MGMT 198/799
Epidemics, Natural Disasters, and Geopolitics:
Managing Global Business and Financial Uncertainty

Q4 Spring 2020
Wednesdays 4:30-7:30
0.5 credit units
Letter grade or pass/fail
Instructor of record:
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Epidemics and natural disasters are exogenous shocks that create many challenges for companies, financial markets, and political systems. This class draws on the expertise of Wharton faculty members to provide a deep understanding of how global business and financial uncertainty can be managed in the wake of such dramatic events. The topics include: leading in uncertain times, the reaction of the financial markets to the coronavirus, disaster risk and asset returns, the significance of borders in an integrated world, decision-making, forecasting, and leadership, emotional contagion and epidemics, the evolving U.S./China relationship in the context of trade wars and the pandemic, telework, and the disruption of trade and global supply chains.

NOTE: All deadlines are Philadelphia time.

We encourage students to follow the class live through streaming every Wednesday 4:30-7:20 pm. If you can’t do so, you have until 12 noon of the following Monday to watch the recordings. Everyone needs to submit the two (2) weekly assignments (see below).

The grading criteria are:

- 30% Class participation. You can make contributions to the discussion group on canvas in order to get credit for class participation. One instance of participation per week is appropriate. Discussion comments must (1) be a maximum of 150 words, (2) be relevant to the discussion thread (if created in response to another comment), and (3) refer to the material covered in the week’s lecture or readings. Deadline: 12 noon of the Monday following the Wednesday class. The grading scale is: 3 = irrelevant comment, 4 = good comment, 5 = excellent comment. No points if no comment is submitted.
• 30% Multiple-choice tests at the end of each class. You will have 15 minutes to complete the test after you click on it on Canvas. Deadline: 12 noon of the Monday following the Wednesday class.

• 30% Final paper. This is a team paper of about 1,400 words on a topic related to the class, to be graded by peers. Double spaced, and uploaded as a pdf. Must include title, authors, abstract, main body, conclusion, and references. Teams of 3-4 students will be assigned. Deadline is 11:59 pm on May 6. See Appendix A for more information.

• 10% Peer evaluation of one paper submitted by another team. Each student will individually be assigned a paper to evaluate. Deadline is 11:59 pm on May 10. Failure to provide an evaluation will result in no points for this assignment.

Absent Policy:

• We will monitor online if you have followed the class through live streaming or if you watch the recordings of the classes before 12 noon of the following Monday. A 5-point penalty for each Wednesday-class recording missed will be assessed when there is no compliance with this requirement.

• If you are unable to meet the 12 noon Monday deadline for viewing the lecture and completing the assignments, you shall submit a course absence report through the PennInTouch portal, specifying the range of time and reason (religious holiday, family emergency, health problem, or other). Due to the number of students in the course, please refrain from reporting your absence through email or Canvas message. You are still expected to watch the missed course recording and meet other expectations when you resume the capacity to do the coursework.

Required readings:

• All readings listed on this syllabus are required and must be completed prior to their discussion in class. The weekly tests are likely to ask questions about the readings.

• They are available from our Canvas under Modules.


TAs: Maya Baker, Yalong Chen, Courtney Clarahan, Kelly Corcoran, Meghan Creedon, Adrian Curtin, Sara Gao, Hana Grebemarian, Sharon Hou, Liz Jacobs, Kate Maloney, Momoko Oi, Christina O’Neill, Patricia Parker, Eva Protasiuk, Kevone Roberts, Joan Ryan, Blair Sackett, Elizabeth Sobel, and Lucy Zhang.
Schedule of Classes

IMPORTANT:
Watch the introductory videos by Mauro Guillén BEFORE March 25, and do the readings.

Readings:
“Pandemics That Changed History.” History (2020).

