

# UC Davis GSM Organizational Strategy and Structure MGB 401BY-1—Fall 2024

**Instructor: Dr. Naga Lakshmi Damaraju**

**Preliminary Syllabus (Subject to Change)**

**Zoom link for Tuesday sessions (6-8 p.m)**

Passcode:

Meeting ID:

Office hours: Zoom on Tuesday 8 p.m. to 9 p.m. and/or by appointment

Strategic management, as a field of theory and practice, aims at answering the key question: “What are the sources of superior firm performance?” This course is about understanding how and why some firms outperform (or underperform) others and are able to sustain the performance. The first part of the course covers “business strategy,” i.e., how firms develop competitive advantages to compete in a single business. The later part of the course mostly focuses on “corporate strategy,” i.e., how firms gain advantages when operating in multiple businesses simultaneously. Structure, alignment with strategy, and implementation are essential themes that permeate throughout the course. This course is both theoretical and applied and involves studying Trillion dollar corporations as a special focus.

## **Required course materials:**

1. Harvard Course packet
2. Barney, Jay B. and William Hesterley (2019) *Strategic Management and Competitive Advantage: Concepts*, 6th ed. Pearson. ISBN-13: 9780134743080
3. WSJ article access is available through your library.  
(<https://www.proquest.com/shibboleth?accountid=14505>) **This will enable you to start analyzing the business news with the knowledge gained in the class. You will post two WSJ articles of interest towards your assignments.**
4. Linked items are available online or through the UC Davis library. If noted, links will need to be accessed from on campus or by using the [library VPN](#). Some items will need to be searched for directly. The link will take you to main the database page of the journal. Click on “Search within this publication” and then search for the indicated text written as, “AN [Insert number]” in the second field.

## **Evaluation and Grading**

| <b>Grade Component</b>  | <b>Percentage of grade</b> |
|---|----------------------------|
| Company Strategy Introduction (Individual)                            | 10%                        |
| Class participation (Individual)                                      | 30%                        |
| Group case analyses and presentations (includes WSJ article analyses) | 40%                        |
| Group integrative case presentations                                  | 10%                        |
| Peer evaluation by group members                                      | 10%                        |
| <b>Total</b>  | <b>100%</b>                |

## Company Strategy Introduction (Individual)

- You will write a one-page describing your company/organization's vision/mission, its strategy in your own words (including product-market focus, positioning, diversification, as relevant), key activities/functions that support the strategy, and your role in the organization.
- Chapter 1 in the textbook and What is strategy? article assigned for session 1 will be helpful. Refer to other chapters quickly as you deem necessary.
- If you are not currently with an organization, pick a prior organization or any other company/organization that you are interested in (which is not included in our course packet) for the purposes of this assignment.
- **DO NOT EXCEED ONE PAGE, 12-POINT TIMES NEW ROMAN, SINGLE-SPACED, 1-INCH MARGINS.**

## Class Participation (Individual)

This is a case-based class and class participation is an important part of the student evaluation process. Three elements are combined in this evaluation process:

- student answers to pre-set questions,
- qualitative evaluation of student performance, and
- peer evaluations.

**Student Answers to Pre-Set Questions.** For each case, the professor will come to class with several questions around which the case analysis will be organized. *These may or may not be the same as the study questions listed in the syllabus.* Individuals will be randomly selected before class to answer one of these questions. Professor will note how effectively the question is answered.

When students are called on, they can (1) answer the question, (2) fake it (because they have not read or analyzed the case), or (3) pass. Each student is allowed one pass during the course. We all have busy lives, so use your pass judiciously. Also, people who “fake it” waste valuable class time. This is not good class participation.

