

Course Outline

RSM 2011

International Business

Fall 2010

Section 1: Tuesdays 9:15am – 11:15am – Classroom 127

Section 2: Tuesdays 11:30am – 1:30pm – Classroom 127

Instructor: Joanne Oxley, Room 578

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Course Scope and Mission

We are told that globalization has changed the face of competition in many industries, but what does this really mean for managers as they formulate and implement strategy? How can we effectively analyze the competitive structure of global industries and translate that analysis into winning strategies? This course is designed to immerse you in the challenges faced by managers venturing into overseas markets in response to (or in anticipation of) increased global competition. Through a combination of case discussion, readings, lectures and role play simulations you will develop your ability to pursue managerial action that is responsive to the evolving global business environment, and to the often-conflicting demands of multiple stakeholders such as local and overseas employees, customers, joint venture partners, governments, and non-governmental organizations.

The course is organized around several themes: First, we look at the newly-internationalizing firm, identifying the circumstances in which venturing overseas makes sense, and when it may **not** be a wise strategy. Next we explore the essential strategic and organizational challenges encountered by international managers; for example, how to build competitive advantage in international markets, how to balance the benefits of global integration against the need to respond to local differences, and how to promote innovation in a global network. We also confront the recent trend towards international collaboration and outsourcing, and examine both the potential and limits of these strategies for international firms. Finally, we examine how international differences in social and legal conditions affect strategic choices, and how non-market strategy can be used to strengthen performance in global markets.

Required Readings

All of the required materials for this course are available in electronic form via RWorld.

Please purchase cases by clicking on: <http://cb.hbsp.harvard.edu/cb/access/6414146> or follow the link labeled "Buy cases from HBS" in the Course Links area of the RSM 2011 page on RWorld.

If you have any technical difficulties please contact HBS directly at: 1-800-810-8858 or techhelp@hbsp.harvard.edu

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Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well he or she has command of the course materials.

1. **Class Preparation and Participation** (20% of course grade)

Heavy emphasis will be placed on weekly preparation and participation in class discussion. There will also be opportunities for individuals and groups to make more formal in-class presentations. Your active participation in the classroom dialogue will be essential for your own learning and that of the other participants in the class. We will all depend on each other to provide a quality learning experience. It is important to appreciate that every student is a co-producer of the class discussion, and thus it is important that class members listen carefully to one another and attempt to build on or constructively critique prior comments. Please resist the temptation to jump to topics that are not specifically open for discussion.

In grading class participation, I make a holistic assessment each day based on several criteria, including:

- Analysis: Do the comments include analysis, or do they simply restate the facts?
- Responsiveness: Do the comments relate to, and build upon, the previous discussion?
- Creativity: Do the comments bring a new perspective to the issues, testing new ideas?
- Clarity: Are the comments succinct and understandable?
- Quantity: How frequently does the student participate?
- Integration: Does the participant integrate material from past classes?
- Productiveness: Most importantly, do the participant's comments stimulate productive discussion?

In the event that you encounter personal difficulties in participating spontaneously in class discussions please come to see me early in the semester so that we can devise a strategy to facilitate your active participation in the class.

2. **Individual Written Case Analysis** (25% of course grade)

Each class member must submit one written case analysis during the semester.

At the beginning of the semester you will be asked to form groups of 4 members each to meet and discuss all cases prior to class meetings, including the four cases designated for the written assignments. Responsibility for writing the case analyses will be rotated among the members: please ensure that each group member prepares **one** written case during the semester, and that no two members of the group turn in the same assignment. The individual who prepares the written case analysis receives the grade for that assignment. (In the rare event that there are only three members in a group, there will be one designated case for which no member of the group will submit a written assignment. The group will nonetheless be expected to prepare the case for class discussion.)

Case analyses are persuasive documents that recommend action to decision-makers, and will be assessed for logical consistency, persuasive quality, integration of course materials, creativity, and presentation quality. The exact format is flexible, but should usually include the following elements:

1) *Problem identification* - Identify a particular challenge presented in the case and address your comments to a particular problem.

2) *Potential solutions and decision criteria* - State your approach to solving the problem. What are the relevant considerations? Can you identify a range of potential solutions? How do you choose among the alternative solutions?

3) *A recommendation, based on the decision criteria*

4) Identification of any important implementation challenges and / or contingencies that must be considered in implementing your recommendation.

Written case analyses must be concise: no more than **3 pages** of text, **double-spaced**, with up to **three additional pages for exhibits** (tables and/or figures). Writing and grammar will be explicitly considered when cases are graded. If you have difficulties with written English, please take advantage of the writing resources available within the school to ensure that your submission meets a professional standard.

3. In-Class Group Presentation (15% of course grade)

Each group will be expected to make one group presentation during the semester. These presentations will take place in Session #5, Session #7, or Session #11. Further details of the topics and/or assignments will be distributed once group memberships are settled (see above). Note that while preferences regarding timing and choice of presentation topics will be taken into account, the final decision rests with the instructor in order to ensure balance across weeks and topics.

4. Final Case Analysis, Negotiation Simulation, and Reports (40% of course grade)

The final project comprises an individual take-home written case assignment (20%) and a negotiation simulation (20%), based on the Caterpillar-Mitsubishi case included in the course packet. Instructions for the individual case analysis and for the negotiation simulation and associated reports will be distributed closer to the date.

