IBUS 3001: Introduction to International Business

Fall 2011

Section 10, 93212 (TR 2:20 pm – 3:35 pm)
Section 12, 93218 (TR 12:45 pm – 2:00 pm)

Professor: Srividya Jandhyala
Office hours: Wednesdays 4-6 pm, and by appointment
Office: Funger Hall 403
Phone: 202-994-1678
Email: srividya@gwu.edu

Class Location: Section 10 – Phillips Hall B156
Section 12 – 1957 E Street 211

Course Pre-requisite: BADM 59
Students are also expected to have taken introductory micro and macro economics

Course Description and Objectives:
IBUS 3001 is designed to provide you with an introduction to the field of international business. Successful formulation and implementation of firm strategy in today’s global environment requires managers to have an understanding of the business environment, international competition, international political and economic institutions, and the unique challenges faced by the managers of a multinational enterprise (MNE). Following an overview of the key issues in global business, the first part of the course will focus on the business environment, dealing with topics such as national differences in political economy, culture, and the global monetary system. The second part of the course will focus on the MNE and will include topics such as global strategies and business operations adopted by successful multinationals.
Course materials:

2. Case materials are available on [http://www.study.net](http://www.study.net). The cases that are available on study.net are indicated on the syllabus in italics and are underlined. To access this material, you will need to register as a student on this website and purchase the material for the course 'IBUS 3001 – Introduction to International Business – Jandhyala (Fall 2011)' using a credit card. Further instructions on using study.net are available on the course website [http://blackboard.gwu.edu](http://blackboard.gwu.edu)
3. Additional required readings will be made available on the course website [http://blackboard.gwu.edu](http://blackboard.gwu.edu)

Course evaluation:

Class participation 15%
2 Case write ups (@ 12.5% each) 25%
2 Mid-term exams 40%
Final group project 20%
Total 100%

The final letter grade will be distributed as follows:

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<tr>
<th>Grade</th>
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<td>A</td>
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<td>73-76.9</td>
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<td>A-</td>
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<td>B+</td>
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Class participation: This is an active, discussion based class where your participation is critical for learning. Therefore, you are expected to be present and prepared for all sessions. It is difficult to get an A in this class without consistent and high quality class participation. You can obviously not contribute if you are not present in class. However, simply being present does not warrant full credit if you are not contributing to the discussion. You will receive no participation points if you are consistently absent from class. If you miss a class, you are responsible for catching up.

Students should anticipate being called on at random. I will do this to encourage balanced involvement, ensure appropriate preparation, and raise the overall quality of class discussions. To help you prepare, I have included a set of discussion questions for each class.
You are expected to read all the assigned materials, and be able to discuss the theory and/or principles of the material, the facts of the case and its implications for managers. In grading class participation, I will not just look at the quantity but also the quality of your class contributions. In assessing the quality of participation, I will consider the following:

1. Is the comment relevant to the current discussion?
2. Does the comment react in an important way to what someone else has said?
3. Can the logic of the argument be traced out?
4. Can you provide evidence to support the assertions that you make?
5. Does the analysis make use of the models and techniques from the readings?
6. Does the contribution further our understanding of the issue at hand?
7. Are comments made in a clear, professional and constructive manner?

Comments that are vague, unrelated or disrespectful of others will be evaluated negatively. But getting things wrong or asking basic questions of understanding is fine.

**Case write ups:** The goal of this exercise is to help you gain or sharpen the ability to write concise and succinct analyses of complex problems. You are required to submit individual written case analysis for two (2) cases that we will discuss in class. Each case write-up is worth 12.5% of your final grade.

The first case analysis must be one of –

1. Brazil: Leading the BRICs? (HBS Case 9-711-024)
2. Grupo Bimbo (HBS Case 9-707-521)
3. Thought this was Easy? US-Thailand Free Trade Agreement (Darden Business Publishing Case UV2714)

Your second case must be one of –

1. AES-Telasi: Power Trip or Power Play? (A) (Wharton School Case MGMT-003)
3. The IOI Group: Creating a Malaysian Palm Oil Multinational (Richard Ivey School of Business Case 810M68)

Your analysis should address only the question in bold indicated on blackboard for each case. Your written argument should be no more than 1 single spaced typed page in 12 point font and 1 inch margins. However, it is recommended that you use any additional pages for appendices that show your analysis and/or workings.