**Qualitative Evaluation of Student Performance.** In addition to answering questions when called upon, students can volunteer comments as well. To the extent that these comments help move the analysis along, generate interesting insights, or suggest new ways to think about the case facts, such volunteer comments will be positively reflected in the qualitative evaluation of student performance. To the extent that these comments fail to move the analysis along, simply repeat facts from the case without analysis, or represent efforts by a student to get disproportionate “air time” in class, such volunteer comments will be negatively reflected in the qualitative evaluation of student performance.

At the end of each case discussion, the professor will typically note 2 or 3 people in the class who made unusually insightful or helpful comments. Over the course, these notes will be used in forming a qualitative evaluation of a student's class participation.

**Peer Evaluation.** In general, each member of the group will receive the same grade for the presentations and group assignments. However, there may be times when one or more members of a group will “free ride” on the work of other members. The grades of such free riders will be substantially reduced if consistent evidence of free riding is found. To discover free riding, each member of a group may submit an individual Group Evaluation Form any time during the quarter. This form is appended in this syllabus. Feel free to submit to your professor. If someone does not submit a Group Evaluation Form, the professor will assume that, from this student's perspective, at least, no free-riding problems existed.

**Class participation points cannot be contested.**

## Group Case Analyses and Presentations

The class will be divided into SIX/SEVEN groups. Each group will be required to present their analyses of Trillion Dollar Companies they are named after, in designated sessions per syllabus. These will be the primary focus of the in-person sessions.

### What Should Be Included in a Group Written Analysis?

- When writing these analyses, groups should adopt the role of an outside analyst. Imagine that your group works for an investment or consulting firm and that it has been given the assignment of evaluating the current state, and future potential, of the strategies being pursued by the firm in the case.

In preparing an analysis each session, your group should:

- (1) identify the key concepts in the relevant chapters;
  - (2) perform a strategic analysis based on the chapters;
  - (3) identify and assess the strategies of the firm and explain why these strategies are effective or ineffective; and
  - (4) recommend any changes that should be made to increase the effectiveness of these strategies.
- In addition, in many of the cases, the firm in question is contemplating, or has implemented, several specific strategic actions (e.g., an acquisition, a divestiture, a strategic alliance). In this situation, the analysis should, at appropriate places/times in the course, also include an evaluation of these specific strategic actions and, where appropriate, recommendations should be made and justified.
  - Overall, by the end of the course, each group would have developed a deeper understanding of the strategies of the firm they are studying and together, the class would have studied the leading firms in the world.

**Case Analysis Evaluation Criteria.** Previous experience suggests several important differences between excellent and mediocre case analyses.

***Excellent analyses*** “tell a story” about a firm’s strategies: What are the fundamental economics of a firm’s strategy? How are different parts of the strategy related? What are the longer term objectives of a firm’s investment in a strategy? Excellent analyses justify each major point with reference to critical facts in the case. Ideas and concepts from the readings are incorporated into the discussion as appropriate and in a seamless way. The application of these ideas and concepts often leads to surprising, counter-intuitive analyses and recommendations. At the end of these excellent written analyses, the reader is absolutely convinced of the wisdom of any final recommendations.

***Mediocre analyses*** have few of these attributes. Instead of “telling a story” about a firm’s strategies, these analyses simply repeat the facts and assertions contained in the case. Critical facts in the case are ignored or not integrated into the paper. For example, these mediocre analyses will often include a summary and cursory analysis of a firm’s profit and loss statement and its balance sheet, but will fail to discuss the strategic implications of these analyses. The analysts often seem more interested in making sure that every theory or model mentioned in the book is mentioned rather than making sure that the report tells an integrated story about a firm’s strategy. Often, the different parts of these mediocre analyses are not linked—almost as if different people analyzed different sections, but no one took the time to bring these sections together, to discuss the implications of each section for other sections. These analyses rarely generate any counter-intuitive or surprising analyses or recommendations. At the end of these presentations, the reader is only convinced that, in fact, members of the group worked on the case situation. The reader is not convinced about the wisdom of any analysis and recommendations.

