August 20, 2017  
D2L Site Closes on Saturday, October 21, 2017  
**No Mandatory Coursework Assigned September 10-17, 2017**

**CONTACT INFORMATION**

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If you use e-mail, include in the subject line of all e-mail communication to me the course and section number as it appears above.  
Office Phone: (414) 288-6486  
Mobile Phone: (414) 581-3373  
Office Hours: Wednesdays from 10:30 AM to 12:30 PM; Thursday from 1:30 PM to 3:30 PM; and by appointment.

**COURSE DESCRIPTION AND OBJECTIVES**

The MBA Program's learning goals are:

1. Perform the fundamental activities of business.
2. Communicate effectively in a business setting.
- 3. Navigate the global strategic issues facing a corporation.**
4. Apply ethical reasoning to business situations.
5. Use analytics to assist in making strategic business decisions.

This course will focus on Outcome No. 3 above.

Enterprise Risk Management is a risk assessment methodology and process designed to provide a more strategic evaluation and response to risk. Increasingly, executive leadership and boards of directors are coming to the conclusion that risk management can be a contributing element in strategic planning and strategic management only if done comprehensively on an enterprise-wide focus. The focus cannot be solely on avoiding and mitigating the effects of negative risk; instead,

the entire organization—the business enterprise—must seek to optimize its decision-making process for risk-taking in order to achieve its strategic goals.

This course will deliver on three key aspects of enterprise risk management:

- First, it will explore how to better protect and enhance shareholder value while delivering on stakeholder expectations through management of enterprise risks based on a holistic understanding of business activities and operations across all functional areas.
- Second, participants will learn prioritizing risks and developing risk mitigation strategies.
- Finally, a set of topics will address essential organizational elements for effective risk management. There will be some coverage of the specific nature of compliance programs in some highly regulated industries such as health care and financial services.

## CLASS SCHEDULE

This course is entirely online. **See the Course Calendar at the end of the syllabus for specific assignments for each week during the course.**

In the previous version of this course, I offered the students an opportunity to meet to discuss the issues raised in the course. In return for a student's active participation in the meeting, the student will receive 25 points and be excused from answering the last of the three final exam questions. **The meeting is scheduled for Tuesday, October 10, 2017, at 5 PM.** A minimum of ten (10) students will have to sign up for the meeting in the Discussions section of D2L no later than Saturday, September 30, 2017, in order for the meeting to go forward.

## COURSE MATERIALS

### REQUIRED COURSE MATERIALS

The text in this course is *ERM: Enterprise Risk Management* by Jean-Paul Louisot and Christopher Ketcham (Wiley; 2014), ISBN 978-1-118-53952. The text is available on Kindle as well as in hardcover. Additional materials will be provided via D2L.

## GRADING

### OVERALL SCHEME

The purpose of grades is both (1) to inform others once the course is complete as to your mastery of the material and (2) to communicate to you the effectiveness of your study skills and your ability in the future to apply the material presented. The job of the grading scheme is to make sure that you are awarded the grade that you have earned. It would be unfair to your current and future employers and to you to award a grade that you have not earned.

Your grade will be based on your (1) completion of the questionnaire and pretest; (2) the substance and quality of your discussion participation; (3) the substance and quality of your assigned written case analyses; and (4) your performance on the final exam.

The course elements and related points are as follows:

<b>Questionnaire and Pretest</b>	<b>25 points</b>
<b>Discussion Participation</b>	<b>50 points</b>
<b>Final Exam (3 Questions)</b>	<b>75 points</b>
<b>Case Analyses (2)</b>	<b>100 points</b>
<b>TOTAL</b>	<b>250 points</b>

Grading is as follows:

93% and up:	A	232 points or more
90% - 92.9%	A-	225 points to 231 points, inclusive
87% - 89.9%	B+	217 points to 224 points, inclusive
84% - 86.9%	B	210 points to 216 points, inclusive
81% - 83.9%	B-	202 points to 209 points, inclusive
78% - 80.9%	C+	195 points to 201 points, inclusive
75% - 77.9%	C	187 points to 194 points, inclusive
Below 75%	F	186 points or less

**Rubric.** The purpose of the Rubric for the Case Analyses and Final Exam is to set expectations regarding the substance and quality of your work. Please use these rubrics as a guide when completing your major assignments.

**There is no curve.** Students who complete the questionnaire and pretest in a timely fashion, complete assignments on time, and participate in discussions will be well positioned to earn a high grade.

