COURSE TITLE: International Management –MBAD6244

SEMESTER: Spring II, 2013

INSTRUCTOR: Rafael Lucea
Department of International Business
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LOCATION AND TIME: MBAD6244-12 Monday 09:40-12:10 – Duques 651
MBAD6244-13 Monday 13:30-16:00 – Duques 652
MBAD6244-11 Tuesday 16:30-19:00 – Duques 255

PRE-REQUISITES: Global Perspectives (MBAD 241)

OFFICE HOURS: Thursday 10:00 am – 12:00pm or by appointment (by email)

COURSE OBJECTIVES:

The main objective of this course is to provide the conceptual tools and critical thinking skills for students to manage with a Global Mindset.

In order to do so, this course takes stock of the “macro” factors reviewed in the Global Perspectives course (MBAD241) and explores how these affect strategic behavior and performance at the level of the firm.

Students are expected to go well beyond the mere memorization and repetition of international management theories. Integration of conceptual frameworks, real life cases and current business events will be indispensable for the fulfillment of academic requirements.

READING MATERIAL

In order to bring student costs down, there is no single “course reading pack” for this course. Reading material is made available through four different channels. Note that copyright restrictions of some of the materials expressly prohibit posting the articles on Blackboard or on Electronic Reserve. How to access each reading is indicated in the ‘Session by session’ section of this syllabus. When you see:
1. [Availability: URL or Google: “xxx”]. This material is available off of the Web. Click on the link or Google the exact keywords.

2. [Availability: Blackboard]. This material is available on the Blackboard Course Website. You will find this reading under E-Reserves in Blackboard.

3. [Availability: Library Website]. If you are accessing library resources from an off campus location you will need a GWID and password:
   Instructions for accessing articles:
   1. Go to www.my.gwu.edu
   2. Click on the Gelman Library link under the heading Libraries
   3. Click on the Research link (up left) and then on Subject Databases.
   4. Scroll down and you will find the Business and Management section on the left hand side of the page. Click on Business Administration
   5. This will open a Business Administration Databases list view. Select Business Source Complete (usually the sixth on the list)
   6. If accessing from a campus location skip to Step 8.
   7. If accessing from out of campus – This will take you to the Aladdin log in screen. Please enter your last name, University ID and select GW as the institution. Help for login trouble is available at https://www.aladin.wrlc.org/lNS01/www_v_eng/help.html
   8. You should be now in a new page titled Ebsco Host Advanced Search (with a round green and blue logo on the upper left side)
   9. Enter the title of the reading in the box provided. For example: “Managing differences”, and select “document title” in the drop-down box next to it. Then write the name of the first author (e.g.: “Ghemawat”) and select “author” in the drop down box. Click on Search
   10. This will give you the article with options to view it in HTML or PDF format
   11. Searches may produce errors (especially if symbols such as / - _ are used) or multiple results. Make sure that the article you download is actually the one specified in the syllabus.

4. [Availability: Purchase at http://cb.hbsp.harvard.edu/cb/access/13175462]. To purchase the cases that are not provided for free through Blackboard click on the link above (or type it in your browser). You may need to register at HBS Publishing.

Having to access reading materials through multiple channels is, obviously, a bit more cumbersome than editing an ebook but having all the required material for this course for under $25 is worth the extra effort…

Some class materials will require the student to have access to an electronic media player, such as RealPlayer (free download available at http://www.real.com/). Make sure you get access to this early in the semester so that you can access the radio and video segments that are required materials for class preparation materials.

Lecture notes and other reading materials and cases will be posted on Blackboard. It will be the students’ responsibility to download the relevant power-point handouts. Generally, handouts will be posted AFTER the class.

Students are expected to check the course website regularly since this will be the usual means
to (1) make emergency announcements, and (2) distribute additional reading materials

EVALUATION

Students will be evaluated along four dimensions:

1. Case write-up (2)- in groups 25%
2. Class individual participation 15%
3. In-class individual mini-quiz 5%
4. Group Peer Assessment 10%
5. Final individual exam:
   a. Short questions/answers 35%
   b. Mini-case 10%

Group case write-up (25%)
The goal of this exercise is to help you sharpen your ability to write concise and succinct analyses of complex problems. You are required to submit written case analyses for two cases. The first write-up will be worth 10% of your final grade; the second 15%.