Length and Other Requirements. Presentations can be no longer than **20 minutes**. Figures, tables, and exhibits can be included for effectiveness. Groups are required to research on their own from secondary sources. However, **groups should NOT telephone or write to the companies they are assigned to study.**

## **WSJ Article Posts**

**For each session of applied analyses, students are required to**

- **pick 2-4 WSJ articles about the company/relevant industry**
- **use the past 3-5 years of annual (10-k) reports (<https://www.sec.gov/search-filings>)**
- **and other press sources**

**The Nature and Purpose of the Article posts.** The students should demonstrate they understand and can apply the concepts and models presented in class sessions and in the books to these articles. Students discuss in their groups and develop their own approach to analysis. It is all open book and open note. A sample WSJ article and some questions the Professor used to organize analyses are attached in this syllabus. Please refer to it. **The content should be integrated into the presentation appropriately. (articles can be uploaded on CANVAS or as directed by the instructor)**

**Group Integrative Case Analysis presentations.** These case analyses will be graded using the same evaluation criteria mentioned above for grading group analyses. Group presentations will be graded for content, flow, and delivery. Any form of presentation including creative forms, e.g., a skit, role-play, etc., will also be accepted.

I also reserve the right to add additional written assignments during the semester, particularly if I feel the class is failing to prepare adequately for case discussions.

## **About your Professor**

Professor Naga Lakshmi Damaraju teaches competitive strategy and corporate strategy courses focusing on sustainability of competitive advantage of firms in single and multiple lines of businesses. In 30 years of experience in this field, she taught in the United States and in India. She is a tenured Associate Professor of Business Administration at the Sonoma State University. Prior to relocating to the United States, she served as a tenure-track Assistant Professor at the Indian School of Business and taught in the FT-ranked flagship Post-graduate program in Management. She was a resource faculty for Goldman Sachs 10000 women entrepreneurs' program in India and was involved in training over 1200 women entrepreneurs on issues of strategic management. She also taught executive programs for McKinsey, Ernst & Young, and Accenture, India.

Professor Damaraju's research interests span Strategy and Entrepreneurship areas. She focuses on institutional and environmental factors influencing strategic phenomenon, e.g., business divestments, CEO selections, network choices, and entrepreneurial activity. Her work is published in the Strategic Management Journal, European Management Journal, Entrepreneurship Theory and Practice, among others. In addition, she is an experienced case-writer and published several cases with instructional materials in textbooks and as part of Ivey Case Collection and Harvard Business Case Collection.

Subtle and not so subtle forms of bias and discrimination that hinder Diversity, Equity, and Inclusion (DEI) at workplaces are of great interest to her, both in theory and in practice. She was the founder-chairperson of the Anti-discrimination committee (later named Committee against Sexual Harassment and Discrimination) at the Indian School of Business and trained over 2000 people over a span of two years in small and large groups (from 20-80), across its two campuses in Hyderabad and Mohali. At Sonoma State University, she participated in the 'Voices to Action' discussions (as part of a grant awarded to SSU) to provide inputs into issues of bias and discrimination. These discussions were aimed at identifying and implementing best practices for maximizing the retention of faculty underrepresented by race and ethnicity

(particularly those of African American, Asian, Latino(a), and Native American backgrounds).

She is an active member of the Academy of Management (AOM) and Strategic Management Society (SMS) and consistently presented at their conferences since 2006. She served as the Global representative from South East Asia at the AOM and as the Chair of the Strategy and Entrepreneurship Interest group, the second largest interest group of SMS. She organized several high-powered symposia on topics of importance in strategy and entrepreneurship. She is a member of the editorial board of the Strategic Management Journal and reviews for several other important journals in the fields of Strategic Management and Entrepreneurship. She is the incoming program co-chair for the Strategic Management Society Annual Conference in 2025 to be held in San Francisco, CA.

