COURSE OUTLINE

COURSE TEXTS

Block, *Flawless Consulting*
Fry, Stoner & Weinzimmer, *Strategic Planning for New & Emerging Businesses*

*Both of the above are required, on sale at SSU Bookstore*

RECOMMENDED READINGS

Ronstadt and Schuman, *Venture Feasibility Analysis Guide*

*Both of the above are on reserve under BUS 453 in the Schulz Information Center*

COURSE DESCRIPTION

This is a seminar course that focuses on decision-making in the functional areas of marketing, production and operations, and finance. Participants, working in teams under the supervision and guidance of the instructor, will consult with selected small businesses to diagnose and prescribe practical solutions to managerial problems.

The primary objective of this course is to learn the art of consultation by putting you in a situation that gives you the opportunity to think and act as a professional consultant. A related objective is to provide practical application of functional business skills to the small business, whose implementation of your project will typically be limited by scarce resources.

We will learn of the practical difficulties of organizing and working in consulting teams, of collecting valid and useful data and of their interpretation and ultimate use. We will also focus on the political aspects of consulting and planning for the use of unanticipated results. How can we avoid relying too heavily on results that reinforce the manager/owner’s preconceptions? How do we prepare the owner of a small business to understand and use the results of consultations effectively? We will also raise and discuss some ethical issues concerning the consultation process.

During the semester, you will prepare a formal letter of engagement, sign a confidentiality agreement, meet regularly with your clients and conduct research as needed, and deliver both oral and written reports to your small business client.
<table>
<thead>
<tr>
<th>Date(s)</th>
<th>Session(s)</th>
<th>Topic(s)</th>
<th>Reading(s)/Assignment(s) due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/29</td>
<td>1</td>
<td>Syllabus &amp; The Game Plan</td>
<td>Syllabus</td>
</tr>
<tr>
<td>2/3 &amp; 2/5</td>
<td>2 &amp; 3</td>
<td>Flawless Consulting</td>
<td>Block, Chs. 1-3; Fry, Chs. 1 &amp; 2; Assignment 1 — Résumé &amp; Career Goals; Client overviews</td>
</tr>
<tr>
<td>2/10 &amp; 2/12</td>
<td>4 &amp; 5</td>
<td>Contracting</td>
<td>Block, Chs. 4-6; Fry, Ch. 2; “Gameplan for 1st Client Meeting,” p. 8 of syllabus</td>
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<tr>
<td>2/17 &amp; 2/19</td>
<td>6</td>
<td>The Weekly Progress Report</td>
<td>Assignment 2 — Team Formation; Weekly progress report #1</td>
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<tr>
<td>2/24 &amp; 2/26</td>
<td>7 &amp; 8</td>
<td>Politics</td>
<td>Block, Chs. 7-9</td>
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<tr>
<td>3/3</td>
<td>9</td>
<td>Diagnosis</td>
<td>Block, Chs. 10-12; Fry, Chs. 4-7</td>
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<td>3/10</td>
<td>10</td>
<td>External &amp; Internal Assessment</td>
<td>Assignment 4 — Draft Letter of Engagement; Weekly progress report #2</td>
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<tr>
<td>3/17</td>
<td>11</td>
<td>Prescription &amp; Feedback</td>
<td>Block, Chs. 13-14; Fry, Chs 8-10; Assignment 5 — Final Letter of Engagement; Weekly progress report #3</td>
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<tr>
<td>3/24</td>
<td>12</td>
<td>Data Collection</td>
<td>Review Block (all); Read “Data Collection,” pp. 9-11 of syllabus; Weekly progress report #4</td>
</tr>
<tr>
<td>3/31 &amp; 4/2</td>
<td>13</td>
<td>Quiz — In class (multiple choice)</td>
<td>Review Block and Fry texts</td>
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<tr>
<td>4/2</td>
<td></td>
<td>Draft Final Reports</td>
<td>Assignment 6 — Draft Final Report</td>
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**Notes:**
- **Assignment 1:** Résumé and Career Goals (due 2/3 & 2/5).
- **Assignment 2:** Team Formation; Weekly progress report #1 (due 2/17 & 2/19).
- **Assignment 3:** Preliminary Scope of Work & Confidentiality Agreement (due 2/24 & 2/26).
- **Assignment 4:** Draft Letter of Engagement; Weekly progress report #2 (due 3/3).
- **Assignment 5:** Final Letter of Engagement; Weekly progress report #3 (due 3/10).
- **Assignment 6:** Draft Final Report (due 3/31 & 4/2).
- Holiday — no class (due 3/17 & 3/31)
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<tr>
<th>Date(s)</th>
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<tr>
<td>4/14</td>
<td></td>
<td><strong>Pick-up &amp; Review Draft Final Reports</strong></td>
<td>Return Assignment 6 &amp; Quizzes</td>
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<td><em>No classes – use this week to meet with clients &amp; refine Scope of Work &amp; project deliverables</em></td>
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<tr>
<td>4/21 &amp; 4/23</td>
<td>14 &amp; 15</td>
<td><strong>Team Conferences</strong></td>
<td>Weekly progress report #6</td>
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<tr>
<td>4/28 &amp; 4/30</td>
<td>16 &amp; 17</td>
<td><strong>Team Conferences</strong></td>
<td>Weekly progress report #7</td>
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<tr>
<td>5/5 &amp; 5/7</td>
<td>18 &amp; 19</td>
<td><strong>Team Conferences</strong></td>
<td>Weekly progress report #8</td>
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<tr>
<td>5/12 &amp; 5/14</td>
<td>20</td>
<td><strong>Presenting Oral Reports</strong></td>
<td>Weekly progress report #9</td>
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<td><strong>Class Evaluation and Wrap-up</strong></td>
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<tr>
<td>5/19, 21 &amp; 28</td>
<td>22, 23, 24</td>
<td><strong>Present Final Reports to Clients</strong></td>
<td>Assignment 7 — Final Reports (turn in on date of presentation)</td>
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WRITTEN ASSIGNMENTS, GRADING, AND IMPORTANT DATES