Both case analyses must be submitted in groups of 4-5 students.

The first case must be either:
1. Shanghai Zhangjiang High Tech Park Development
2. Grolsch: Growing Globally

The second case must be either:
1. The espresso lane to global markets (ILLY coffee)
2. Bella Healthcare India

Write ups should be no more than four typed pages, double-spaced, 12 point font, 1 inch margins. You can use a fifth page as an appendix for graphs, tables, etc—but not as additional writing space to answer the questions of the case. You will be penalized for exceeding the page limit. Please include the names of all your group members in the first page.

The leader of each team will submit their case write-up prior to the beginning of the class in which the case will be discussed. Submissions will be made through Blackboard—not by emailing them to the professor!

Grades will be assigned based on: (1) Rigor of analysis, (2) Appropriate selection and use of frameworks/theories/concepts covered in class, (3) Quality, professionalism, and clarity of writing and presentation, and (4) Specific, action-oriented, internally consistent recommendations.

Some recommendations for the analysis of the cases:
♦ Read carefully these guidelines. Cases are used in different ways by different professors. Do not assume that the case write-up approach you followed in another course is the
appropriate one for this one.

♦ **Answer the questions that are asked about the case.** See “Case Questions” in each session where there is a case assigned.

♦ **Make sure you use the frameworks we have seen in class** to analyze the case.

♦ Make sure you stay in the time frame of the case. If the case ends in 2002, your analysis should not take into consideration any events occurring after that date. **Do not do extra research on what the company actually did.** If you recommend what the firm did but do not provide strong support for your proposal, the answer is wrong.

♦ **Do not repeat the facts of the case.** The instructor *has* read the case. The little space you have available for the write-up should be dedicated to explain your analysis and provide recommendations. Include facts only as support for your analysis.

♦ It is usually advisable to acknowledge that there are alternative courses of action for the firm. Depending on the case, you may want to **acknowledge weaknesses/risks of your recommendation and describe how these risks can be minimized.**

♦ **Grammar counts. Spelling counts. Writing style counts.**

♦ Be clear, structured, and succinct in your responses. Consider using tables and/or bullet points to structure your answer.

♦ Discuss the assignments with the members of your team ONLY. Your submission has to be entirely your team’s own work

Needless to say, students are expected to read and prepare not only the cases for which they submit a write-up, but for all of the cases. As part of your Class Participation, you should be able to contribute to the discussion of all of the cases in class.

**Individual Class Participation (15%):**
Class attendance and participation is mandatory and will be evaluated strictly. Your participation grade will depend on your involvement in the discussion of the class material, and most importantly, the quality of your participation *in every class session.* In order to facilitate my appraisal of your participation I would need for you to try to occupy the same seat in class and have your names clearly displayed in front of you. Your participation grade may be negatively affected by unprofessional behavior (e.g., inappropriate comments, doing other class work, chatting with classmates, text messaging, etc).

**In-class individual mini-quiz (5%)**
This in-class mini-quiz will take place at the beginning of the sixth class. It’ll be a short (15 minutes) multiple-choice or short answer exam. The goal of this test, is two-fold. First, I want to make sure that you are reading the assigned material as you go and that you have sufficient time to ask questions if necessary. The second, is that you get a good sense of the types of questions –and how they are asked- that may appear in the final exam.

**Group Peer Assessment Group Peer Assessment (10%)**
The last page of the final exam will consist of a grid where you will evaluate not only the performance and commitment of the members of your group but also your own.

**Individual final exam (45%):**
A closed book, closed notes examination will be given covering all course materials (lecture,
discussion, readings, cases, etc) during the final examinations week. The exam will be divided in two sections. The first one (35 points) will consist in answering 5 to 8 short questions. The second one (10 points) in writing the answers to a mini-case. Same principles to the case write-ups carried out in class will apply.