Professor Damaraju obtained her MBA-MS in strategy from the University of Texas at Dallas and PhD from the Ohio State University, in addition to holding multiple degrees from India.

| TOPIC  | COURSE CALENDAR   |   |           |                                 |  |   |           |
|--|---|---|-----------|---------------------------------|--|---|-----------|
|  | 6-8 p.m. (Zoom)   |   |           | In-person (1.30 p.m. to 5 p.m.) |  |   |           |
| Course Introduction  | Mon 9/23  | Tue 9/24  | Wed 9/25  | Thu 9/26                        | Fri 9/27                                     | Sat 9/28  | Sun 9/29  |
|  |   |   |           |                                 |  | What is strategy?<br>Group formation and assignment                             |           |
| INDUSTRY STRUCTURE & STRATEGIC POSITIONING                   | Mon 9/30  | Tue 10/1  | Wed 10/2  | Thu 10/3                        | Fri 10/4                                     | Sat 10/5  | Sun 10/6  |
|  |   | Cola Wars<br>& Company Strategy<br>Introduction due     |           |                                 |  |   |           |
|  | Mon 10/7  | Tue 10/8  | Wed 10/9  | Thu 10/10                       | Fri 10/11                                    | Sat 10/12   | Sun 10/13 |
|  |   | Crown Cork & Seal in 1989                               |           |                                 |  | Applied session on Trillion Dollar Companies                                    |           |
| CREATING ADVANTAGE--<br>LOW COST                             | Mon 10/14   | Tue 10/15   | Wed 10/16 | Thu 10/17                       | Fri 10/18                                    | Sat 10/19   | Sun 10/20 |
|  |   | Southwest Airlines (mini-case)*                         |           |                                 |  |   |           |
| CREATING ADVANTAGE--<br>DIFFERENTIATION                      | Mon 10/21   | Tue 10/22   | Wed 10/23 | Thu 10/24                       | Fri 10/25                                    | Sat 10/26   | Sun 10/27 |
|  |   | DUCATI  |           |                                 |  | LOW COST AND/OR DIFFERENTIATION<br>Applied session on Trillion Dollar Companies |           |
| CORPORATE GROWTH--<br>VERTICAL INTEGRATION & DIVERSIFICATION | Mon 10/28   | Tue 10/29   | Wed 10/30 | Thu 10/31                       | Fri 11/1                                     | Sat 11/2  | Sun 11/3  |
|  |   | Pennzoil Co.  |           |                                 |  |   |           |
|  | Mon 11/4  | Tue 11/5  | Wed 11/6  | Thu 11/7                        | Fri 11/8                                     | Sat 11/9  | Sun 11/10 |
|  | Harlequin Enterprises   |   |           |                                 | Applied session on Trillion Dollar Companies |   |           |
| MANAGING DIVERSIFICATION & STRATEGIC CHANGE                  | Mon 11/11   | Tue 11/12   | Wed 11/13 | Thu 11/14                       | Fri 11/15                                    | Sat 11/16   | Sun 11/17 |
|  |   | KODAK   |           |                                 |  |   |           |
|  | Mon 11/18   | Tue 11/19   | Wed 11/20 | Thu 11/21                       | Fri 11/22                                    | Sat 11/23   | Sun 11/24 |
|  |   | GEMS  |           |                                 |  | Applied session on Trillion Dollar Companies                                    |           |
| CONTEMPORARY ISSUES & STRATEGY IMPLEMENTATION                | Mon 11/25   | Tue 11/26   | Wed 11/27 | Thu 11/28                       | Fri 11/29                                    | Sat 11/30   | Sun 12/1  |
|  |   | GE Meltdown*  |           |                                 |  |   |           |
|  | Mon 12/2  | Tue 12/3  | Wed 12/4  | Thu 12/5                        | Fri 12/6                                     | Sat 12/7  | Sun 12/8  |
|  |   | Diversity, Equity, Inclusion, Corporate Ethics and More |           |                                 |  |   |           |
|  |   | Tue 12/10   | Wed 12/11 | Thu 12/12                       | Fri 12/13                                    | Sat 12/14   | Sun 12/15 |
|  | Silvio Napoli and Schindler India Group live case presentations |   |           |                                 |  | NO Final Exam   |           |

