COURSE DESCRIPTION:
The growing interdependence of the world economies in the last 50 years has rendered an understanding of international competition an essential element of any firm’s strategic and operational planning. Today, all firms, whether they are directly involved in foreign markets or not, are exposed to international competitive forces that can have serious consequences for both survival and performance.

For multinational corporations (MNCs) in particular, one source of competitive advantage comes from the ability to optimize operations on a global scale. By emphasizing national differences in factor markets, an MNC may be more successful at minimizing costs and maximizing revenues than a purely domestic firm. In addition, multinational firms can tap into foreign knowledge to create new products that can be used throughout their worldwide operations. Along with these opportunities, however, comes a much more complex organization to manage. Differences in legal systems, in values and management policies, and in the structure of industry and competitive behaviors across nations must be incorporated into any international business plan. In addition, political and financial risk may seriously affect the value or expected return of a company’s foreign assets. To successfully manage an international corporation requires an understanding of complex economic, political and governmental issues and an appreciation for the fact that there are differences in how these issues may affect a firm across various nations.

IBUS 3001 seeks to provide you with the skills, knowledge and sensitivity required to successfully manage organizations and organizational units within the global environment. It explores the unique competitive, political and social environments in which international business takes place. Topics covered in this course include:

- **Trade (Importing and Exporting)**
  - Trade Theory – Comparative advantage and efficient allocation of resources
  - Trade in practice – Winners and losers from free trade
  - Government involvement in international trade
    - Chiquita Banana
  - World and Regional trade agreements
    - Volkswagen’s strategy in North America

- **Foreign Direct Investment and the Multinational Corporation**
International Expansion Strategies
  - Mondavi

Methods for organizing and controlling international operations
  - Nestle and IKEA

Market Entry Strategies
  - Steinway in Asia

Institutional Differences and Political Risk
  - Metro Cash & Carry in Russia, Brazil and India

Firms from Emerging Markets
  - Haier

Impact of FDI and CSR
  - Nike, Starbucks, IKEA, Chiquita Banana

After taking this course, you will have a set of conceptual tools that can be used to navigate through the often contradictory and ambiguous mass of information about how international competition takes place. From our case discussions, you will develop the ability to use key frameworks to examine firm level strategies and structures, industry globalization potential, country competitive advantage and international structures and organizations.

YOUR WORKLOAD:

This class is taught using both lecture and case discussion. For almost all topics, we will start with a lecture/discussion to introduce the key issues, followed by a case discussion relevant to those issues. Readings have been assigned for each class. You are expected to read this material prior to each class and to be prepared to participate in the class discussion (including lectures and case discussions).

Your written assignments consist of 4 thought papers and 1 longer case write-up. For thought papers, you need to pick 4 cases (of the 6 that have been highlighted as potential thought paper cases below) for which you will write thought papers. Because I am giving you flexibility in choosing from a list of 6 potential cases, I will not accept any excuse for missing thought papers. Please plan your semester carefully – It has been my experience that students who wait to do these assignments until the last 4 potential cases generally run into some problem or conflict. It is your responsibility to ensure that you have turned in 4 hard copies of thought papers prior to class discussion of your chosen case. You need only answer the question in bold. You can discuss the thought paper questions with others in the class, but each student needs to turn in their own answers to the case questions to get full credit. Please limit your thought papers to 1 page in length (though you can include additional pages of exhibits or tables). If you do add any exhibits, you must make reference to them in your paper if you want me to look at them. Please do not simply restate case facts (you can assume I am quite familiar with all class cases). A longer case write-up has been assigned for one case - there is no choice about this case and the longer write-up is an individual assignment. This means that you are not to discuss your answers with other students. Please limit your longer write-up to 3 pages and be sure to answer all of the case questions. I will not accept any case write-up after we have discussed the case in class. If you have to miss class, you need
to e-mail me your assignment prior to the start of class – it is your responsibility to ensure that I have gotten it.

If you want to request a re-grade of any of your assignments, you need to write up a summary statement indicating why you think you deserve a higher grade. Be advised that your entire assignment will be reevaluated; therefore, your revised grade could be higher or lower than your original grade.

Class participation counts for 25% of your grade. If you never say anything in this class, there is no chance that you will get any form of an A in the class – regardless of how good your written work is. The thought papers are intended to help you focus your thoughts prior to class so that you will be able to participate in a meaningful way. You should expect to be called on during any class discussion.

The final is a take-home case that will be very similar in format to the thought papers and longer case write-ups (though it will cover more class material). You will be given a case and questions to answer on the last day of class (and I often created my own cases for final exams using articles and firm documents.) The best way to prepare for the final case is to read and do the assignments throughout the course. The final case is an individual assignment that should not be discussed with anyone prior to turning it in. You will need to sign an honor code that you have completed the final exam without any help and that you have not done any additional research on the focal firm before I will grade your final.

FINAL GRADE BASED ON:

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<thead>
<tr>
<th>Assignment</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>4 Thought Papers</td>
<td>20%</td>
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<tr>
<td>1 Case Write-Up</td>
<td>15%</td>
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<tr>
<td>Participation</td>
<td>25%</td>
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<tr>
<td>Final Take-Home Case</td>
<td>40%</td>
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</tbody>
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ACADEMIC INTEGRITY:

Academic dishonesty (as defined by GW – see http://www.gwu.edu/~ntegrity/code.html) will not be tolerated in any form. Academic dishonesty includes cheating of any kind, including misrepresenting one’s own work, taking credit for the work of others, or fabrication of information. Any assignment with plagiarized content will receive a zero.

READING MATERIALS:

All cases and readings will be available through one of the online providers.
COURSE OUTLINE FOR IBUS 3001:

1/18    Introduction to Course

I. Country Analysis: Doing Business and Trading in Foreign Locations
1/23    Rules and Distance
1/25    Trade Theory
1/30    Trade Reality and Strategic Trade
2/1     CASE: Chiquita Banana
2/6     Trade Among Nations and Trade Agreements
2/8     CASE: VW and NAFTA (Thought Paper)

II. Industry and Firm Analysis: MNCs and Foreign Direct Investment
2/13    Industry and Firm Analysis
2/15    CASE: Mondavi – Industry Globalization
2/20    HOLIDAY - NO CLASS
2/22    CASE: Mondavi – Firm International Expansion
2/27    Organizational Structure
2/29    CASE: IKEA (Thought Paper)
3/5     Entry Modes
3/7     CASE: Steinway (Thought Paper)

3/12    BREAK
3/14    BREAK

3/19    Institutional Differences
3/21    CASE: Metro Cash & Carry (Thought Paper)
3/26    Political Risk – MNCs and Governments
3/28    CASE: AES-Telasi (Thought Paper)
4/2     Organizing Innovation
4/4:    CASE: TBA (Longer Case Write-Up)
4/9     MNCs from Emerging Markets
4/11    CASE: Haier (Thought Paper)
4/16    The Impact of FDI and MNCs
4/18    MINI-CASES: Nike, IKEA, Starbucks
4/23    Managing in the 21st Century

4/25    Make-Up Class (if needed)
4/30    Synthesis and Take-Home Case Handed Out

Take-home Case due on Monday, May 7th no later than 4:00pm. E-mail file (berryh@gwu.edu) AND turn in hard copy to my box in the front of the International Business Department suite (4000 Funger).