 

# DPA \*702

**Strategic Management Accounting Summer 2017**

**Course Outline**

**Accounting and Financial Management Services Area DeGroote School of Business**

**McMaster University**

**COURSE OBJECTIVE**

The objective of this case-based course is to equip students with the ability to contribute to the strategy development, learn how to apply a strategic decision making process, learn tools to achieve effective governance, identify how to manage and mitigate corporate risk, and learn skills to assess and improve performance management. Frameworks for strategy, governance, risk and performance will be introduced with a view of teaching students advanced management accounting skills, and how to improve organizational performance in order to deliver sustainable value.

**INSTRUCTOR AND CONTACT INFORMATION**

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| --- |
| Section A Monday 11:30 a.m. – 2:20 a.m.  Wednesday 8:30 a.m. – 11:20 a.m.    Section B Monday 3:30 p.m. – 6:20 p.m.  Monday 11:30 a.m. – 2:20 a.m.  Wednesday 8:30 a.m. – 11:20 a.m.  a.m. Section B Tuesday 11:30 Thursday 11:30 a.m. – 2:20 p.m. |
| Wednesday 11:30 a.m. – 3:20 p.m. |
| Instructor: Janet L. Pierce, MBA, FCPA, FCMA, CMC i |
| Email: [piercj4@mcmaster.ca](mailto:piercj4@mcmaster.ca) |
| Office: TBD |
| Office Hours: By appointment. |
| Tel: (416) 892-7105 |
| Class Location: TBD |
| **Course Website:** |

**COURSE ELEMENTS**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Credit Value: | 3 | Leadership: | Yes | IT skills: | Yes | Global view: | No |
| Avenue: | Yes | Ethics: | Yes | Numeracy: | Yes | Written skills: | Yes |
| Participation: | Yes | Innovation: | No | Group work: | Yes | Oral skill: | Yes |
| Evidence-based: | Yes | Experiential: | Yes | Final Exam: | Yes | Guest Speaker(s): | Yes |

**COURSE DESCRIPTION**

This course examines the challenges executives face in determining the strategy of an organization. It will introduce and explore and management skills required for effective implementation of organizational strategies. Topics include developing corporate and business strategies, strategy mapping and balanced scorecard. Other topics covered include risk management, corporate governance, and will review management accounting skills from prior courses and will also introduce new advanced performance measurement and management tools required to evaluate the effectiveness of current strategies and evaluate strategic and operational alternatives (ratio analysis, net present value, cost-volume-profit analysis., etc.)

**LEARNING OUTCOMES**

Upon completion of this course, students will be able to complete the following key tasks:

* Understand the nature and different levels of strategy and the important role played by the management accounting professional in supporting each level.
* Develop a strategy map and balanced scorecard as part of an organization’s strategic management system.
* Understand the importance of risk management in strategy formulation, implementation and management and understand how to mitigate risk.
* Understand the importance of corporate governance in managing organizations and recognize elements of effective and ineffective governance.

**REQUIRED COURSE MATERIALS AND READINGS**

Cases and Readings are posted on Avenue and in the required course pack.

**OPTIONAL COURSE MATERIALS AND READINGS**

Not applicable. No optional readings.

**EVALUATION**

Learning in this course results primarily from assigned readings, in-class discussion of assigned case studies/reports, and presentations. Participation in class discussion is an important evaluative component and group work is required in case studies. In the Rejuvenating Spa case study, group members will share the same grade. If the majority of the group feels that a member does not deserve 100% of the mark assigned, it is the group’s responsibility to inform the instructor and the member involved, in writing, specifying the reasons and the percentage of the mark that should be assigned. Your final grade will be calculated as follows:

### Components and Weights

|  |  |
| --- | --- |
| Class Participation, Reading Journal, Prepare Cases (+3 bonus marks) | 15% |
| Risk, Governance, Ethics/Whistleblower Assignment (Individual Report) | 10% |
| Strategy Map Assignment and Presentation (Group) | 10% |
| Group Case Report and Presentation (Report, 20%; Presentation, 10%) | 30% |
| Final Exam (Saturday July 29, 2017, 9:00 a.m. – 2:00 p.m., tentative) | 35% |
| Total | 100% |

The instructor reserves the right to adjust the student's final grade by one grade point based on his/her overall performance for the course.