*Do not discuss the assignments with others in the class, former or prospective students or anyone else. Your submission has to be entirely your own work. Do not refer to any materials other than the assigned case and readings to inform your analysis.*
The case write ups are due by 7 am on the day of the case discussion in class. For instance, if you choose to analyze the Brazil case (which we will discuss in class on 20 Sept 2011), your submission is due on blackboard no later than 7 am on 20 September 2011. To submit your assignment, log into blackboard >> click on the ‘Case Studies’ link >> click on the ‘View/Complete’ tab of the appropriate case >> upload your assignment using the ‘attach local file option’ >> click ‘submit’ to complete your submission (if you click on save, I will not be able to download it). I will not accept any late submissions.

A good analysis will respond to the posted question by synthesizing course material, applying course concepts and providing evidence and support for your statements. The case analysis will be evaluated on the following criteria:

1. Did you answer the question?
2. How well have you applied the appropriate course concepts/frameworks to your analysis?
3. Do you provide specific recommendations supported by well thought out arguments and qualitative and/or quantitative evidence?
4. Is your analysis logical, coherent and complete?
5. How clear and organized is your writing and presentation?

Please keep in mind the following suggestions when writing your analysis

- Your must answer only the posted question in bold.
- Each assignment is limited to 1 page, but you may use any additional pages of exhibits and tables. These additional exhibits and/or tables MUST be referred to in your discussion or they will not be reviewed.
- Cases should be analyzed based on the information available in the case. Do not do research beyond the scope of the case. In particular, your assignment is to make recommendations at the time the case ends. In making recommendations, do not consider any events that occurred after the end of the case.
- Do not use precious space on your assignment to rehash facts from the case. Instead, key facts should only be used to justify particular inferences, positions or recommendations.
- Do not simply restate what the case already says. Try to go beyond the facts provided in the case by doing some new analysis of the situation. By reading your paper, I should learn something more than what I already know from reading the case.
- Clearly support your position using logic and data from the case.
- Be clear and succinct in your writing. Grammar, spelling, and writing style all matter.

**Mid-term exams:** There will be two in-class closed book mid-term exams (see schedule for specific dates). The exams may consist of multiple choice, and short answer questions. Both tests MUST be taken. In case of an exceptional – and documented – emergency on test day, please contact me to schedule a cumulative final during the last week of classes. *No other make up exams will be given.*
Group Project: This assignment is to be completed in groups of 4-5 students. Your group is required to analyze the international expansion of a multinational firm. The firm may be of any nationality but should be one that has adequate public information available to facilitate your analysis.

Each group must indicate their choice of a company for the team project by 4 Oct 2011. An early choice is recommended, since multiple groups will not be allowed to choose the same company. A penalty will be applied for late selection.

Please do not select companies that are discussed in the text or analyzed in class (eg: Haier, AES, etc). Students should also not use the same or substantially similar paper to meet the requirements of more than one course. If the same firm is used for a project in another class, there should be no more than 20% overlap of material. Papers exceeding this level of overlap will not be accepted.

The purpose of this assignment is to allow an in-depth investigation and evaluation of the issues that confront a particular multinational firm in its worldwide efforts rather than a mere documentation of facts. This assignment has two components

(a) Written paper: Your written analysis should be approximately 20 pages (double spaced, 12 point font, not including exhibits). The objective of this paper is to examine the international expansion of a firm. This may be the firm’s first international foray or the expansion of an existing venture. The paper should apply ideas/frameworks from class to inform your analysis. In particular, they should address the following components:

1. Firm description – Introduction and overview of the firm
2. Motivation for foreign expansion
3. Foreign location (External) context – Overview of the location that is being considered for foreign expansion. Your analysis may focus on one element of the following
   a. Relevant trade issues
   b. Political context of host country
   c. Cultural context of host country
4. Management of the multinational firm (Internal context) – An analysis of how the firm should manage its internal operations, given its external environment. Your analysis may focus on one element of the following
   a. Entry mode issues
   b. Organizational structure
   c. Global strategy
5. Recommendations and conclusions - Final assessments and recommendations on critical actions the multinational firm must take in dealing with the global context

Final papers are due on Thursday, 8 December 2011. Late submissions will be penalized 1/3rd of the points received on the paper for every 24 hours that it is late.
(b) In-class presentation: Oral presentations will be conducted at the end of the semester in class. Each presentation will be about 15 minutes and focus on the key strategic issues and recommendations. All members of the team are expected to be present for the final presentation. You may use visual materials such as overhead slides or power point to support your presentations. Presentation style and creativity will be rewarded.