Week 1: March 25

Pre-class videos:

1. Angela Duckworth, Professor of Psychology, and founder, The Character Lab, G’06 [grit]
2. Lady Barbara Judge, fmr. Chair, UK Pension Protection Fund, CW’66 [pensions]
3. William McNabb, fmr. CEO and Chair of Vanguard Group, WG’83 [financial services]

4:30-5:30
Geoff Garrett
Leading in Uncertain Times

5:30-6:20
Kent Smetters
Budgetary Implications

Readings:

6:20-7:20
Zeke Emanuel
COVID-19: Evolution of a Pandemic
Week 2: April 1

Pre-class video:

1. Professor Katherine Milkman interviews Angela Duckworth, Professor of Psychology, and founder, The Character Lab, G’06

4:30-5:30
Changing Behavior for Good in the Face of Disasters
Katherine Milkman

Pre-lecture work:
1. Please complete this short (~5 minute), ungraded survey due by 12 pm on Tuesday, 3/31: https://wharton.qualtrics.com/jfe/form/SV_6tAeqwECyszU33 (Links to an external site.)
2. Only AFTER completing the aforementioned survey, and in lieu of reading, please listen to this ~45 minute Choiceology podcast entitled “Take the Deal” (Season 4, Episode 4), available at the following link or through any podcasting app: https://www.schwab.com/resource-center/insights/content/choiceology-season-4-episode-4 (Links to an external site.) Please complete this listening assignment before class on Wednesday, 4/1.

5:30-6:30
Anticipating Risks, Coping with Uncertainty
Howard Kunreuther

Readings:

6:30-7:30
Uncertainty and Global Supply Chains
Marshall Fisher and John Paul MacDuffie

Readings:
Week 3: April 8

Pre-class videos:

1. Benito Cachinero, former Senior VP for Human Resources, DuPont, G’86 G’88 [executive leadership]
2. Marco De Benedetti, Managing Director (Europe), The Carlyle Group, WG’88 [financial services]
3. Larry Jameson, Dean of the Perelman School of Medicine at Penn [healthcare]
4. Billy Quinn, Managing Partner, BQ Capital Partners, W’92 [financial services]
5. Leslie Richards, General Manager (CEO) of SEPTA (South Eastern Pennsylvania Transportation Authority), G’93 [public transportation]

4:30-5:50
Global Collisions
Mohamed El-Erian

Readings:

6:00-7:20
China-U.S. Relations: Trade Wars, National Security and COVID-19
Geoff Garrett

Reading:
Week 4: April 15

Pre-class videos:
1. Mitchell Blutt, MD, CEO of Consonance Capital, C’78 M’82, WG’87 [financial services]
2. Joaquin Duato, Vice-Chairman of the Executive Committee, Johnson & Johnson [pharma]
3. Sebastian Escarrer, CEO, Melia Hoteles, WG’93 [hospitality]
4. Stephanie von Friedeburg, COO, International Finance Corporation, G’92, WG’92 [international agency]
5. Rosanna Ramos-Velita, Chairman, Caja Rural Los Andes, G’92, WG’92 [social impact]

4:30-5:50
Market Response: Risk, Fundamentals, and Investor Psychology
Jeremy Siegel

Readings:

6:00-7:20
Emotional Contagion: Epidemics and Human Interactions
Sigal Barsade

Reading:
Sigal Barsade, “The Contagion We Can Control.” https://hbr.org/2020/03/the-contagion-we-can-control
**Week 5: April 22**

Pre-class videos:

1. Larry Bailey, President and Chief Executive Officer, LDB Consulting Inc., WG’76 [sports]
2. Jim Cowles, Co-founder & CEO, The Venn Media, WG’79 [media]
3. Josh Harris, Co-Founder, Apollo Global Management, Inc., W’86, PAR’23 [finance]
4. Jackie Reses, Financial Services - Capital Lead, Square Capital, WG’92 [finance]
5. Daniel Skovronsky, President and Chief Scientific Officer, Lilly Research Laboratories, G’00 MD’01 [pharma]
6. Dr. Howard Zucker, Commissioner of Health for New York State [health agency]

4:30-5:30
Facing a Pandemic: Bioethics, Leadership, and Penn
Amy Gutmann

Readings:

5:30-6:25
Telework and Virtual Teams
Martine Haas

Reading:

6:25-7:20
Seeing the Future to Predict Disease Spread
Barbara Mellers

Reading:

After-class optional activity, Thursday April 23, 5:30-6:00
Q&A with Dr. Daniel Skovronsky, President and Chief Scientific Officer, Lilly Research Laboratories.
Week 6: April 29

Pre-class videos:
1. Alberto Duran, Founder and Chief Executive Officer, Mundivox Communications, WG’93 [telecom]
2. Adam Grant, Professor of Management, Wharton School [resilience]
3. Kenny Lam, CEO of Two Sigma Asia Pacific, W’96 [financial]
4. William Lauder, Executive Chairman, Estée Lauder Companies, W’83 [consumer products]
5. Dan Schwab, Co-President, D&H Distributing Co., W’91 [supply chain]
6. Mallika Srinivasan, Chairman and Managing Director, Tractors and Farm Equipment (TAFE), WG’85 [agriculture]

4:30-4:40
Final Team Paper Discussion
Mauro F. Guillén

4:40-5:55
From Climate Law to Pandemic Insurance
Carolyn Kousky and Sarah Light

Readings:
Carolyn Kousky & Howard Kunreuther, A Framework for Managing Catastrophic Risks (Wharton Risk Center Issue Brief, August 2018),

Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak (Mar. 13, 2020),

Letter from President Donald J. Trump on Emergency Determination under the Stafford Act (Mar. 13, 2020),

White House, Executive Order on Prioritizing and Allocating Health and Medical Resources to Respond to the Spread of COVID-19 (Mar. 18, 2020),

Memorandum on Order Under the Defense Production Act Regarding General Motors Company (Mar. 27, 2020),

Memorandum on Order Under the Defense Production Act Regarding 3M Company (April 2, 2020),
https://www.whitehouse.gov/presidential-actions/memorandum-order-defense-production-act-regarding-3m-company/
5:55-7:10
The Changing Significance of Borders
Beth Simmons

Readings:

https://www.cato.org/blog/research-provides-no-basis-pandemic-travel-bans


7:10-7:20
Conclusion
Geoffrey Garrett
Mauro F. Guillén
Appendix A: Final Team Paper

Final Paper (30%): Team Assignment

1. **Team formation.** We will let you know when a Canvas mechanism is ready for you to self-form teams of 3-4 students (no exceptions!). Students who are not part of a team **by Monday April 27 at noon** will be randomly assigned to a team within these groups: undergrads, full-time MBAs (and other Penn graduate students), and MBAs for Executives.

2. **Choosing a topic.** The paper should be focused on a specific topic related to COVID-19.

3. **Doing the research.** I have compiled a Chronology and a list of Sources of Information on COVID-19 that I think will be useful for your research. You must cite in the paper **at least three (3) sources.** Please go to this link: [http://www.management.wharton.upenn.edu/guillen/COVID19_Resources.htm](http://www.management.wharton.upenn.edu/guillen/COVID19_Resources.htm)

4. **Writing the paper.** The paper must be double spaced. It must include title, authors, abstract, main body, conclusion, and references. The required length is about 1,400 words (1,350-1,450). The word count includes the abstract, main body, and conclusion only.

5. **Submitting the paper.** On Canvas, as a single pdf file only.

6. **Deadline:** 11:59 pm on May 6. Absolutely no exceptions and no extensions.

7. **Grading.** Each paper will be evaluated by at least 3 other students within the sections mentioned above.

Peer Evaluation (10%): Individual Assignment

1. **Task.** Each student will be assigned one (1) paper to evaluate using the following scales:
   - Relevance of the topic to COVID-19 (0 to a maximum of 5 points).
   - Quality of the underlying research (0 to a maximum of 10 points).
   - Quality of the arguments (0 to a maximum of 10 points).
   - Quality of the conclusions (0 to a maximum of 5 points).

2. **Deadline:** 11:59 pm on May 10. Failure to provide an evaluation will result in no points for this assignment (10%).

**Exceptions:** Students who may not be able to participate in writing a paper and meet the deadlines due to a **force majeure** should contact me directly ([guillen@wharton.upenn.edu](mailto:guillen@wharton.upenn.edu)). I will grant exceptions and propose alternative arrangements on a case-by-case basis, and only under severe extenuating circumstances.