

Fakultät für Betriebswirtschaftslehre
Lehrstuhl für Management Control
Univ.-Prof. Dr. Sebastian Firk

Sustainable Business Management (SBM) – SoSe 2026

Climate change demands that firms fundamentally rethink their business strategies. Yet translating ambitious sustainability pledges into concrete operational plans and governance structures remains one of the most difficult challenges in modern management. In this course, students will step into the shoes of consultants tasked with developing a realistic and comprehensive Sustainable Business Strategy up to the year 2035 for an assigned case firm. The primary focus is on establishing well-explained CO₂ reduction goals, backed by a robust governance framework and operational integration. Students will also critically evaluate the proposed strategies of their peers.

1. Course Objective

This course equips students with the skills to analyze corporate sustainability challenges, design evidence-based reduction strategies, and communicate their proposals in a competitive setting. Working in teams, students will produce a comprehensive sustainability strategy for a large, listed German firm, grounded in scientific research. The course combines strategic analysis with insights from management control, corporate governance, and incentive design.

2. Course Setup and Assessment

The course relies on group work and requires from groups to create a written report (a strategic plan) and present this report in front of the course. Moreover, the final presentation session involves a role play, where each group (two to three students) is asked to play two roles. These roles comprise the role as ‘strategy developers’ and as ‘the firm’. More specifically, the roles are:

1. **Strategy Developers:** Propose a CO₂ reduction goal and a strategic plan to achieve this goal for an assigned case firm. The strategic plan consists of a written report, which is developed by the group during the course and then presented to the board of the firm (see point 2) during the final session. With the presentation of the strategic plan, strategy developers compete against another group of strategy developers to sell their strategic plan to the board of the assigned case firm.
2. **The Firm:** Act as a firm’s board tasked with critically evaluating the strategic plan of two strategy developer groups. This involves reading the written report of the groups, listening to their presentations, asking questions, as well as making an evaluation and ultimately deciding based on the two proposed strategies, which they would prefer to implement in the firm as well as communicating this decision to the groups.

There is **no exam** for this course. Instead, students will be assessed based on their written strategic plan, the presentations of the strategic plan, and their evaluation of the strategic plans of two peer groups (i.e., their role as the firm’s board). There will be a grade bonus for the winning strategy developers team. More details about this bonus will be communicated in the course.

3. The Strategic Plan

To succeed, the strategic plan should cover these four areas:

- **Current State Analysis:** A clear picture of the case firm's current CO₂ emissions.
- **CO₂ Reduction Goal:** Must be realistic and thoroughly explained, taking into account the need to balance environmental sustainability and economic profitability.
- **Strategic & Operational Integration:** How the firm should achieve the goal, based on scientific research and theory. Which changes should the firm make to its business portfolio? How should the firm adjust its business strategy?
- **Governance Framework:** The governance framework to direct the firm and its employees towards achieving the goal, including deciding on board and top management team composition and incentive design, grounded in scientific research on corporate governance and incentive design.

4. Course Timeline

Session	Date	Topic	Description
<i>Registration closes April 22, 2026 (9.00). Register via this form or by emailing Alexander van Slooten.¹</i>			
Session 1	April 22, 2026 12.00	Kick-off & Strategic Goal Setting	Current state analysis and realistic CO ₂ reduction goals. Mandatory attendance.
Session 2	May 6, 2026 12.00	Strategic & Operational Integration	How the firm should achieve the goal in terms of corporate & business strategy
Session 3	May 13, 2026 12.00	Governance Framework	Designing a governance framework around the strategy
Session 4	May 20, 2026 12.00	Q&A Session	Opportunity to ask questions about the assignment and get feedback
	June 22, 2026 9.00	Submission Deadline	Deadline to submit the strategic plan. Plans are then sent to the evaluators.
Final Session	June 25, 2026 9.00-16.00	Presentations/Role play	Teams present their strategic plan and their evaluation of peer groups' plans

5. Case Firms

Firms are allocated to groups in sets. Each set consists of firms from the same industry. For each firm, two group acts as the Strategy Developers while two other groups act as the Firm (evaluating that strategy). For example, for the firms in Set A, if groups 1 and 2 are allocated the roles of Strategy Developers for Volkswagen, they need to act as the Firm for BMW. Groups 3 and 4 will then act as the Firm for Volkswagen and as the Strategy Developers for BMW. Groups 1 and 2 will thus evaluate the strategic plans of groups 3 and 4, and groups 3 and 4 will evaluate the strategic plans of groups 1 and 2.