Each team will receive a single grade for these papers and presentations. Students may be asked to complete peer evaluation forms and I reserve the right to adjust individual grades based on these evaluations.

Other course policies:

Group management: A portion of your grade in this class comes from group work. Please allocate work and set early deadlines to avoid free rider situations. Each member is expected to contribute to the assignments. Please voice any concerns regarding group member contributions early on, not at the end of the semester. A lack of contribution to the assignments or project can result in 0 points on the assignment.

Office hours: Please take advantage of my office hours. I encourage anyone with specific or general questions to stop by my office during office hours or set up an appointment by email. Please don’t wait until the end of the semester if you are having problems in class or outside that may prevent you from coming to class or hamper your learning.

Course grievance policy: The grading policy of this course is not open to negotiation. However, if you feel that a grade you received on any of your assignments or exams is unfair, you are required to send me a written appeal explaining why you think your grade is unfair. Just stating that you ‘deserve’ a higher grade will not be sufficient. Neither is stating that you put in a lot of effort – I expect you to put in effort. But I cannot observe effort, and I will not grade based on effort. I will only grade based on your performance in class or any submitted assignments and exams. After 10 days, the grade is considered final.

Academic dishonesty: Academic dishonesty, as defined by the University Policy, will not be tolerated in any form. The University’s Code of Academic Integrity is designed to ensure that the principles of academic honesty and integrity are upheld. Academic dishonesty includes cheating of any kind, including misrepresenting one’s own work, taking credit for the work of others, or the fabrication of information. Any assignment with plagiarized content will receive an F. Please visit the following website for more information on the University’s Code of Academic Integrity:
http://gwu.edu/~ntegrity/code.html

Special needs: Any student with special needs should bring this to my attention as soon as possible, but no later than the second week of classes. Please contact the Disability Support Services at 202 994 8250 in the Marvin Center to establish eligibility and co-ordinate accommodation. If you have a religious
holiday or circumstances that require special accommodation, please let me know early in the semester. I will be happy to make reasonable accommodations to facilitate your learning.

Final Note: I reserve the right to change course guidelines and content including readings, assignments and cases as necessary to facilitate an improved learning experience.
**Class Schedule**

No in-class meeting on 30 August 2011  
No in-class meeting on 1 September 2011  

Recommended Background Reading

1. ‘It’s a Flat World, After All’, Thomas L. Friedman, New York Times Magazine, April 3, 2005
2. ‘Why the World Isn’t Flat’, Pankaj Ghemawat, Foreign Policy, March-April 2007, pp. 54-60
4. ‘Bamboo Capitalism’, The Economist, 10 March 2011

**Session 1: Introduction**  
[Tues, 6 Sept 2011]

**Session 2: Emerging Global Economy**  
[Thurs, 8 Sept 2011]

Reading:

1. Text, Chapter 1

Questions:

1. What do we mean by globalization?  
2. Do you think this is new phenomenon?  
3. Whose position do you find more appealing – Friedman or Ghemawat?

**Session 3: International Trade Theories**  
[Tues, 13 Sept 2011]

Reading:

1. Text, Chapter 5

Questions:
(1) Are there benefits to unrestricted free trade between countries?
(2) Can a country’s competitiveness be created or is it given?
(3) Do international trade theories have any implications for international business?

Session 4: Political Economy of International Trade
[Thurs, 15 Sept 2011]

Reading:

(1) Text, Chapter 6
(2) ‘The Biggest Roadblock to Upping Exports’, BloombergBusinessweek, 19 March 2010

Questions:

(1) Is international trade ‘free’?
(2) What challenges do governments face in ensuring ‘free’ trade?
(3) What is the role of the WTO? Where do you think the future of the Doha round lies?

Session 5: International Trade and Strategic Trade Policy
[Tues, 20 Sept 2011]

Reading:

(1) Brazil: Leading the BRICs? (HBS Case 9-711-024)

Session 6: Foreign Direct Investment and the Multinational Enterprise
[Thurs, 22 Sept 2011]

Reading:

(1) Chapter 7, Foreign Direct Investment
(2) ‘In praise of the Stateless Multinational’, The Economist, 18 Sept 2008

Questions:

(1) How is investment different from trade?
(2) Do we need MNEs? What role do they play?
Session 7: Foreign Direct Investment
[Tues, 27 Sept 2011]

Reading:

(1) *Grupo Bimbo (HBS Case 9-707-521)*

Session 8: Regional Economic Integration
[Thurs, 29 Sept 2011]

Reading:

(1) Text, Chapter 8

Questions:

(1) What role do regional agreements play? Do you think they are complements to or substitutes for a multilateral agreement?
(2) What are the factors that influence the effectiveness of regional agreements?