All assignments for this course are attached to this Syllabus. The Quiz is designed to enable you to demonstrate your understanding of the consulting process. The Final Report (see pp. 6–9) consists of an oral and written presentation to the client of your diagnosis and prescription(s) for action.

Class attendance, Weekly progress reports, and Participation..........................................................30%
Quiz (multiple choice, in class, 3/17)..................................................................................................10%
Draft Final Report (due in class, 4/2)..................................................................................................10%
Final Report (written reports due 5/14, 19, 21 & 28; written—25%; oral—25%)..................50%
TOTAL........................................................................................................................................100%

Classroom attendance and preparation are critical for successful completion of this course. Meeting undergraduate standards of neatness, correct spelling and punctuation, and organization of ideas is necessary for successful completion of this course.

ASSIGNMENT DESCRIPTIONS, DUE DATES, AND WEIGHTS

Please type and double-space all assignments. Make an extra copy of each assignment for your final report. Late assignments will be penalized one full grade level per day (for example, an “A” would be lowered to a “B,” and so on). Course grading weights are indicated.

1. **Feb 3 (Grade weight = acceptable or do over)**
   Your résumé and career goals for the next three years and ten years are due. Also, name at least two career/life role models and explain why you desire to emulate them. List your favorite book, movie, TV show. Describe a personal accomplishment of which you are most proud. What industry would you like to work in and/or start your own business? Is there a particular business for which you would like to work? Be prepared to share this information about yourself with the other participants in the class.

2. **Feb 10 (Grade weight = acceptable or do over)**
   Each student must join a team composed of two (2) students. These teams must meet and select, from the Client Overview presented by the instructor, which one client the team will work with for the rest of this course. This should be a lively session, with each participant campaigning for the selection of a client. At some point every consultant must attract other key players to their team. The ability to inspire someone to see your vision and dream your dream is a vital skill. Teams cannot exceed two (2) students without my permission.

3. **Feb 12 (Grade weight = acceptable or do over)**
   Teams schedule first meetings with clients. Each team must submit a roster of their team, a semester schedule, and a preliminary planned Scope of Work for the semester. This Scope of Work will comprise the first weekly team Progress Report (example to be distributed) and must include the primary responsibilities of each team member. Each team must also prepare three (3) copies of a signed Confidentiality Agreement Form (to be distributed). One copy of the signed Confidentiality Agreement Form should be attached to the first weekly team Progress Report; one copy included with the Final Report; and the third copy is for your client.

4. **Feb 26 (Grade weight = acceptable or do over)**
   Teams schedule second meetings with clients. Following this meeting, each team must begin preparation of a draft Letter of Engagement that specifies the work to be performed, steps to
be taken, and timetable for accomplishing those steps (example to be distributed). Attach this draft Letter of Engagement to your second weekly team Progress Report.