\*Materials will be provided by the instructor

# Readings, Chapters, and Study Questions for the Cases

## Class 1

### Course Introduction

**Textbook:** Chapter 1

**Reading:** Michael E. Porter, "[What Is Strategy?](#)" Harvard Business Review, Nov/Dec, 1996  
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## Class 2

### Company strategy introduction Assignment due

**Textbook:** Introduction and Evaluating the External Environment of the firm

**Reading:** What is strategy? (continued)

**Case and questions:** Cola Wars Continue: Coke and Pepsi in 2010

- Why is the soft drink industry so profitable?
- Compare the economics of the concentrate business to the bottling business: why is the profitability so different?
- Why do concentrate producers want to vertically integrate into bottling?
- Are the international businesses in large and growing markets like India, China and Indonesia likely to evolve with a similar industry structure? Why or why not?

## Class 3

**Textbook:** Evaluating the External Environment of the firm & Evaluating the Internal Environment of the firm

**Case and questions:** Crown, Cork and Seal in 1989

- How attractive is the metal container industry?
- How would you characterize the strategies of other large firms in this industry?
- What is Crown's strategy? (Hint: It is not described in the section of the case labeled "Crown's Strategy")
- If you were Avery, what would you do next?

## Class 4

**Textbook:** All chapters until now

**Case and questions:** Alphabet (Google), Amazon, Apple, Meta (Facebook), Microsoft, NVIDIA, ARAMCO

- Choose the major business/business segment of these companies.
- Determine the industry of this business/business segment and determine its attractiveness/potential for profitability.
- How would you characterize the strategies of other large firms in this industry? How would you characterize the strategy of the firm you are analyzing?

## Class 5

**Textbook:** Evaluating the internal environment of the firm and Low cost Strategies

**Case and questions:** Southwest Airlines

- Mini-case: Quantify Southwest's competitive advantage. Why was Southwest so successful?
- Is Southwest's advantage sustainable?

## Class 6

**Textbook: Evaluating the internal environment of the firm and Product differentiation**

**Case and questions: Ducati**

- What was the logic of the turnaround? What is Ducati's strategy?
- At the time of the case, do you think Honda or Kawasaki can compete with Ducati in its niche? Why? Why not?
- Do you think Ducati should enter into Harley-Davidson's niche? Why? Why not?

## Class 7

**Textbook: Evaluating the internal environment, low cost strategies, product differentiation**

**Case and questions: Alphabet (Google), Amazon, Apple, Meta (Facebook), Microsoft, NVIDIA, ARAMCO**

- What is the basis of advantage for the company you analyze?
- What activity system/resources and capabilities support this advantage? How sustainable is its advantage?
- What is a viable growth plan?

## Class 8

**Textbook: Vertical Integration**

**Case and questions: Pennzoil Co.**

- Should Pennzoil buy Jiffy Lube? If yes, why? If no, why not?

## Class 9

**Textbook: Corporate Diversification and Managing Corporate Diversification**

**Cases and questions:**

Harlequin

- Why was Harlequin so successful for so long?
- Should Harlequin enter the single title business? If yes, how? If no, why not?

## Class 10

**Textbook: Vertical integration, Corporate Diversification and Managing Corporate Diversification**

**Case and questions: Alphabet (Google), Amazon, Apple, Meta (Facebook), Microsoft, NVIDIA, ARAMCO**

1. Does the firm you analyze pursue VI and/or corporate diversification?
2. What type of VI/diversification does it pursue? Why would you characterize so? Do these strategies create value? Justify.
3. What mechanisms of growth does it employ—organic growth or inorganic (M&A, alliances)? Do these mechanisms create value? Why? Why not?