### Conversion

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme.

|  |  |
| --- | --- |
| LETTER GRADE | PERCENT |
| A+ | 90 – 100 |
| A | 85 – 89 |
| A- | 80 – 84 |
| B+ | 75 – 79 |
| B | 70 – 74 |
| B- | 60 – 69 |
| Fail | 0 – 59 |

### Class Participation, Reading Summaries and Presentations

Class participation is an essential part of the course. A reading summary must be prepared for each of the readings in advance of each class (a template can be found after each article in the course ware). Students will use this to enable them to contribute to class discussions. They can then be torn out of the course pack for submission at the end of class. Students must also provide a minimum one-page summary of the assigned cases before each class and should be available for submission adhering to the CPA Way.

Marks assigned for class participation will be based mostly on discussions of readings, cases and assignments. Students must come prepared to present their case analysis and recommendations in class. Presentations to the class presentation will prepare students for the presentation requirement of Capstone 1 of the CPA Professional Education Program (PEP). There are **NO marks** assigned for class attendance.

Students will be provided with name cards at the beginning of the term and will assess their own participation each week by putting a tick mark each time the student participates in class. This self-assessment will be verified by the instructor each week. The following chart will help students understand what represents appropriate, value-added participation:

|  |  |
| --- | --- |
| Type of Contribution | Nature of Comments |
| Describes/  Interprets | ⮚ seeks clarification of the views of another  ⮚ recounts important facts or details from cases and/or readings  ⮚ suggests a worthwhile change in the focus or flow of the discussion  ⮚ explains the implications of financial or quantitative analysis |
| Adds/ Challenges/  Defends | ⮚ offers substantive additional support for the ideas of another  ⮚ provides an original and compelling viewpoint on the issue at hand  ⮚ engages in a penetrating critique of the views of another  ⮚ convincingly addresses concerns raised with one’s position/ideas |

Additionally, students must bring a hard copy of class preparation (cases, readings, etc.) to each class for submission with their name card. The instructor will look at the preparation for class and participation over the term and assign a mark out of 15 (participation = 10, preparation = 5). Bonus marks to a maximum of 3 are available to be earned for exceptional performance and contributions to class discussions during the term.

### Assignment - Individual Report

Students are required to submit a 500-word report on either (a) risk management failure OR (b)corporate scandal OR (b) ethics/whistleblower (due July 10, 2017).

A **print copy** of the report must be brought to class and submitted to the instructor, and the electronic copy must be uploaded to Avenue. Specifics on the assignment options are given in the course outline (p. 8).

### Assignment and Presentation – Strategy Map

Instructor will assign students to groups of five and submit a Strategy Map for GWL Roofing. On class day, the Instructor will ask one of the group members to present their Strategy Map in class (all group members must be prepared to present).

### Case Report and Presentation (Group)

In the same groups assigned for the Strategy Map assignment, students will prepare a major case report on Rejuvenating Spa Inc. (Capstone 1 case – May 2015). Students should begin on this case shortly after the beginning of the term. The case report must be of professional quality, typed, double-spaced, Arial 12-point font with 1” margin. It should follow The CPA Way and include: Cover Page, Executive Summary (limited to two pages) Table of Contents, Introduction, Situational Analysis and Issue Analysis, Recommendation, Implementation Plan, Financial Forecast, Performance Measures/Balanced Scorecard and Conclusion with Appendices/Exhibits and References (Footnotes/Bibliography). The report is limited to 3,500 words and 8 one-page Appendices/Exhibits (word count excludes cover page, executive summary, table of contents, appendices/exhibits and references) and due to be uploaded to Avenue at **8:30 a.m. on July 24, 2017**. Each Appendix/Exhibit must be presented on one page with a minimum of Arial 10-point font. ***Relevant external research and references should be included in the report and appropriately cited***. Each group should submit an electronic copy of the Case Report (WORD document and EXCEL worksheet; to the Teaching Assistant by email, (TBD), and another copy to Avenue. The case must be your own work and will be scanned for plagiarism.