5. **Mar 3 (Grade weight = acceptable or do over)**
   Teams schedule third meetings with clients. Each team must prepare and submit to the instructor for approval a final Letter of Engagement that specifies the Scope of Work to be performed, steps to be taken, information needs from the client, and timetable for accomplishing those steps. The Letter of Engagement should be taken to the client for signature and included with the Final Report; a signed copy of this Letter should be submitted with your third weekly team Progress Report.

6. **Apr 2 (Grade weight = 10%)**
   First Draft of Final Report due. Please note gaps in your analysis that will be completed in your final drafts and state how you intend to address these outstanding issues.

7. **May 14, 19, 21, 28 (Grade weights = 25% + 25% = 50%)**
   Final Reports due (3 copies). Individual teams deliver twenty (20) minute Oral Presentations of final reports to clients, with the instructor present, on dates to be assigned. **Attendance at these “exit” meetings is mandatory.**
   The Final Report assignments are not amenable to revision. You will receive a satisfactory or better grade upon completion of all of their parts.
Final Report Format

Evaluation Dimensions

- Boilerplate & Presentation
- Analysis & Recommendations
- Supporting Documentation
- Mechanics & Logic

Referencing “person”

Refer to client by name of firm, e.g., “The Swallows of Cappuccino,” or “the business,” or “the company” or “it”; please do not use “the client,” “Robin,” “Mr. Hood,” or “you.”

Refer to yourselves (students) as “the consulting team,” or “the project team,” or “the consultants;” do not use “we” or “us.”

How much detail?

Include information that is necessary for secondary readers, i.e., the Business Department Chair, the School Dean or others, to have an understanding of the situation even though it may be redundant to clients; clients like to read about their businesses, anyway.

Length

Greater than 10 pages and less than 100 pages.

Numbering system

Don’t use numbers for sections; OK for outline of report, not within the actual report.

Do use page numbers and include these in the Table of Contents; number consecutively both exhibits and footnotes
Front Cover of Report (boilerplate)
Say...

Small Business Institute Program
Sonoma State University
Rohnert Park, CA 94928

FINAL REPORT
for
COMPANY NAME
ADDRESS
CITY, STATE ZIP

Prepared by
Your names

Faculty advisor’s name
Sonoma State University

May 2003

Letter of Transmittal, a.k.a. “Thank You” letter
Include in report after cover page
Include with client copy, paper-clipped to front cover, or in 8 1/2 x 11 manila envelope on top of report

Executive Summary
No more than several pages in length.
Make “Areas of Analysis” separate from “Problem/Opportunity”
List “Areas of Analysis” e.g. Marketing, Finance
Don’t confuse “Problem/Opportunity” with “Methodologies”
List problem as is stated in your “Letter of Engagement”
List tasks from that same document as methodologies, including the specific instruments used to accomplish them, e.g., customer survey
Highlight key findings (as below...)

Headings for Executive Summary
Areas of analysis
Problems/Opportunities
Method of approach
Findings of consultation
Conclusions of consultation
Current recommendations
Recommendations for later implementation
Implementation
Table of Contents
Letter of Transmittal
Preface
Executive Summary
Background of Firm
Objectives of Firm
Areas of Analysis
Problems/Opportunities
For ___ (area)
Method of approach
Findings of consultation
Conclusions of consultation
Current recommendations
Recommendations for later implementation
Implementation

Appendices
I.-A-?. Supporting data, charts, tables, exhibits, financial statements, ratio analyses, etc.
II. Confidentiality Agreement (original)
III. Letter of Engagement (original)
IV. Monthly Activity Summary (timeline of hours worked per task per person)
V. Résumés of Consulting Team Members
VI. Client Acceptance of Report (get signature)

Background of the Firm
Describe the business
Describe the owner(s)—background, skills, degree of involvement, etc.
Describe the employees including their functions, skills, involvement
Describe customers by product/service categories
Describe the extent of the business’ success or failure to date

Objectives of the Firm
What business is the firm in? What’s the mission or vision?
List the broad (qualitative) goals and quantifiable objectives, e.g., market share increase by x%, profit margin increase by x%, etc.
Areas to look for broad goals/objectives include
owners: measure profit margin, unit volume, # of customers
investors/lenders: measure ROA, ROE
customers & competitors: measure market share
employees: measure productivity

Analysis (title this section as such)
Areas of Analysis

Statement of Problems and Opportunities for (duplicate this section for each area covered, giving statement of problems first; detailed discussion, not just a table)

Method of approach for...
Findings of consultation for...
Conclusions of consultation for...
Current recommendations for...
Recommendations for later implementation for...
Implementation for...(give dates, times, resources needed, who’s involved, etc.)
First Client Meeting
Setting the “Game Plan”

• Do you know how to get there????
• Who is facilitator? Who is recorder?
• Prepare contact information to be exchanged: Names, telephone, e-mail, fax
• Discuss time availability beforehand! Be prepared to propose 2-3 alternative meeting schedules.
• Might consider preliminary game plan for your first meeting as follows:
  
  I. Set Agenda--introduce members of team, mention forms (“Request for Counseling,” “Confidentiality Agreement,” “Letter of Engagement"

  II. History/background/current state of affairs of the business--the "story"

  III. Probe for technical issues, by function (acknowledge their stated needs on the documentation they've already provided you)
         --how does this process/system work now?
         --desired efficiencies/effectiveness/new system needs?

