

NATIONAL CHENGCHI UNIVERSITY
DEPARTMENT OF INTERNATIONAL BUSINESS
 International Business Strategy and Management

Academic Year: 20010/11 Friday 2-5 pm

Course Type: Compulsory Course

Course Title: International Business Strategy and Management

Course unit Code: 351028001

Course Credit: 3

Level: Postgraduate

1 Instructors

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2 Course Objectives

As their operating environment becomes more multidimensional, complex and uncertain, managers around the world are realising that they need to recognise and respond to this complexity by developing a deeper contextual understanding of the social, cultural, political and technological forces influencing and transforming the competitive landscape of the global economy.

This course looks at international business opportunities and challenges driven by growing globalisation in the spheres of culture, economics, politics, technology and the natural environment. It poses important questions about modern life, work, and the management of human effort in a global context. Specifically this course aims to:

- Develop a comprehensive understanding of the strategic issues that businesses are confronted with when operating on an international scale
- Critically analyse the impact of environmental factors such as regional integration, technology and the internet on the global economy
- Expose students to the diversity of cultures in the international arena and the effect of this diversity on business practices.

3 Learning Outcomes

On successful completion of this course, you will be able to able to demonstrate:

- i. *Knowledge and understanding:* Understand how companies are managing in today's volatile environments, what type of analysis is needed to enter foreign markets and how companies manage their foreign operations.
- ii. *Discipline skills:* Apply knowledge of international trade, trends of globalisation and the role of international organizations to evaluate the appropriateness of company strategy. Develop entry strategies, export-related issues, multinational management goals and global marketing and research issues.

- iii. *Personal transferable skills*: Formulate international business strategy; work cooperatively in groups, share knowledge and experience and write effective and concise management reports.

4 Recommended Texts

- Required:
 - Cavusgil, Knight and Riesenberger (2005), *International Business: Strategy, Management and the New Realities*. 1st ed. Prentice Hall. (ISBN:9780131738607; 9780131354241)
- Additional / Supplemental Readings:
 - Bartlett, Christopher, Sumantra B. Ghoshal, and Paul W. Beamish (2008), *Transnational Management: Text, Cases, and Readings in Cross-Border Management* (5th ed.). Boston: McGraw-Hill (ISBN: 9780073101729). (Cases)
 - Reading pack including cases outlined in the schedule below
- Cases
 - These cases come from Harvard Business School Publication (HBSP), and can be found in (1) *The International Business Environment* by A.K. Sunraram and J.S. Black(S&B), and (2) *Transnational Management: Text, Case, and Readings in Cross-Border Management* by Bartlett, Ghoshal, and Birkinshaw (B&G, 3rd and 5th editions).
These cases can also be bought at the Harvard Business School Publication website: <http://www.hbsp.harvard.edu> and Ivey business website. <http://cases.ivey.uwo.ca/cases/pages/home.aspx>. You can use "search" then "order."

5 Assessment

5.1 Grade Composition

Assessment is by a number of coursework elements. There will be a mix of group presentations, reports and a research paper. The research paper accounts for 40% of the final grade.

Mid Term Exam	25 %
Final Exam	25 %
Group Case Presentation	15 %
Final Group Presentation/Reports	20 %
Class Participation and Discussion	15%
	
<i>Total</i>		100 %

5.2 The Formats of Exams and Assignment/ Presentation

Exams

The two non-comprehensive examinations will cover all of the lectures, cases, and discussions. These examinations may consist of multiple choice, true/false, and short-answer questions. Students are expected to take both exams as scheduled.

Class participation and case presentation

Students are expected to be on time for every class. Participation in classroom discussion is encouraged and will be rewarded.

Case presentation

The class will be divided into several groups of 5-6 people at the beginning of the semester. Each group will be assigned randomly to a case or literature. The case or literature assigned to each team will be announced at the second week of this semester.

When you are presenting a case, assume that you are a consulting group asked by the Board of Directors of the firm in the case to analyze their situation and give an overview of the manner in which you would solve their problems. Each team is responsible for presenting their case analysis and providing answers to all assignment questions within 20 minutes. Questions from the "Board of Directors", i.e., your classmates and me, may come up while you are presenting, so be prepared to clarify or defend your points within your presentation.