Each group will present their case in class. The case presentation must be of professional quality and all group members have to participate in the presentation. Each case presentation is limited to 20 minutes and the instructor will terminate the presentation at the end of that time. The presentations will be scheduled for the final week of class, groups will present their case analysis and recommendations; three to four groups are tentatively scheduled for presentation on each of Monday (July 24, 2017) and Wednesday (July 26, 2017).

**All students must attend the presentations on both days to ask questions and listen to the feedback provided to all groups**. Class participation marks will be **deducted** for not attending the presentations.

### Communication and Feedback

Students who are uncomfortable in directly approaching an instructor regarding a course concern may choose to send a confidential and anonymous email to the respective Area Chair at:

<http://www.degroote.mcmaster.ca/curr/emailchairs.aspx>

Students who wish to correspond with instructors directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Administrative Assistant.

Instructors should conduct an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

**ACADEMIC DISHONESTY**

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy, located at:

[www.mcmaster.ca/academicintegrity](http://www.mcmaster.ca/academicintegrity)

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g., the submission of work that is not one’s own for which other credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations.

In this course we will be using email, LearnLink, Avenue, etc. Students should be aware that, when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure.

If you have any questions or concerns about such disclosure please discuss this with the course instructor.

**POTENTIAL MODIFICATIONS TO THE COURSE**

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

**POLICY ON MISSED MIDTERM, FINAL EXAMINATIONS & TESTS**

When students miss a regularly scheduled midterm, test or class participation for legitimate reasons as adjudicated by the Student Experience - Academic Office, the weight for that midterm/test/participation will be distributed across other evaluative components of the course at the discretion of the instructor. Documentation explaining such an absence must be provided to the Student Experience - Academic Office within five (5) working days upon returning to school. Please note that MSAF does not apply to this course in the Graduate Diploma program.

Students unable to write a midterm at the posted exam time due to the following reasons: religious; work- related (for part-time students only); representing university at an academic or varsity athletic event; conflicts between two overlapping scheduled midterm exams; or other extenuating circumstances, have the option of applying for special exam arrangements. Such requests must be made to the Student Experience - Academic Office at least ten (10) working days before the scheduled exam along with acceptable documentation. Instructors cannot themselves allow students to unofficially write make-up exams/tests. Adjudication of the request must be handled by the Student Experience - Academic Office.

All applications for deferred and special final examination arrangements must be made to the Student Experience - Academic Office. Failure to meet the stated deadlines may result in the denial of these arrangements. Deferred examination privileges, if granted, must be satisfied during the examination period at the end of the term immediately following. There will be one common sitting for all deferred exams.

If any exam is missed without a valid reason, students will receive a grade of ***ZERO*** (0) for that component.

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**STUDENTS ACCESSIBILITY SERVICES**

Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for course work at the outset of term. Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements with a Program Coordinator. Academic accommodations must be arranged for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e- mail [sas@mcmaster.ca.](mailto:sas@mcmaster.ca)

For further information, consult McMaster University’s Policy for Academic Accommodation of Students with Disabilities:

[http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicAccommodation-](http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicAccommodation-StudentsWithDisabilities.pdf) [StudentsWithDisabilities.pdf](http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicAccommodation-StudentsWithDisabilities.pdf)