**Grade Curving:**
Grades for this course will be curved. That is, the points that you obtain from write-ups, quiz, class participation, group assessment, and final exam will be added up and sorted from high to low. Students who accumulated the most points, will get an A. The cut-off points for A-, B+, B, B-, etc, will be determined in accordance with the MBA Faculty Task Force recommendations. In particular, no more than 20% of the class will receive an A, and the average grade of the class will range between 3.2 and 3.4. **Students should expect a 3.3 (B+) as a class-average grade.**

**OTHER COURSE POLICIES**

**Academic honesty**
Dishonest behavior, as defined by 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. All students are expected to adhere to this Code. All acts of academic dishonesty will be dealt with in accordance with the provisions of this code. Please visit the following website for more information on the University's Code of Academic Integrity: [http://www.gwu.edu/~ntegrity/code.html](http://www.gwu.edu/~ntegrity/code.html)

**Special Needs**
Any student with special needs should bring this to my attention **as soon as possible**, but not later than the second week of class. If you have a religious holiday or circumstance (e.g., family problem, stage anxiety) that requires accommodation, please let me know early in the semester. I will be happy to make reasonable accommodations to facilitate your learning.

**Name Cards**
For me to learn your names, it will be extremely helpful for you to sit in the same seat each class session and use your name card.

**Laptop/Blackberry/Electronic Gadgets**
I do not mind if you use your laptop to take notes or look up the Internet as it relates to in-class discussion. However, **I do mind** if you are surfing the web, checking email, sending text messages, or working on other class assignments. Please be respectful of your fellow classmates and use your laptops and other electronics judiciously. Please bear in mind that **cold-calling is fair game at any point during class**. If you are unable to respond, or provide a far less than satisfactory response, your participation grade will be seriously affected.
THE COURSE SESSION BY SESSION

Session 1: Positioning MBAD244

This first session motivates the relevance of the course. In essence, it attempts to answer three basic questions:

- Why do firms go abroad?
- What do firms need to have/do to successfully compete abroad?
- Is internationalization always an imperative?

Reading


Read and Reflect:

- Wal-Mart Internationalization. Distributed and discussed in class.

Session 2: Analyzing the Fundamental Tension in IB

This session is dedicated to analyzing the fundamental tension underlying international business: the trade-offs between global integration and local responsiveness. We will go well beyond the usual description of these forces and will analyze their effect at the industry level, at the firm level and at the functional level. Dynamic aspects of integration and responsiveness will be also explored.

Reading:

- The Global e-commerce gold rush –CISCO publication available at http://www.cisco.com/web/about/ac79/docs/retail/Global-eCommerce_POV_IBSG.pdf (this is connected with the second video below)
Video:
- [http://www.youtube.com/watch?v=m0SrLVmbPic](http://www.youtube.com/watch?v=m0SrLVmbPic) (2:30 mins)
- [http://www.youtube.com/watch?v=AURUzSJ362E](http://www.youtube.com/watch?v=AURUzSJ362E) (3:50 mins)

Case Study:

Case Questions:
1. How would you characterize the motorcycle industry in the context of the I/R framework?
2. How do you think the Piaggio Group is trying to compete in this industry? Does Piaggio’s business model reflect current pressures for I/R, or is it trying to revolutionize the industry?
3. Does it make sense for Derbi to expand into the US? What challenges and opportunities is it likely to face?
4. Assuming Derbi decides to expand into the US, how would you suggest it does so.

NOTE: Think about how you can use the tools seen in class to analyze and respond these questions!!!

Session 3: Country-Specific Advantages (CSAs). Location as source of International competitive advantage

This session explores how a firm’s location affects the creation of international competitive advantage. Our starting point will be reviewing Porter’s Diamond—which you saw in the Global Perspectives course—from the perspective of firms—not countries. From there, we will see how strategic thinking about the role of location has evolved in the last 20 years. We will make special emphasis on how location influences the innovation capability of firms.