You must conduct external research to obtain further information on the firm and the industry while preparing your case analysis. It is encouraged to use theoretical framework from textbook or academic literature to analyze the cases.

Each group will be assigned two roles in reading assignments and case discussions.

1. Presentation Group (PG): present the content and the essence of reading assignments and cases & initiate discussion in class
2. Discussion Group (DG): write up reading assignments and case report (2 pages) & engage in critical debate and discussions

Guidelines for Case Analysis

Each case is different and the format below is certainly not appropriate for all cases. However, some questions you should answer are:

Guidelines for Case Analysis

Each case is different and the format below is certainly not appropriate for all cases. However, some questions you should answer are:

1. Decisions: What are the key decisions that have to be made by the focal decision maker? Often you will isolate relatively minor decisions; push your analysis so that you can identify the full decision scope.
2. Objectives: What objectives is management trying to achieve? Do these make sense, given your analysis?
3. Environmental Analysis: What are the key imperatives and/or changes taking place outside of the industry that affect both your firm and its competitors? Examine the economic, technological, social, regulatory, political, and legal environments.
4. Industry Analysis: What is happening in the industry? What is the state of competition between existing competitors? To what extent are new firms entering the market? What is the level of competition from products made with different technologies? Are our suppliers integrating forwards? Are our customers integrating backwards?
5. Firm Analysis: What are our strengths and weaknesses? What strategies have we pursued in the past? How successful have they been?
6. Assumptions: As you reflect on your analysis, what are the key givens upon which you will base your recommendations?
7. Alternatives: What are the two or three major courses of action that could be followed to reach the firm's objectives? For each alternative present costs/returns, risks, timing, strategic fit, feasibility, cash flows.
8. Action Plan: What are you going to do? Lay out a broad strategy and specific action steps.

Cases grade consists of:

- 50% = Content delivery, conclusiveness and argumentation
- 20% = Completeness
- 10% = Structure of presentation
- 20% = Quality, form, attractiveness of presentation

Group project report and presentation

A report will be written and presented by a group of 5-6 people same as case presentation. Reports must be a maximum of 2500 words, excluding summary, tables, figures, bibliography, and other supporting information. The paper should include a REFERENCES section.

The project is a business proposal to expand an existing product or service into a new, foreign market, which the Project Group (acting as president of the business unit), will present to the class, (acting as the Executive Committee of the corporation), seeking approval-in-principle to proceed. The proposal will not include an exhaustive financial justification; rather, it will apply the lessons learned in this course and seek to demonstrate the profit potential of the new product/service opportunity and the problems that need to be overcome in order to achieve success.

The full proposal will address each of the following issues: market potential for your product in the national market you are proposing to enter, product sourcing, costs of operations, competition, barriers to entry, political risk, favourable attributes of the country for the product/business, problems anticipated after entry, sources of finance and foreign exchange issues. To obtain a high mark, the presentation and the report should include relevant applications of the concepts and frameworks taught in this course.

Example of group project topics

- Choose a company and prepare a country analysis for a potential foreign investment by the company. What factors should the company consider before investing in a particular foreign market? What types of entry strategies should the company use?

All members are expected to participate equally in the group project, and will receive the same grade for all parts of the project, except in such instances as there is overwhelming evidence from the team that a certain individual or individuals have not contributed equally to the project. The instructor cannot arbitrate disputes within a team.

5.3 Coursework Deadline

- Final project report (2500 words maximum) must be handed in on **15th January 2011**.