## Class 11

**Reading: [How Industries Change](#), Harvard Business Review. 2004. Vol. 82, Iss. 10.**

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**Textbook: Corporate Diversification and Managing Corporate Diversification**

**Case and questions: Kodak**

- Evaluate Kodak's strategy in traditional photography. Why has the company been so successful throughout the history of the industry?
- Evaluate Kodak's response to Sony's introduction of the Mavica in 1981. Was it appropriate?
- How would you assess Fisher's attempt to transform Kodak? Why did it fail?



## Class 12

**Textbook: Corporate Diversification, Managing Corporate Diversification, and International Strategies**

**Reading:** [Competitive Advantage of nations](#), Porter Harvard Business Review. Mar/Apr90, Vol. 68 Issue 2, p73-93  
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**Cases and questions:** GE Medical Systems

- What is the logic of the “Global Product Company”? What parts of the value chain are centralized and what parts are localized? Why?
- Should GEMS do “In-China, For China?” Why? Why not?

## Class 13

**Textbook: Corporate Diversification, Managing Corporate Diversification, and International Strategies**

**Case and questions:** Alphabet (Google), Amazon, Apple, Meta (Facebook), Microsoft, NVIDIA, ARAMCO

How is diversification organized in the firm?

What are the trajectories of change? Is it same in all businesses or different?

What is the corporate governance structure? Comment on its effectiveness.

## Class 14

### GE Meltdown

## Class 15

**Diversity, Equity, Inclusion, Corporate Ethics and More**

Bring a relevant issue to class and discuss. What change would you like to see in the corporate world?

## Class 16

### Group final presentations & Course wrap-up

**Reading:** [Turning Great Strategy into Great Performance](#) Harvard Business Review, July-August 2005.

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**Integrative Case and questions: Silvio Napoli and Schindler India**

- Do you think Silvio was the right choice for kick-starting the operations in India? (Do not use his performance after his arrival in India to answer this question)
- As Luc Bonnard, how will you evaluate Silvio’s first seven months as the general manager of the Indian operations? What advice would you give him?

## **Group Evaluation Form**

Information from this form is used to identify any “free riders” in your group. If several people in a group identify the same “free riders,” those individuals may have their overall grade adjusted downwards. For this reason, it is very important for everyone in the class to complete this form and return it to me at any time during the quarter, at least by Mar 15, 2023.

Your Name:

Please list the members of your group (excluding yourself) and allocate 100 points across these people. If there are four people listed and they all contributed to the group’s work over the course of the quarter, each would receive 25 points. If two of these people did most of the work, and the other two were “free riders,” the two hard working people would get, say, 40 points each, and the two “free riders” might get only 10 points each. Please allocate all 100 points.

| <b>List Members of Your Group</b> | <b>Allocation of Points</b> |
|-----------------------------------|-----------------------------|
| 1.                                |                             |
| 2.                                |                             |
| 3.                                |                             |
| 4.                                |                             |
| 5.                                |                             |
| <b>Total</b>                      | <b>100</b>                  |

## **Peer Participation Evaluation Form**

As part of the class participation component of the grade, each member of the class can nominate up to eight (8) people who, in their view, consistently demonstrated excellent class participation during the quarter. Please do not nominate yourself. This information will be used, in conjunction with my independent evaluation of class participation, to determine each student's final class participation grade. Please complete this form and return it to me by Mar 15, 2023.