**Extra credit is available.** The purpose of extra credit is to provide you with opportunities both to expand your learning on the subject and to remediate any areas of your graded performance that may have suffered as a result of a lack of understanding of class requirements or of the specific written material presented. Not everyone masters all of the material at the same pace.

The **Extra Credit for Insights on Current Events** Discussion section will include current event issues that the instructors will occasionally post that are of interest to the matters being discussed in class. If you provide an analysis that is profound or useful for discussion on any of these posts, on something that has been posted, you will be awarded up to five (5) extra credit points. The maximum number of extra credit points is twenty (20).

It is the responsibility of the faculty to help you to succeed. If you have a legitimate situation in which your success on an exam or major assignment is in jeopardy, talk to me, in person or by telephone. I will make limited accommodations to help you be in the best position possible to excel in this course.

If you and I were perfect, we would anticipate every contingency and adversity and never miss a deadline or need an extension of time. Nevertheless, both planning and the ability to adapt to changing circumstances are essential. Since we are all thoroughly imperfect, our responsibility is to strive to do the best we can with the hand we are dealt. My job is to hold you accountable to that standard, not one that says that everything must happen exactly as originally planned.

When you find yourself unexpectedly about to miss a deadline, you should:

- Ask for an accommodation as soon as you are aware of the problem, submitting what you have already completed to the Dropbox for that assignment.
- Explain why, if you waited until the last minute to begin an assignment, you nevertheless deserve an accommodation.
- Turn in the completed assignment as soon as humanly possible after the original deadline and no later than one week after the due date. Do not ask me if I will accept late assignments without first turning them in. The answer will always be no.
- Talk to me as soon thereafter as you can.
- I reserve the right to accept an assignment late and grade it for full credit; accept the assignment late and reduce the grade earned; or to reject the assignment submitted late and to provide with a zero grade for the assignment.

### **QUESTIONNAIRE AND PRETEST**

The questionnaire and pretest must be completed in D2L by the end of the first week of classes), in order for you to receive the full 25 points, except for good cause shown. If you fail to answer any questions on the pretest, your score will be reduced by one point for each question not answered. Note that your score in D2L will show as less than 25 points unless you correctly answered all of the questions. After everyone has completed the questionnaire and pretest, I will go back into D2L and change the grade for everyone who completed the questionnaire and pretest to 25 points.

### **DISCUSSION PARTICIPATION**

A significant portion of your learning will accrue through the constructive (and respectful) challenge of each other's ideas (and those of the instructors), which is why 20% of the available points are assigned to discussion participation. You must be actively involved in these discussions to improve your thinking and communication skills.

Uniformly professional and courteous engagements with others are essential to effective communication in the business context. Exceptions will be reflected in the discussion participation grade and may result in other action, depending on the severity of the deviation.

Your discussion participation points will be determined based on the quality of your input (not "air time," questions not pertinent to the subject, or irrelevancies masking lack of preparation). Specifically, you are expected to:

- Contribute to the advancement of the discussion
- Articulate an in-depth understanding of course material
- Persuasively and concisely convey your thoughts
- Willingly test "new" ideas, rather than "play it safe"
- Provoke a dialogue among participants
- Illuminate difficult concepts
- Support comments with facts and specifics

Many students will find the discussions to be the most valuable part of the course, as students are able to get real life insights from their classmates who are working in a variety of business settings. Admittedly, the schedule for discussion participation is rigid and does not permit students to work ahead or at their own pace. (I have now made other work in the course available at the beginning of the course to allow students to do more of the coursework at their own pace.)

Discussion participation is not mandatory. If during a particular week, you find that you are unable or unwilling to participate in discussions, then don't. You can still earn a decent grade by not participating in discussions for up to half of the course, if the quality of your other work is high. You can also take advantage of the extra credit opportunities.

Within the discussion participation, each posting reflecting at least a graduate school B grade level of insight and sophistication will earn two points, up to a maximum of ten points per week for Weeks 1 through 5. (Posting a draft of a case analysis doesn't count for this purpose, but questions and comments intended to help other students improve their case analyses do.) Any posting that fails to meet the standard will earn zero points.

### **CASE ANALYSES**

Each case analysis will be a **single spaced, typewritten** evaluation of the case, using the format provided on D2L. The case analysis will help you think through the issues in the case. Any case analysis that you submit is required to be your individual work. A copy of the original court opinion will be provided to you in D2L in the module **Case Analysis Overview**. You should also use other resources and cite them in the case analysis.

You will be assigned to one of four groups, A-D, and your group assignment will be listed in the module Case Analysis Overview. Each group will prepare two (2) case analyses in alternating weeks, beginning with the second week of class. Changing the case for which you are required to submit a written case analysis will not be allowed.