  IV. Preliminary methodology and information-gathering approach (here’s what we'll need from you, in "what" form, e.g.,
         --debrief sales team
         --debrief staff
         --examine documents/computer records (x,y,z...) 
         --debrief customers (satisfied, dissatisfied)
         --talk to competitors (who are they?)
         --leads for secondary research(industry trade publications, gurus, experts)

  V. "Other" concerns and What's Next...
         --confidentiality form: signed
         --"Other" other, e.g., formalities such as deliverables schedule (if known), letter of engagement (to follow)
         --Next meeting: when & where
         --Deliverables to be produced by both parties (if any)
DATA COLLECTION

COMPARISON OF METHODS OF OBSERVATION

<table>
<thead>
<tr>
<th></th>
<th>Personal</th>
<th>Telephone</th>
<th>Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data collection costs</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>Data collection time required</td>
<td>Medium</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Sample size for a given budget</td>
<td>Small</td>
<td>Medium</td>
<td>Large</td>
</tr>
<tr>
<td>Data quantity per respondent</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>Reaches widely dispersed sample</td>
<td>No</td>
<td>Maybe</td>
<td>Yes</td>
</tr>
<tr>
<td>Reaches special locations</td>
<td>Yes</td>
<td>Maybe</td>
<td>No</td>
</tr>
<tr>
<td>Interaction with respondents</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Degree of interviewer bias</td>
<td>High</td>
<td>Medium</td>
<td>None</td>
</tr>
<tr>
<td>Severity of nonresponse bias</td>
<td>Low</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Presentation of visual stimuli</td>
<td>Yes</td>
<td>No</td>
<td>Possible</td>
</tr>
<tr>
<td>Fieldworker training required</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
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</table>

Guiding questions

1. Does the task require interaction with the respondents? Does the interview task require showing the respondent something?

2. Is there the likelihood of interaction between the tendency to respond and the issues or topics being measured or assessed?

3. To what degree are accurate, timely mailing lists or telephone directories of qualified respondents available?

4. Must the survey be conducted in a specific location or at a specific time?

5. Can the respondents provide and record their own responses, or must the recording be done by a trained fieldworker?

6. Is it more important to collect a large amount of data from each of a small number of respondents, or to obtain a more limited amount of data from each of a very large number of respondents?

7. Are the respondents widely dispersed over a broad geographic area or concentrated in groups within a confined area?

8. Would respondents be more embarrassed or threatened by taking to someone than merely recording their own responses? Is complete anonymity very necessary?

9. Must the respondents be seen to judge if they're qualified to respond?

10. Is there a necessity for very rapid data collection?
SURVEY INSTRUMENTS

Organization & language
- How will the questionnaire be organized? (by topic, type of question or scale, type of response required, sequence, order of importance, etc.)
- What type and level of language will be used? (technical v. lay, simple v. sophisticated, formal or casual, scholarly or colloquial)

Responses
- What types of questions and response scales will be included? (words v. letters v. numbers, closed ended v. open-ended, how to avoid sensitive/threatening topics)
- What will be kept by the respondent and/or interviewers? What will be returned for data recording and processing?

Look & feel
- What ancillary instrumentation, if any, will be used? (cover letter, pictures or displays, rating cards, other A-V materials)
- What’s the expected length of the questionnaire? (total # of questions, total # of parts or sections, total # of pages, weight or physical bulk)
- How will the questionnaire be produced? (size, color, weight, grade of paper stock; use of electronic media or other form; expected method of coding responses)