Your Name:

### **List of Up to Eight Class Members that Consistently Demonstrated Excellent**

#### **Class Performance**

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

## Sample WSJ article and Questions for Analyses

1. **How attractive is the milk processing industry? Justify your answer with facts from the article.**
2. **What generic strategy are retailers like Kroger, Albertsons, and WalMart pursuing in the milk processing industry? Justify your answer using facts from the article.**
3. **A rationale for Kroger, Albertsons, and WalMart's generic strategy is provided in the article. Evaluate this rationale.**
4. **What generic strategies might incumbent firms—including Dean Foods and Dairy Farmers of America pursue? Evaluate these possible generic strategies.**

### Wal Mart Stores : Grocers Spoil Milk Processing for Dairy Industry – WSJ

10/14/2017 | 02:48am EDT

By Heather Haddon and Benjamin Parkin

This article is being republished as part of our daily reproduction of WSJ.com articles that also appeared in the U.S. print edition of The Wall Street Journal (October 14, 2017).

Food retailers are becoming big players in the milk processing and bottling business, a development that threatens to squeeze a longstanding network of dairy processors and farmer-owned plants.

Milk is a low-margin commodity, susceptible to price swings. Americans are drinking less of it, even as demand rises for cheese, butter and other dairy products. But grocery executives say ensuring for themselves a steady supply of what remains one of the most frequently purchased items in their stores is worth spending millions of dollars on manufacturing facilities. "Virtually every basket that goes through has milk," said Erin Sharp, group vice president for manufacturing at Kroger Co., the largest U.S. supermarket chain by revenue and stores.

Kroger, which built a fully automated dairy plant three years ago in Colorado, is now processing 100% of the fresh milk it sells. Competitor Albertsons Cos. opened a 55,000 square-foot plant in Pennsylvania this summer that will be able to produce orange juice, ice tea and other drinks when milk demand is low or prices dip.

"We are lot more agile" than traditional dairy processors, said Evan Rainwater, Albertsons's senior vice president for manufacturing. "You can do a lot more in a dairy plant than make dairy." Wal-Mart Stores Inc. said it plans to open what would be one of the country's biggest dairy plants in Indiana by next year.

Some cooperatives say the new processing plants could give hard-pressed farmers dealing with a dairy glut more places to sell their excess milk. Grain prices have dropped in recent years, encouraging some farmers to expand their herds even as milk consumption has dropped.

Chris Galen, spokesman for the National Milk Producers Federation, said food retailers' growing bottling operations have farmers and executives at dairy production companies and cooperatives asking how grocers will make money in the low-margin business.

Wal-Mart's plant will supply milk to more than 600 stores across five Midwest states that are now supplied by Dean Foods Co., one of the world's largest milk producers. Dean will still supply Wal-Mart stores elsewhere, but the new plant will cost Dean roughly 100 million gallons of annual milk sales out of 2.5 billion total beginning next year, according to Dean. The lost business from its biggest customer could affect earnings next year, Dean executives said.

"We're going to bear with our partners at Wal-Mart and we're going to do the best we can to ensure a smooth transition," Dean Chief Executive Ralph Scozzafava told investors recently. Dean's stock has lost more than half its value this year as the company contends with competition and other customer volume losses. A company spokesman declined to comment ahead of its next earnings.

With milk prices falling a third from 2014 to 2016, traditional processors have had little incentive to invest in new plants that could turn the excess into increasingly popular cheese and butter, said Mike McCully, a dairy-industry consultant in New Buffalo, Mich. Cheese and butter prices have also dropped despite rising demand. As a result, some farmers are dumping excess milk on their fields. Others have gone out of business.

"It's been extremely hard on the small independent farmers that have lost their market in the last year or two," said Michael Barnes, a dairy farmer in central New York and board member at Agri-Mark, Inc. dairy cooperative in Massachusetts. Mr. Barnes expanded his herd sevenfold from 2010 only to see his profits dry up as prices fell.

Some dairy farmers are building or expanding their own processing plants to keep up with expanding milk supplies. Dairy Farmers of America, a national cooperative, has invested more than \$750 million in plants in the Northeast and Midwest in the last five years to increase capacity there. A group of producers in New York invested over \$100 million to open a facility, Cayuga Milk Ingredients, in 2014.