Reading:

Case Study:
Case Questions:
1. How successful do you think Shanghai Zhangjiang Hi-Tech Park Development (SZHTPD) has been in the last decade?
2. What are the main elements conforming SZHTPD? Would you call this a cluster? Why, why not?
3. What do you think are the challenges to the “going out” strategy (i.e.: can SZHTPD be replicated elsewhere)?
4. What would you recommend Mr. Xueli GU to do in terms of SZHTPD future strategy?

NOTE: Think about how you can use the tools seen in class to analyze and respond these questions!!

Sessions 4: Firm-Specific Advantages (FSAs); configuring your firm for global competition

In this session we will explore how even firms belonging to the same country –in theory all of them benefitting from the same CSA- may choose radically different internationalization strategies. We will also examine the phenomenon of semi-globalization and how it affects firm strategy.

Reading:

Case Study:

Case Questions:
1. Why did Grolsch globalize? How well has it performed internationally?
2. What kind of international strategy is Grolsch pursuing? How does it compare to the trend of the beer industry as a whole?
3. Evaluate the MABA process. How good (or bad) of a strategic tool do you think it is? (make sure you support your arguments).
4. Based on your responses to the previous questions, what changes would you suggest to Grolsch’s traditional internationalization strategy?
Session 5: Entry mode

This session is dedicated to highlighting the multiple ways in which firms can expand their activities internationally. Particular emphasis will be made on contrasting the trade-offs between the various alternatives, and on analyzing how initial entry decisions evolve. In this session we will also emphasize the relevance of country and organizational cultures when expanding internationally.

Readings:


Case:


Case Questions:

1. Conduct a CAGE analysis and highlight most important issues (advisable to do it in the ‘extra page’ and comment most important findings in writing in the body of the write-up).
2. Which variables from the case should be the most important for Reale’s decision? Based on this, how should Reale prioritize the various foreign markets?
3. What mode of entry should he consider? Should it vary depending on each of the markets ILLY enters? Explain why.
4. What implications do you think his decision will have on the “international strategy cycle”?

NOTE: Think about how you can use the tools seen in class to analyze and respond these questions!!!

Session 6: Organizing across borders

Mini-quiz at the beginning of the class. There will not be make-up arrangements for those arriving late. Material from today’s session will be included in the test!
This session explores how different organizational structures are more or less supportive of particular international strategies. We will pay particular attention at how the location of knowledge in the world is affecting the way firms locate their operations.

Reading:


Case Study:


Case Questions:

1. What capabilities and resources does a company need to develop new products? Which of these does Bella India have?
2. Why did project Baton fail?
3. Should Bella India take on Project TKO and develop and EKG specifically for the local market? Why or why not?
4. What implications do you think his decision will have on the “international strategy cycle”?

NOTE: Think about how you can use the tools seen in class to analyze and respond these questions!!

Session 7: Putting it all together; Telefónica case

In this final session we will use the Telefónica case to review and integrate the insights, principles, and frameworks learned in the previous sessions. This case is particularly rich and allows for the use of multiple perspectives to analyze the successful international expansion of Telefónica. Part of the second part of this session will be dedicated to Q&A in preparation for the final exam.

Reading:

- Time in International Business. Letter from JIBS Editor-in-Chief Lorraine Eden (2009) [Availability: Blackboard]
Case Study:

- The international expansion of Telefónica. Luis Vives (2009) [Availability: Blackboard]


Case Questions:

1. What do you think are the main elements determining the international patterns of expansion in the telecoms industry?
2. Did the country of origin represent any particular advantage for the internationalization of Telefónica? Argue why/why not using Porter’s Diamond as an analytical tool.
3. Why did Telefónica privilege acquisition as its main method of international expansion? How did it change over time? Why?
4. Were the changes in organizational structure at Telefónica a recognition that ‘they had gotten it wrong’ in the first place?
5. What do you think are Telefónica main challenges and opportunities in the near future?

NOTE: Think about how you can use the tools seen in class to analyze and respond these questions!!!