### **FINAL EXAM / CAPSTONE**

The final exam / capstone questions will be made available in D2L at the beginning of Week 5. Each of the three questions posed is worth 25 points.

## **COURSE POLICIES**

### **GUIDELINES FOR WRITTEN SUBMISSIONS**

All written submissions must be submitted either in Microsoft Word, 2009 version or later, or Adobe Acrobat PDF. Margins shall be a minimum of one inch on each side, and the typeface shall be 12 point Times New Roman or 12 point Arial. Submissions in other formats or not meeting these requirements will not be accepted.

The date and time of submission are the date and time in which a version of the written submission meeting these requirements is uploaded to D2L.

Good writing habits are "portable" and will always reflect well on you. Shoddy written work can have enormous negative consequences in terms of lost opportunities for new positions or advancement. A commitment to quality is essential. To this end, you should proofread your work for content (i.e. cohesion of argument, clarity of logic, support of position, and conciseness), as well as for correct grammar, spelling, and punctuation (re-read even *after* running spell check!). Unless you are an uncommonly gifted writer and analyst, your grade will inevitably suffer if you wait until the last minute to complete your written assignments. Plan ahead.

In general, all of your written assignments should include the following:

- Well-organized and concise arguments (avoid padding)
- Clear statements of assumptions and conclusions
- Rigorous use of facts to support arguments without summarizing the case or material
- Original, not plagiarized text (give credit and quote where necessary)

### **MAKE-UP POLICY**

There are no makeup assignments in this course. Late assignments may be accepted, as discussed above.

### **GRADE APPEAL**

See the Academic Bulletin.

### **ACADEMIC DISHONESTY**

The rules on academic dishonesty for the College of Business Administration apply.

## OTHER ADMINISTRATIVE DETAILS

- It is very important that you check D2L regularly during the course for any news items, modifications to the syllabus and other course materials. **There are no excuses for not knowing information that is posted in D2L.** Any email message from the instructors will go to your Marquette email address listed in D2L, no exceptions.
- Questions of general interest or concern should be posted to the General Questions Discussion section found at the bottom of the Table of Contents, so that the answer can be answered once and all of the students in the class can benefit from the answer. That includes any matters related to the syllabus. The instructors reserve the right to answer questions that are already plainly and directly answered by the materials in this syllabus by saying “See the syllabus.”

## ACCOMMODATIONS

- If you have any conditions that may limit or affect your ability to participate in this course, please let one of the instructors know. You may also contact the Office of Student Educational Services (OSES), in AMU 317 (8-3270) for more information (see also: <http://www.marquette.edu/oses/>).

## COLLEGE OF BUSINESS ADMINISTRATION ASSESSMENT STATEMENT

- The fundamental mission of the College of Business Administration is to provide a quality education grounded in Catholic, Jesuit intellectual values. Students are expected to learn how to function effectively in a diverse and global economy and develop into responsible members of the business community. As one of many methods of assuring that the goals of our educational mission are successfully met, the college regularly and systematically engages in the assessment of these competencies
- Students in our MBA programs are also assessed on their competency to communicate effectively, reason ethically and apply critical thinking, as well as their capacity to comprehend the global strategic issues of firms and perform fundamental activities of business managers.
- Assessment takes place each semester in all programs and settings using quantifiable measures to gather and analyze information to help continuously improve the educational process. The College of Business Administration is dedicated to successfully providing a quality education for all students. Assessment is the continuous improvement process of evaluating our success. More information on assessment can be found at (<http://www.marquette.edu/assessment/>) and ([http://www.busadm.mu.edu/graduate/learning\\_objectives.shtml](http://www.busadm.mu.edu/graduate/learning_objectives.shtml))