6 Schedule

Session	Topics / Readings / Assignments
1 16-09-10	Course Overview and Administration
2 23-09-10	Topics: <ul style="list-style-type: none"> • Introduction to International Business • Globalisation and Critical Perspectives Readings: <ul style="list-style-type: none"> • CKR, Chapter 1,2,
3	Topics:

30-09-10	<ul style="list-style-type: none"> • Cultural Environment • Political and Legal System in National Environments Readings: <ul style="list-style-type: none"> • CKR, Chapter 3,5,6
4 07-10-10	Topics: <ul style="list-style-type: none"> • Regional Economic Integration • Emerging Markets Readings: <ul style="list-style-type: none"> • CKR, Chapter 8,9
5 14-10-10	Topics: <ul style="list-style-type: none"> • Strategic Issues: Multinational Firm, Global Integration, Local Responsiveness, and Worldwide Learning • Global Strategic Issues Readings: <ul style="list-style-type: none"> • CKR, Chapter 11 Further Readings: <ul style="list-style-type: none"> • Hazing (2000) Case Study Presentations: <ul style="list-style-type: none"> • Acer (B&G. 40-46) • Philips vs. Matsushita (B&G. 350-365)
6 21-10-10	<ul style="list-style-type: none"> • Export and Global Market Opportunity Assessment Readings: <ul style="list-style-type: none"> • CKR, Chapter 12, 13 Further Readings: <ul style="list-style-type: none"> • Cavusgil and Zou (1994)
7 28-10-10	Topics: <ul style="list-style-type: none"> • Collaborative Strategies in IB: International Collaborative Ventures Readings: <ul style="list-style-type: none"> • CKR, Chapter 15,16 Case Study Presentations: <ul style="list-style-type: none"> • Eli Lilly in India: Rethinking the Joint Venture Strategy (B&G pp. 612-626)
8 4-11-10	Topics: <ul style="list-style-type: none"> • Contractual relationships management: Licensing, Franchising. • Managing across Boundaries: The Collaborative Challenge • The Issue of Inter-organizational Relationships, the Paradox of Competition and Cooperation Readings: <ul style="list-style-type: none"> • CKR, Chapter 15,16 Further Readings: <ul style="list-style-type: none"> • Dyer and Singh (1998) • Anderson and Jap (2005)
9 11-11-10	Topics: <ul style="list-style-type: none"> • FDI Readings: <ul style="list-style-type: none"> • CKR, Chapter 13 Case Study Presentations: <ul style="list-style-type: none"> • McKinsey & Company: Managing Knowledge and Learning (B&G pp. 499-514)
10 18-11-10	Exam I
11 25-11-10	Topics: <ul style="list-style-type: none"> • International Supply Chain Management and Sourcing Strategies

	Readings: <ul style="list-style-type: none"> • CKR, Chapter 19
12 2-12-10	Topics: <ul style="list-style-type: none"> • Cases discussion: Dupont Teflon: China Brand Strategy (Ivey case)
13 19-12-10	<ul style="list-style-type: none"> • Marketing Issues in International Business Readings: <ul style="list-style-type: none"> • CKR, Chapter 1,17 Further Readings: <ul style="list-style-type: none"> • Zou and Cavusgil (2002) Case Study Presentations: <ul style="list-style-type: none"> • <i>P&G Japan: The SK-II Globalization Project</i> (B&G pp. 480-498)
14 16-12-10	Topics: <ul style="list-style-type: none"> • Marketing Issues in International business • CKR, Chapter 1,17
15 23-12-10	<ul style="list-style-type: none"> • Group project presentation
16 30-12-10	<ul style="list-style-type: none"> • Course review and wrap-up
17 06-01-11	Final exam

7 Cases and Assignments

Case: Acer America: Development of the Aspire

Assignment:

1. Why was the Acer Aspire in trouble? What were the sources of the problems in the US? Worldwide?
2. How effective had management been in responding to these problems? What is your evaluation of the changes they had made to the organization structure and the management roles and responsibilities?
3. In 1998, how should Stan Shih respond to broader issues raised by the Aspire problems? Should he continue to support the goal of building Acer as a global brand?
4. What changes (if any) would you recommend he make in Acer's organizational structure and management philosophy to make sure that it can continue to operate successfully worldwide? How should he implement your recommendations?

Case: Philips and Matsushita: A New Century, a New Round

Assignment:

1. Do you think that Philips and Matsushita share the same strategic philosophy? If not, how do you explain their difference?
2. How did Philips and Matsushita each become a leading consumer electronics company in the world?
3. What are the distinctive advantages and disadvantages of Philips and Matsushita?
4. What can Philips and Matsushita do to further enhance their market position?