Session 9: Regional Economic Integration
[Tues, 4 Oct 2011]

Reading:

(1) *Thought this was Easy? US-Thailand Free Trade Agreement (Darden Business Publishing Case UV2714)*

Session 10: Global Monetary System
[Thurs, 6 Oct 2011]

Reading:

(1) Text, Chapter 10
(2) ‘Mission: Possible’, The Economist, 8 April 2009

Questions:

(1) What roles do international agencies play in managing the global monetary system?
(2) How relevant is the IMF in today’s financial climate?
Session 11: Mid-Term Review + Final Project Guidelines
[Tues, 11 Oct 2011]

Reading:

(1) Review Sessions 1-10

Session 12: Mid-Term 1
[Thurs, 13 Oct 2011]

Session 13: Political Economy
[Tues, 18 Oct 2011]

Reading:

(1) Text, Chapter 2 (pages 40-50, 76-79)

Questions:

(1) How do countries differ along political, economic and legal dimension?
(2) What is the process that generates government policy?
(3) Should managers care about the political economy? Why or why not?

Session 14: Political Economy
[Thurs, 20 Oct 2011]

Reading:

(1) AES-Telasi: Power Trip or Power Play? (A) (Wharton School Case MGMT-003) – To be distributed in class
Session 15: Cultural Differences  
[Tues, 25 Oct 2011]

Reading:

(1) Text, Chapter 3  
(2) Geert Hofstede’s website (http://www.geert-hofstede.com/). Compare the distances between the US and the Arab World, Brazil, France and China

Questions:

(1) In what ways do you think cultural differences impact a multinational corporation?  
(2) You are an American executive who has been given two years to lead a project in four different countries: Brazil, France, Egypt and China. The project involves the development of a somewhat similar product for the four markets while working with local employees. What will you do in each market to make you an effective leader?

Session 16: Industry Characteristics & Global Strategy  
[Thurs, 27 Oct 2011]

Reading:

(1) Text, Chapter 12  
(2) ‘Global Strategy... in a World of Nations?’ George Yip, Sloan Management Review, Fall 1989: 31(1) 29-41

Questions:

(1) Firms in which type of industries are likely to benefit from being global?  
(2) What is the fundamental tension in creating a global strategy?

Session 17: Industry Characteristics & Global Strategy  
[Tues, 1 Nov 2011]

Reading:

(1) *Haier: Taking a Chinese Company Global (HBS Case 9-706-401)*
Session 18: MNE and the Organization
[Thurs, 3 Nov 2011]

Reading:

(1) Text, Chapter 13

Questions:

(1) What would you examine to determine a firm’s organizational form?
(2) What changes would you make to a firm’s organizational structure to reflect the current work practices?

Session 19: MNE and the Organization
[Tues, 8 Nov 2011]

Reading:

(1) The IOI Group: Creating a Malaysian Palm Oil Multinational (Richard Ivey School of Business Case 810M68)

Session 20: MNE Entry Mode
[Thurs, 10 Nov 2011]

Reading:

(1) Text, Chapter 14

Questions:

(1) What information would you need to recommend a specific entry mode for a firm?
(2) When is forming alliances a superior strategy to acquiring a company?

Session 21: Mid-Term Review
[Tues, 15 Nov 2011]

Readings:

(1) Review Sessions 6, 13-20
Session 22: Mid Term 2  
[Thurs, 17 Nov 2011]

Session 23: Final Project Preparation, NO CLASS  
[Tues, 22 Nov 2011]

Session 24: Thanksgiving, NO CLASS  
[Thurs, 24 Nov 2011]

Session 25: Project Presentations (1)  
[Tues, 29 Nov 2011]  
Group presentations of final project

Session 26: Project Presentations (2)  
[Thurs, 1 Dec 2011]  
Group presentations of final project

Session 27: Project Presentations (3) – University scheduled make up day  
[Tues, 6 Dec 2011]  
Group presentations of final project

Session 28: Final Projects due, NO CLASS  
[Thurs, 8 Dec 2011]  
Final projects due, class time allocated for finishing up submissions