**RESEARCH USING HUMAN SUBJECTS**

Research involving human participants is premised on a fundamental moral commitment to advancing human welfare, knowledge and understanding. As a research intensive institution, McMaster University shares this commitment in its promotion of responsible research. The fundamental imperative of research involving human participation is respect for human dignity and well-being. To this end, the University endorses the ethical principles cited in the Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans:

[http://www.pre.ethics.gc.ca](http://www.pre.ethics.gc.ca/)

McMaster University has mandated its Research Ethics Boards to ensure that all research investigations involving human participants are in compliance with the Tri-Council Policy Statement. The University is committed, through its Research Ethics Boards, to assisting the research community in identifying and addressing ethical issues inherent in research, recognizing that all members of the University share a commitment to maintaining the highest possible standards in research involving humans.

If you are conducting original research, it is vital that you behave in an ethical manner. For example, everyone you speak to must be made aware of your reasons for eliciting their responses and consent to providing information. Furthermore, you must ensure everyone understands that participation is entirely voluntary. Please refer to the following website for more information about McMaster University’s research ethics guidelines:

<http://www.mcmaster.ca/ors/ethics>

Organizations that you are working with are likely to prefer that some information be treated as confidential. Ensure that you clarify the status of all information that you receive from your client. You **MUST** respect this request and cannot present this information in class or communicate it in any form, nor can you discuss it outside your group. Furthermore, you must continue to respect this confidentiality even after the course is over.

**STUDENT EVALUATION OF TEACHING**

It is the policy of the DeGroote School of Business to administer the Student Evaluation of Teaching forms towards the end of the semester and students are expected to participate in these evaluations.

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**COURSE SCHEDULE**

## DPA \*702

**Strategic Management Accounting Summer 2017**

**Course Outline**

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| --- | --- | --- | --- |
| **Date** | **Lecture** | **Topic** | **Case/Assignment to Prepare for Class** |
| June 19  2017 | 1 | Introduction The CPA Way  Guest Speaker: Barry Kent, CPA Facilitator | **NPV Case: Jimmy Hot Dogs Stand** |
|  |  | 1. CPA Canada On-line: [*https://www.cpacanada.ca/en/become-a-cpa/pathways-to-becoming-a-cpa/national-education-resources/the-cpa-way*](https://www.cpacanada.ca/en/become-a-cpa/pathways-to-becoming-a-cpa/national-education-resources/the-cpa-way) 2. *NPV Case: Jimmy’s Hot Dogs Stand* | |
| June 21,  2017 | 2 | Steps for Approaching Business Strategy  ***Review Topics****: NPV, CM, Constrained Resources, Pro Forma F/S, Cash Flow, Ratios* | **Situation Analysis Practice Case: Livoria Sandwhiches** |
|  |  | ***Readings:***   1. *Case: Livoria Sandwiches* 2. *Slides: Steps for Approaching Business Strategy Powerpoint Slides on Avenue)* 3. *Article 1: What is Strategy? Michael E. Porter, HBR, Nov-Dec 1996* | |
| June 26,  2017 | 3 | Strategic Management and Performance Measurement of Not-for-Profit Organizations | **Case: Newville Tigers (Storyboard)** |
|  |  | ***Readings:***   1. *Article 2: Strategic Performance Measurement and Management in Nonprofit Organizations, Robert S. Kaplan,* 2. *Article 3: Nonprofit Management & Leadership 11, no. 3 (Spring 2001): 353–370.* 3. *Newville Tigers Backgrounder* 4. *Newville Tigers Additional Information* | |
| June 27,  2017 | 4 | Strategy Mapping and Balanced Scorecard | Case: Meals for Learning Case: The Glacier Inn |
|  |  | ***Readings:***   1. *Article 4: Having Trouble with Your Strategy? Then Map it HBR, Kaplan, Norton Sept 1, 2000* 2. *Case: Meals for Learning* 3. *Case: The Glacier Inn* | |
| July 3,  2017 | 5 | Resource-Based Theory Value Innovation Strategy Pricing Strategies | Case: Playdanz |
|  |  | ***Readings:***   1. *Case: Playdanz* | |