Case: Eli Lilly in India: Rethinking the Joint Venture Strategy

Assignment:

1. Did Eli Lilly pursue the right strategy to enter the India market?
2. Carefully consider the evolution of the joint venture. Evaluate the three successive IJV leaders. Identify the unique challenges faced by each.
3. How would you assess the overall performance of the JV? What did the partners learn from the IJV?
4. What actions would you recommend regarding the Panbaxy partnership? What are the implications of your recommendation? How would you implement this?

Case: McKinsey & Company: Managing Knowledge and Learning

Assignment:

1. How was this obscure little firm of "accounting and engineering advisors" able to grow into the world's most prestigious consulting firm fifty years later? What was the unique source of competitive advantage developed by James O. McKinsey and later Martin Bower?
2. How effective was Ron Daniel in leading McKinsey to respond to challenges identified in the Commission on Firm Aims and Goals? What contribution did Fred Gluck make to the required changes?
3. Judging by the evidence in the three mini-cases of front-line activities in the mid-1990s, how effective has the firm been in its two-decade long change process?
4. What is your evaluation of Rajat Gupta's "four-pronged" approach to knowledge development and application within McKinsey? As a senior partner, what specific advice would you give him?

Case: P&G Japan: The SK-II Globalization Project

Assignment:

1. As Paolo DeCesare, what factors do you need to consider before deciding what to recommend in your SK-II presentation to the global leadership team (GLT)? What kind of analysis will you need to do in preparing for that meeting?
2. Does SK-II have the potential to become or become a global brand within Procter & Gamble's worldwide operations? Why or why not?
3. Which of the three market options should Paolo DeCesare recommend to the GLT? What benefits do you expect to gain? What risks do you see?
4. How should he implement your recommended option? What are the implications for P&G's new post-2005 organization? What support and/or resistance do you expect? How will you manage it?

Case: DuPont Teflon: China Brand Strategy

Assignment:

1. Why did DuPont get into trouble in China? Who should be responsible, DuPont or its local licensees?
2. Is further participation in the Chinese domestic cookware market worthwhile for DuPont?
3. If DuPont stays in the Chinese cookware market, what is the best mode of participation for it? What are its options? What are the advantages and disadvantages of each option?
4. What should Lin recommend regarding DuPont's further participation in the market?

8 References

- Hill, Charles W.L. (2005), *International Business - Competing in the Global Marketplace* (5th ed.). Boston, Mass.: Irwin McGraw Hill.
- Bartlett, Christopher, Sumantra B. Ghoshal, and Paul W. Beamish (2008), *Transnational Management: Text, Cases, and Readings In Cross-Border Management* (5th ed.). Boston: McGraw-Hill.
- Harzing, A. W. (2000), "An Empirical Analysis and Extension of the Bartlett and Ghoshal Typology of Multinational Companies," *Journal of International Business Studies*, 31, 101-120.
- Cavusgil, S. Tamer and Shaoming Zou (1994), "Marketing Strategy-Performance Relationship: An Investigation of the Empirical Link in Export Market Ventures," *Journal of Marketing*, 58 (1), 1-21.
- Dyer, Jeffrey H and Harbir Singh (1998), "The relational view: Cooperative strategy and sources of interorganizational competitive advantage," *Academy of Management Review*, 23 (4), 660-679.
- Anderson, Erin and Sandy D. Jap (2005), "The Dark Side of Close Relationships," *MIT Sloan Management Review*, 46 (3), 75-82.
- Zou, Shaoming and S. Tamer Cavusgil (2002), "The GMS: A Broad Conceptualization of Global Marketing Strategy and Its Effect on Firm Performance," *Journal of Marketing*, 66 (4), 40-56.

9 Notes

1. Please submit an A4 size paper which includes your name, ID number, E-mail, photos, background introduction, and expectations for this course on second course day (24th Sep).
2. The syllabus is tentative and may be changed depending on the progress, and interest of the class.
3. Students are responsible for reading the case study material before the class