IBUS 3001
International Business
SPRING, 2017
Duques 152

Professor Heather Berry
Office: 401T Funger
Office Hours: MW 10:30am-noon
(or e-mail to schedule a time)
E-mail: berryh@gwu.edu

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, Exchange Rates, Balance of Payments
    - Volkswagen’s strategy in North America, Swatch

- **Foreign Direct Investment and the Multinational Corporation**
International Expansion Strategies
  ▪ Coca-Cola, IKEA, Mondavi, Swatch, SABMiller, Steinway, Tesla

Methods for organizing and controlling international operations
  ▪ Coca-Cola, IKEA, Mondavi, Swatch, SABMiller, Tesla

Market Entry Strategies
  ▪ Steinway in Asia

Institutional Differences and Political Risk
  ▪ Wal-Mart, Tesla

Firms from Emerging Markets
  ▪ SABMiller

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 globalization and international competition. From our case discussions, you will develop the ability to use frameworks to examine firm level strategies and structures, industry globalization potential, country competitive advantage and differences across countries.

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 discuss these readings and participate in the class discussion (including lectures and case discussions). It is expected that you will spend on average at least six hours each week with the readings and written assignments. (If there is no written assignment for the class, I expect you to be fully prepared to discuss not only what the assigned reading said, but also your opinion of it and how it relates to what we have already discussed.)

Your written assignments during the semester consist of paired written work using course frameworks, one individual longer case write-up and one individual take-home final assignment.

Paired Assignment - Firm and Industry Analysis: This is a paired assignment using the firm and industry analysis tools we will discuss in class. You will be asked about these frameworks on the final exam – this is an opportunity for you to discuss these frameworks with each other and apply them to a case. (You need to find a partner for this assignment – I will not assign pairs.)

Paired or Individual Thought Papers: You need to pick 2 of 3 cases for which you will write a thought paper. This can be either a paired or individual assignment. Because I am giving you flexibility in choosing from a list of 3 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 2 potential cases generally run into some problem or conflict. It is your responsibility to ensure that you have turned in hard copies of thought papers prior to class discussion of the case. You need only answer the
question in bold. Please post your response on blackboard by 10am the day the thought paper is due AND bring a hard copy for me to grade. (The blackboard link will disappear at 10am on the day the thought papers are due.) I encourage you to discuss the thought paper questions with others in the class, even if you do individual assignments. Please limit thought papers to 1 page in total length (12 point font, 1 inch margins, single-spaced). If you do a paired assignment, both students need to sign a statement on the back that they contributed equally to the thought paper.

One 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 the case or your answers with anyone. Please limit your longer write-ups to 3 pages and be sure to answer all of the case questions in these write-ups. I will not accept any case write-up after we have discussed the case in class. If you have to miss class, make sure your assignment is posted on blackboard by 10am the day it is due and please e-mail me to let me know that you will be missing class.

The final assignment is a take-home case that will be similar 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. I usually create 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.

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 twenty percent of your grade. If you do not participate in class discussion, 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. I am looking for comments that help develop the discussion in a meaningful way. I will always ask questions about the readings that have been assigned for the day. You should know that if you simply repeat what someone else has already said, I will push you to make additional comments after you do this. You should expect me to call on you during any class discussion.
FINAL GRADE BASED ON:

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Paired Assignment</td>
<td>10%</td>
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<tr>
<td>2 Thought Papers</td>
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<tr>
<td>1 Longer Case Write-Up</td>
<td>15%</td>
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<tr>
<td>Participation</td>
<td>20%</td>
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<tr>
<td>Final Take-Home Case</td>
<td>40%</td>
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ACADEMIC INTEGRITY:

Academic dishonesty (as defined by GW – see [http://www.gwu.edu/~ntegrity/code.html](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 that has been produced in a dishonest way will receive a zero.

CLASSROOM ETIQUETTE:

I enforce something commonly referred to as “Concert Rules” in my course. Concert Rules refer to the six norms for classroom etiquette:

1. Students sit in the same seat throughout the semester
2. Class will begin and end on time
3. Late arrival is strongly discouraged
4. **NO LAPTOPS OPEN** in class
5. Reentering class after leaving is strongly discouraged
6. Cell phones/smart phones must be turned off prior to class

I have found that these Concert Rules help students to achieve the best performance possible in this class. I do not allow laptops in my class. If you have an open laptop, expect to receive a zero for participation for that day. Again, I am trying to create an atmosphere in which you are most likely to excel and too many students surf the web or do e-mail in class when they have their laptops open (and it is obvious when you do this).

I also create a seating chart with student pictures for each of my classes. Please e-mail me a picture of yourself (a headshot is preferred) so I can create this chart. (I use this chart to make my participation notes at the end of each class.)

READING MATERIALS:

All cases and readings will be available through a Harvard Course Pack or on blackboard. As no laptops are allowed in class, you should print out all readings if you want to refer to them in class.
COURSE OUTLINE FOR IBUS 3001, SPRING 2017:

1/18  Introduction to Course
1/23  Case Analysis and Go Global or No?

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

II. Industry and Firm Analysis: MNCs and Foreign Direct Investment
   2/13  Industry and Firm Analysis
   2/15  CASE: Mondavi – Industry Globalization
   2/22  CASE: Mondavi – Firm International Expansion
   2/27: Paired Assignment: Tesla Industry and Firm Analysis
   3/1:  Home Country Effects
   3/6:  CASE: Swatch (Thought Paper)
   3/8:  TBA
        Spring Break
   3/20  Managing MNCs: Organizational Structure and Design
   3/22  CASE: Coca-Cola (Thought Paper)
   3/27: Country and Political Risk
   3/29: CASE: Wal-Mart in India Articles
   4/3:  Global Innovation
   4/5:  CASE: IKEA (Thought Paper)
   4/10: Entry Modes
   4/12: CASE: Steinway
   4/17: CASE: TBA (Longer Case Write-Up)
   4/19: Wrap Up CASE: SABMiller
   4/24: Synthesis
   4/26: Open discussion on any course framework or case
         Take-Home Case Available on Blackboard at 5pm
   5/1:  Looking Forward: Managing in the 21st Century
   5/8:  Final Take-Home Case Due by 3pm

Take-home Case due by 3pm on Monday, May 8, 2017 on blackboard with signed honor code (and hard copy turned in).