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| --- | --- | --- | --- | --- |
| **Date** | **Lecture** | **Topic** | **Case/Assignment** | |
| July 3,  2017 |  | ***Assignment – Strategy Map (due at 11:59 p.m., July 2, 2017):***  Develop a strategy map for the case, GWL Roofing Limited. You have to submit an electronic copy to the instructor at [pierj4@mcmaster.ca](mailto:pierj4@mcmaster.ca%20) before 11:59 p.m., July 2, 2017; an electronic copy to Dropbox on the course website on Avenue; and a **print copy** at the beginning of class (702A at 11:30 a.m.; 702B at 3:30 p.m.)  ***Class Presentation - Strategy Map*** (Case: GWL Roofing) | | |
| July 5,  2017 | 6 | Corporate Social Responsibility and Financial Performance | | Case: Can you Drink Social Responsibility?  Variance Analysis Case: New Look Jacket |
|  |  | ***Readings:***   1. *Case: New Look Jacket* 2. *Article 5: Can You Compete on Sustainability, Gregory Unruh, HBR, March 22, 2010* 3. *Case: Can You Drink Social Responsibility?* | | |
| July 10,  2017 | 7 | Case Analysis Practice | | GR Hotels—Work in your groups |
|  |  | ***Readings:***   1. *Case: GR Hotels Backgrounder* 2. *Case: GR Hotels Additional Information* | | |
|  |  | ***Assignment – Individual Report (due at the beginning of class, July 10, 2017):***  Each student will be assigned to research and submit a 500 word report on one of the following two topics:   1. Select a corporate scandal from the past decade (NOT Enron, Worldcom or Tyco) and outline what happened and the major causes of the scandal and how future scandals could be prevented in future. Corporate Governance and Risk Management 2. Select an example of a whistle blower and briefly explain the ethical dilemma and the circumstances that prompted that individual to report his/her company’s unethical practices. Comment on the repercussions to the whistleblower, the organization and society as a whole.   ***Remember to properly reference your report with footnotes or bibliographies to show the source of your information.*** | | |
| July 12,  2017 | 8 | Risk Management Case | | BC Coast Cruises |
|  |  | ***Readings:***   1. *Case: BC Coast Cruises Backgrounder* 2. *Case: BC Coast Cruises Additional Information* | | |

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| --- | --- | --- | --- |
| **Date** | **Lecture** | **Topics** | **Case/Assignment** |
| July 17,  2017 | 9 | Risk Management (con’t.) Corporate Governance Financial Performance | Case: RADIT Solutions - Corporate Governance Dilemma |
|  |  | ***Readings:***   1. *Article 6: Responsible Hands, Anthony A. Atkinson* 2. *Case: RADIT Solutions* | |
| July 19,  2017 | 10 | Corporate Governance (cont’d)  Professionalism and Ethics | Case: The Dilemma at Northlake |
|  |  | *Readings:*  *1. Article 7: How (Un)Ethical Are You?*  *2. Case: The Ethical Dilemma at Northlake* | |
| **CASE REPORT ON REJUVENATING SPA INC. DUE AT 8:30 A.M. ON July 24, 2017** | | | |
| July 24,  2017 | 11 | Case Report and Group Presentation Groups A, B, and C  Guest Speaker: Nigel Jacobs | Case: Rejuvenating Spa Inc. Report Due and Presentations |
| July 26,  2017 | 12 | Case Report and Group Presentation Groups D, E and F | Case: Rejuvenating Spa Inc. Report Due and Presentations |
| **FINAL EXAM, July 29, 2017 (Saturday), 9:00 a.m. – 2:00 p.m. (Tentative)** | | | |

*Tentative course outline is subject to change.*

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