# COURSE CALENDAR

Fall Term 2017

## INTRODUCTION TO ENTERPRISE RISK MANAGEMENT

- 1 August 27 through September 2
- **Summary:** We will cover what ERM is and why it is important.
  - **Readings and Presentations:** Read the summary that I have prepared and posted in D2L. Watch the videos for which links have been posted.
  - **Assignments:**
    - By Tuesday, August 29, at 11:59:00 PM, complete:
      - **Resume/CV and Objectives Discussion, Initial Posting:** Submit your resume/CV and include one or more objectives for your participation in the course.
      - **Discussion for Week 1, Initial Posting:** Post responses to the following question: Which parts of your organization face the greatest uncertainty and so more risk? What types of risk do they face— financial, operational, reputation, regulatory, or strategic? In what order of importance do these risks rank for your organization?
    - By Thursday, August 31, at 11:59:00 PM, complete:
      - **Resume/CV Objectives Discussion, Response Posting:** Review resumes/CVs submitted by the other students, as well as their objectives, and modify your objectives for the course as appropriate.
      - **Discussion for Week 1, Response Posting:** Reply to posts by other students to the discussion by asking questions that might help students identify any potential weaknesses in their analyses.
    - By Saturday, September 2, at 11:59:00 PM, complete:
      - **Discussion for Week 1, Reply Posting:** Address questions posted in response to any of your initial postings.
      - **Questionnaire and Pretest:** Complete the questionnaire and pretest in the Quizzes section of D2L.
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## ESTABLISHING THE CONTEXT FOR ERM

- 2 September 3 through September 9
- **Summary:** We will cover why organizations choose to engage in ERM and how organizations go about defining their unique versions of ERM.
  - **Readings and Presentations:** Read the Introduction and Chapter 1 of the text. Read any additional readings posted, and watch the videos for which any links have been posted, in the Content section of D2L.
  - **Assignments:**
  - By Tuesday, September 5, at 11:59:00 PM, complete:
    - **Discussion for Week 2, Initial Posting:** Post any responses to the Learning Outcome Questions in D2L.
    - **Case Analysis for Week 2, Initial Posting:** Each member of Group A is responsible for a draft analysis of the case assigned to Group A in the Discussion section of D2L.
    - **Case Analysis for Week 2, Initial Posting:** Each member of Group B is responsible for a draft analysis of the case assigned to Group B in the Discussion section of D2L.
  - By Thursday, September 7, at 11:59:00, complete:
    - **Discussion for Week 2, Response Posting:** Post separate replies to responses to the Learning Outcome Questions. Do so in the form of additional questions that the original poster should address.
    - **Case Analysis for Week 2, Response Posting:** Group C is responsible for reviewing a draft provided by a member of Group A and submitting questions that are intended to assist Group A members in improving their case analyses.
    - **Case Analysis for Week 2, Response Posting:** Group D is responsible for reviewing a draft provided by a member of Group B and submitting questions that are intended to assist Group C members in improving their case analyses.
  - By Saturday, September 9, at 11:59:00, complete:
    - **Discussion for Week 2, Final Response:** Each class member must separately address the questions posted in reply to their responses to the Learning Outcome Questions.
    - **Case Analyses Dropbox Assignment:** Each member of Group A and of Group B must submit the final version of his or her Case Analysis to the Dropbox in D2L.

**I will be out of the country from September 9 through September 16. Case Analyses from Week 2 will be graded after I return. Students are free to work ahead on Case Analyses for Weeks 3, 4, and 5 during this period if they wish. Students who work ahead will be able to start, and to complete, the final examination questions earlier as well and be done with the course, realistically, up to a week ahead of schedule.**

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## CONDUCTING RISK ASSESSMENT

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- 3    September 17 through September 23
- **Summary:** We will cover the process of identifying critical risks to strategy and how to evaluate and to prioritize these risks.
  - **Readings and Presentations:** Read Chapter 2 of the text. Read any additional readings posted, and watch the videos for which any links have been posted, in the Content section of D2L.
  - **Assignments:**
  - By Tuesday, September 19, at 11:59:00 PM, complete:
    - **Discussion for Week 3, Initial Posting:** Post separate responses to the Learning Outcome Questions.
    - **Case Analyses, Initial Posting:** Each member of Group C is responsible for posting a draft analysis for the case assigned to Group C.
    - **Case Analyses, Initial Posting:** Each member of Group D is responsible for posting a draft analysis for the case assigned to Group D.
  - By Thursday, September 21, at 11:59:00 PM, complete:
    - **Discussion for Week 3, Response Posting:** Post separate replies to responses to the Learning Outcome Questions. Do so in the form of additional questions that the original poster should address.
    - **Case Analyses, Response Posting:** Group A is responsible for reviewing each draft case analysis provided by a member of Group C and submitting questions that are intended to assist Group C members in improving their case analyses.
    - **Case Analyses, Response Posting:** Group B is responsible for reviewing each draft case analysis provided by a member of Group D and submitting questions that are intended to assist Group D members in improving their case analysis.
  - By Saturday, September 23, at 11:59:00 PM, complete:
    - **Discussion for Week 3, Final Response:** Separately address the questions posted in reply to responses to the Learning Outcome Questions.
    - **Case Analyses, Dropbox Assignment:** Each member of Group C and of Group D must submit the final version of his or her Case Analysis to the Dropbox.
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## IMPLEMENTING ERM TECHNIQUES