Basic attributes of questions—examples

<table>
<thead>
<tr>
<th>Focus</th>
<th>Lacking:</th>
<th>Better:</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Which brand of wine do you like the best?</td>
<td>Which of these brands of wine are you most likely to buy?</td>
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<td></td>
<td>When do you usually go to work?</td>
<td>What time do you ordinarily leave home for work?</td>
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<tr>
<td></td>
<td>Are you going to purchase financial services?</td>
<td>Which types of financial services are you most likely to purchase in the next 12 months?</td>
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<thead>
<tr>
<th>Brevity</th>
<th>Longer:</th>
<th>Briefer:</th>
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<tr>
<td></td>
<td>Can you tell me how many children you have, whether they’re girls or boys, and how old they are?</td>
<td>What's the age and sex of each of your children?</td>
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<td></td>
<td>If you own one or more automobiles, please list the year and make of each one, starting with the newest one?</td>
<td>Please list the year and make of each car you own?</td>
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<td></td>
<td>When was the last time you went to your supervisor with a problem on your own or because you had to?</td>
<td>How many months ago was your last performance review?</td>
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<table>
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<tr>
<th>Clarity</th>
<th>Fuzzier:</th>
<th>Clearer:</th>
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<td></td>
<td>What do you have to say about the charities your church contributes to?</td>
<td>How much influence do you, yourself, have on which charities your church contributes to?</td>
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<td>About how much storage space in your home do you and your spouse use?</td>
<td>What proportion of the storage space in your home is used for your things, and what’s used for your spouse?</td>
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<td>Ordinarily, do you take aspirin when you feel some discomfort or when you feel actual pain?</td>
<td>Do you usually take aspirin as soon as you feel some discomfort, or only when you feel actual pain?</td>
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Professional Responsibility

FOR MANY RESEARCHERS/CONSULTANTS, AN INTEGRAL PART OF YOUR WORK INVOLVES WORKING WITH PEOPLE…

- Person best suited for gathering info is one who likes people, respects others, & is truly interested in what others have to say

- Using human sources, e.g., businesspersons, scholarly experts, journalists, gov’t officials, corporate employees, customers, etc. will:
  — illuminate & increase interest in & about your project
  — give insights & points-of-view & information that you can’t get from written materials

- 3 P’s: Preparedness, Politeness, Pointedness

1. Preparedness: practice!
   * rehearse your info-gathering strategy with another person
   * prepare what you want to say
     — questions to ask and to be asked of you
     — for unexpected reactions, anxiety, distrust, postponement
     — to negotiate a counteroffer, e.g., submit written q’s in advance
     — to agree on confidentiality
   * prepare recording tools (don’t rely on memory)
     — note-taking: pen & paper, outline & prioritize as you write
     — debrief after interview
     — no mechanical or magnetic recording devices unless accurate documentation/verbatim transcripts required—obtain permission in advance!

2. Politeness: remember interviewee/client is doing you a favor, too!
   — punctuality
   — don’t interrupt unless time/subject is getting away from you
   — appropriate dress
   — know when to end

3. Pointedness: captivate, don’t hold captive!
   — use your time/subject’s time well: be effective & efficient
   — get a feel for the situation & time constraints
   — getting-acquainted chatter OK up to a point
   — end with a statement of “what’s next” or “what’s expected”
Ethics

* Dilemma: need for research must always be weighed against potential adverse effects.

* Responsible researchers/consultants always anticipate ethical dilemmas and design research/consulting projects to minimize them…

1. Prepare protocols during the planning process to avoid damage control later!
2. Protect the privacy rights of the respondent, subject, or client.
3. Design research so that those involved do not suffer physical harm, discomfort, pain, embarrassment or loss of privacy.
4. Secure informed consent from all participants: this is usually a simple matter of describing the proposed survey or research design and requesting permission to proceed (may be verbal or written, if necessary). If questions are seeking sensitive information, indicate that respondents have the right not to answer any question.
5. Begin data collection by explaining to the involved parties the purpose and benefits of the research.
   —full disclosure improves cooperation
   —deception may only be legitimate to prevent biasing respondents, or to protect the confidentiality of a 3rd party or client
   —benefits of deception must always be balanced against the risks to the respondent
   —if deception is used, then respondents must be debriefed once research is completed
6. Explain to the parties involved that their rights and well-being will be adequately protected and indicate how that will be done (e.g., confidentiality of respondent and/or responses).
7. Provide quality research: the design of the project should be suitable for the problem, justifiable to the client, and data-gathering and reporting of results should be done in ways that minimize the drawing of false conclusions. Data should be presented objectively (as should visual aids).
8. Protect the right of confidentiality of your client, who may wish to disassociate themselves from a project for reasons of image, competitiveness, protection of trade secrets, etc.
9. Protect the safety of parties involved, particularly researchers, especially if data gathering involves being placed in situations that could pose a hazard or threat induce harm.
10. Expect ethical behavior of the entire research/consulting team.