Set	Case Firms	Industry
Set A	Volkswagen AG & BMW AG	Automotive
Set B	BASF SE & Covestro AG	Chemicals
Set C	thyssenkrupp AG & Salzgitter AG	Steel & Metals
Set D	Henkel AG & Beiersdorf AG	Energy & Utilities

¹ Only students that join the first session can take the course. If the registration deadline is missed, we also allow late registration at the first session.

6. Supporting Scientific Literature

The strategic plan must be grounded in academic research. Below is a selection of key references organized by topic. This list is not exhaustive.

Operational Integration

- Ditillo, A., & Lisi, I. E. (2016). Exploring Sustainability Control Systems' Integration: The Relevance of Sustainability Orientation. *Journal of Management Accounting Research*, 28(2), 125–148.
- Duchin, R., Gao, J., & Xu, Q. (2024). Sustainability or Greenwashing: Evidence from the Asset Market for Industrial Pollution. *The Journal of Finance*, 80(2), 699–754.
- Eccles, R.G., Ioannou, I., & Serafeim, G. (2014). The Impact of Corporate Sustainability on Organizational Processes and Performance. *Management Science*, 60(11), 2835–2857.
- Edmans, A. (2024). Rational sustainability. *Journal of Applied Corporate Finance*, 36(2), 8–15.
- Gond, J.-P., Grubnic, S., Herzig, C., & Moon, J. (2012). Configuring Management Control Systems: Theorizing the Integration of Strategy and Sustainability. *Management Accounting Research*, 23(3), 205–223.
- Hart, S.L. (1995). A Natural-Resource-Based View of the Firm. *Academy of Management Review*, 20(4), 986–1014.
- Hennig, J. C., Firk, S., Wolff, M., & Coskun, H. (2023). Environmental management control systems: Exploring the economic motivation behind their implementation. *Journal of Business Research*, 169, 114283.
- Hu, M., & Huang, M. (2025). How do green acquisitions facilitate enterprise carbon emission reductions? *Finance Research Letters*, 79, 107306.
- Hussain, T., & Kumar, N. (2025). How do Green Acquirers Select Targets? Value of Green Innovation in Takeovers. *British Journal of Management*, 36(3), 1303–1325.
- Klassen, R.D. & McLaughlin, C.P. (1996). The Impact of Environmental Management on Firm Performance. *Management Science*, 42(8), 1199–1214.

Governance Framework

- Bebchuk, L.A. & Tallarita, R. (2023). The Perils and Questionable Promise of ESG-Based Compensation. *Journal of Corporation Law*, 48, 37–75.
- Berrone, P. & Gomez-Mejia, L.R. (2009). Environmental Performance and Executive Compensation: An Integrated Agency-Institutional Perspective. *Academy of Management Journal*, 52(1), 103–126.
- Burke, J. J., Hoitash, R., & Hoitash, U. (2019). The Heterogeneity of Board-Level Sustainability Committees and Corporate Social Performance. *Journal of Business Ethics*, 154(4), 1161–1186.
- Chaigneau, P. & Sahuguet, N. (2025). Executive Compensation with Environmental and Social Performance. *Review of Finance*, 29(3), 779–818.
- Cohen, S., Kadach, I., Ormazabal, G., & Reichelstein, S. (2023). Executive Compensation Tied to ESG Performance: International Evidence. *Journal of Accounting Research*, 61(3), 805–853.
- Flammer, C., Hong, B., & Minor, D. (2019). Corporate governance and the rise of integrating corporate social responsibility criteria in executive compensation: Effectiveness and implications for firm outcomes. *Strategic Management Journal*, 40(7), 1097–1122.
- Fu, R., Tang, Y., & Chen, G. (2020). Chief Sustainability Officers and Corporate Social (Ir)responsibility. *Strategic Management Journal*, 41(4), 656–680.
- Serafeim, G., & Yoon, A. (2022). Stock price reactions to ESG news: the role of ESG ratings and disagreement. *Review of Accounting Studies*, 28(3), 1500–1530.

7. Submission Details

Send your seminar paper as a single PDF file by Monday, 22 June 2026, 9.00 to Alexander van Slooten (alexander.slooten@uni-due.de). Please use the file name format:

[Team-Number]_[Topic-Keyword]_[Course-Name]_2026.pdf

Late submissions will not be graded. Timely submission is required to allow the evaluators ('The Firm') enough time to study the strategic plans.

8. Contact

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