- 4 September 24 through September 30
- **Summary:** We will cover “risk treatment” – how ERM identifies and implements steps intended reduce the cost of downside risk and secure the opportunities of upside risk.
  - **Readings and Presentations:** Read Chapter 3 of the text. Read any additional readings posted, and watch the videos for which any links have been posted, in the Content section of D2L.
  - **Assignments:**
  - By Tuesday, September 26, at 11:59:00 PM, complete:
    - **Discussion for Week 4, Initial Posting:** Post separate responses to the Learning Outcome Questions.
    - **Case Analyses, Initial Posting:** Each member of Group A is responsible for submitting a draft analysis of the case assigned to Group A.
    - **Case Analyses, Initial Posting:** Each member of Group B is responsible for submitting a draft analysis of the case assigned to Group B.
  - By Thursday, September 28, at 11:59:00 PM, complete:
    - **Discussion for Week 4, Response Posting:** Post separate replies to responses to the Learning Outcome Questions. Do so in the form of additional questions that the original poster should address.
    - **Case Analyses, Response Posting:** Group C is responsible for reviewing Group A’s draft analysis and submitting questions that are intended to assist Group A members in improving their case analyses.
    - **Case Analyses, Response Posting:** Group D is responsible for reviewing Group B’s draft analysis of legal and submitting questions to the Discussion section of D2L that are intended to assist Group B members in improving their case analysis.
  - By Saturday, September 30, at 11:59:00 PM, complete:
    - **Discussion for Week 4, Final Posting:** Address the questions posted in reply to responses to the Learning Outcome Questions.
    - **Case Analyses, Dropbox Assignment:** Each member of Group A and of Group B must submit the final version of his or her Case Analysis to the Dropbox.

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## MONITORING, REVISING, AND COMMUNICATING

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- 5    October 1 through October 7
- **Summary:** We'll explore the follow-on, repeating process that assure that ERM efforts are successfully advanced within an organization.
  - **Readings and Presentations:** Read Chapters 4 and 5 of the text. Read any additional readings posted, and watch the videos for which any links have been posted, in the Content section of D2L.
  - **Assignments:**
  - By Tuesday, October 3, at 11:59:00 PM, complete:
    - **Discussion for Week 5, Initial Posting:** Post responses to the Learning Outcome Questions.
    - **Case Analyses, Initial Posting:** Each member of Group C is responsible for submitting a draft case analysis of the case assigned to Group C.
    - **Case Analyses, Initial Posting:** Each member of Group D is responsible for submitting a draft case analysis of the case assigned to Group D.
  - By Thursday, October 5, at 11:59:00 PM, complete:
    - **Discussion for Week 5, Response Posting:** Reply to responses to the Learning Outcome Questions. Do so in the form of additional questions that the original poster should address.
    - **Case Analyses, Response Posting:** Group C is responsible for reviewing Group A's draft case analysis and submitting questions in the Discussion section of D2L that are intended to assist Group C members in improving their case analyses.
    - **Case Analyses, Response Posting:** Group B is responsible for reviewing Group D's draft case analysis and submitting questions submitting questions that are intended to assist Group D members in improving their case analysis.
  - By Saturday, October 7, at 11:59:00 PM, complete:
    - **Discussion for Week 5, Final Response:** Address the questions posted in reply to responses to the Learning Outcome Questions.
    - **Case Analyses, Dropbox Assignment:** Each member of Group C and of Group D must submit the final version of his or her Case Analysis to the Dropbox in D2L.
    - **Extra Credit for Insights on Current Events, Response:** All students must complete any discussions of current issues required for extra credit.
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## CAPSTONE WEEK

- 6 October 8 through October 14
- **Summary:** We will complete the course by completing the three-part final exam.
  - **Assignments:**
  - By Tuesday, October 10, at 11:59:00 PM, complete:
    - **Final Exam/Capstone, Dropbox Assignment:** All students will read and respond to Capstone Part 1 of the final exam.
  - By Thursday, October 12, at 11:59:00 PM, complete:
    - **Final Exam/Capstone, Dropbox Assignment:** All students will read and respond to Capstone Part 2 of the final exam.
  - By Saturday, October 14, at 11:59:00 PM, complete:
    - **Final Exam/Capstone, Dropbox Assignment:** All students will read and respond to Capstone Part 3 of the final exam. **Students who have attended and actively participated the wrap-up meeting on Tuesday, October 10, 2017 (assuming that the minimum required number of students have signed up) will be excused from answering the final exam question and receive 25 points for that assignment.**