Cooperatives tend to focus on processing products like butter and milk powder rather than fluid milk. But some farmers worry the huge new retailer-owned plants will speed the gradual consolidation of the dairy industry, squeezing their cooperative-owned facilities out of business. The U.S. pork and poultry industries are already organized around large meatpacking companies that control of every segment of production, from raising chicks and piglets to selling chicken breasts and cold cuts.

"Everybody is getting closer to the producer and everybody wants that control," said Brad Rach, dairy director at the National Farmers Organization.

Write to Heather Haddon at [heather.haddon@wsj.com](mailto:heather.haddon@wsj.com) and Benjamin Parkin at [Benjamin.Parkin@wsj.com](mailto:Benjamin.Parkin@wsj.com)

## 1) Statement on Accommodation

UC Davis is committed to educational equity in the academic setting, and in serving a diverse student body. All students who are interested in learning about how disabilities are accommodated can visit the [Student Disability Center](#) (SDC). If you are a student who requires academic accommodations, please contact the SDC directly at [sdc@ucdavis.edu](mailto:sdc@ucdavis.edu) or 530-752-3184. If you receive an SDC Letter of Accommodation, submit it to your instructor for each course as soon as possible, at least within the first two weeks of a course.

## 2) Rights and Responsibilities

All participants in the course, instructor and students, are expected to follow the UC Davis [Principles of Community](#), which includes affirmation of the right of [freedom of expression](#), and rejection of discrimination. The right to express points-of-view without fear of retaliation or censorship is a cornerstone of academic freedom. A diversity of opinions with respectful disagreement and informed debate enriches learning.

However, in this course, any expression or disagreement should adhere to the obligations we have toward each other to build and maintain a climate of mutual respect and caring.

You are expected to take UC Davis's "Notice of the Code of Academic Conduct" as seriously as we do. Link to the Code's webpage: (<http://sja.ucdavis.edu/files/cac.pdf>). You were given this code of conduct with explicit explanations of violations (e.g. plagiarism, cheating, unauthorized collaboration, etc.) and your responsibilities in regard to them during orientation, and you signed a statement affirming that you understand it. Academic conduct violations will not be tolerated, and your instructor will not hesitate to turn violators over to Student Judicial Affairs. If you are uncertain about what constitutes an academic conduct violation, please refer to the code linked above, contact your instructor, or refer to the [Office of Student Judicial Affairs](#).

All material in the course that is not otherwise subject to copyright is the copyright of the course instructor and should be considered the instructor's intellectual property.

## 3) Safety and Emergency Preparedness

UC Davis has many resources to help in case of emergency or crisis. While reviewing campus [Emergency Information](#), you may want to register for UC Davis Warn Me and Aggie Alert, which will give you timely information and instructions about emergencies and situations on campus that affect your safety.

If there is an emergency in the classroom or in non-Davis locations, follow the instructions of your instructor.

## 4) Student Wellness

You deserve respect, and are encouraged to [practice self-care](#) so that you can remain focused and engaged; that might mean getting a drink of water, leaving to use the restroom, taking a moment to stretch, or doing something else you need to do to take care of yourself. Please be respectful of others by minimizing distractions when practicing self-care – especially in lab, field or studio settings where safety is imperative.

College life can be overwhelming at times but know that you are not alone if you're feeling stressed. For many of us, systems of oppression such as racism, sexism, heterosexism or cissexism may cause additional stress. Please remember to practice self-care and reach out for support if and when you need it.

You can visit [Virtual UC Davis](#) to find resources related to health and well-being, academics, basic needs (food and housing) and more.

## 5) Disclaimer

Cases are included for the purposes of discussion. I do not support any form of discriminatory statements or views expressed, if any. Unexpected events might require elements of this syllabus to change. Your instructor will keep you informed of any changes.

## 6) Miscellaneous

You may have unexpected events that effect your participation or ability to fulfill course requirements. Please reach out to your instructor earlier than later to make it possible to receive support.