Note that the individual take-home case analysis is due at noon on Tuesday November 30, and the negotiation simulation will take place during a special session on Saturday December 4 (9:15am to 2:00pm). Attendance at this final session is mandatory.

If you believe that you will be unable to attend the session on December 4th please drop this course!

Missed Assignments/Examinations

Students may miss an assignment or exam due to illness, domestic affliction, or in the case of Three-Year students, work commitments, without academic penalty providing the appropriate documentation is received and approved in a timely manner.

In such cases students must notify the MBA Program Services Office on the date of the missed assignment or examination and a medical certificate, employer's letter or other supporting evidence must be submitted to the Director, MBA Program Services within 48 hours of the due date of the assignment or the exam date.

A resolution will be determined by the instructor and may take the form of a make-up exam, rewriting the exam at the next offering of the course or a revised grade calculation. The decision as to how to handle the missed assignment or exam is at the instructor's discretion. If a student misses an assignment or final examination for any other reason, a resolution will be determined at the instructor's discretion and may include an academic penalty. Students who do not notify the School of a missed assignment or exam will be given a grade of FZ (failing grade) for the assignment or exam.

Course Work & Academic Honesty

Submission of Assignments – Students are required to use the MBA Assignment Cover Sheet Template (see the Portal) for all submitted work which will be reviewed by the Professor. In the case of group assignments, all group members must sign the Assignment Cover Sheet. Late submissions of any assignment will be considered; however, a resolution will be determined at the instructor's discretion and may include an academic penalty.

Academic Honesty - The University's Code of Behaviour on Academic Matters ("Code") applies to all Rotman students. The Code prohibits all forms of academic dishonesty including, but not limited to, cheating, plagiarism, and the use of unauthorized aids. Students violating the Code may be subject to penalties up to and including suspension or expulsion from the University. A copy of the Code may be found at: <http://www.utoronto.ca/govcncl/pap/policies/behaveac.html>

The Rotman Code of Integrity

Students are expected to conduct themselves with the utmost integrity during their time at Rotman and, without limiting the foregoing, will:

- Submit only original work, giving credit to others where appropriate;
- Neither give nor receive unauthorized aid in examinations or on assignments;
- Contribute substantially and proportionally to each group assignment;
- Ensure enough familiarity with the entire contents of group assignments so as to be able to sign off on them as original work;
- Accept and acknowledge that assignments found to be plagiarized in any way will be subject to sanctions under the University's Code of Behaviour on Academic Matters;
- Represent myself honestly to members of the Rotman community and to outsiders; and
- Represent Rotman appropriately to the outside world.

Team Behaviours & Protocols

All students are expected to treat teamwork as though they would in a business setting, ensuring professional behaviour at all times. Professional behaviour in group settings includes (but is not limited to) the following:

- Ensuring all team members voice their opinions, thoughts, and concerns;
- Taking personal responsibility to voice thoughts to benefit the team's learning;
- Contributing to the learning of the team by giving equal time and work quality as others in the group;
- Committing to a standard of work agreed upon by the group;
- Participating in team projects at a level agreed upon by the entire team.

Weekly Schedule

Session	Topic	Case(s)	Other required readings	Deliverable?
#1 – September 14	The decision to go international		Kuermele	
#2 – September 21	Understanding the global competitive landscape	Cluster Mobilization in MittelDeutschland	Porter, Farrell et al	
#3 – September 28	Globalization versus local needs	Philips and Matsushita	Levitt; Ghemawat	
#4 – October 5	Leveraging capabilities overseas	Jollibee foods	Conn & Yip; Khanna & Palepu	Written case analysis (group member #1)
#5 – October 12	Confronting culture (a)		Javidan et al.,	Group presentations A
#6 – October 19	Confronting culture (b)	Toivonen Paper	Bartlett & Ghoshal	Written case analysis (group member #2)
#7 – October 26	Market entry (a)		Suarez & Lanzolla, Osland et al	
#8 – November 2	Market entry (b)	Shanghai Volkswagen; Shanghai General Motors		Group presentations B
#9 – November 9	MNE boundaries / BPO and beyond	Tracmail	Trefler, Brouthers et al	Written case analysis (group member #3)
#10 – November 16	Non-market strategy (a)	Genzyme	Martin, Baron	Written case analysis (group member #4)
#11 – November 23	Non-market strategy (b)		Spar & La Mure	Group presentations C
#12 - November 30 No class	Final case write-up due, 11:59pm	Caterpillar Mitsubishi		Final case write-up (everyone)
#13 – Special Session - Saturday December 4 (9:15am – 2:00pm)	Final project - Negotiation simulation	Caterpillar Mitsubishi		Reports, TBA

TOPICS AND REQUIRED READINGS

[Readings in parentheses are optional]

1. Introduction: "Going global" -- The decision to go international

Kuemmerle, "[Go global – or no?](#)" Harvard Business Review, 2001

[Morck and Yeung, "[Why investors value multinationality](#)," Journal of Business, 1991]

Please come to class prepared to discuss the following questions: Which of the four experts do you find most persuasive in their analysis of the challenges and opportunities facing Greg McNally and DataClear? Why? Should DataClear Go global – or no?

2. Understanding the global competitive landscape

Porter, "[Clusters and the new economics of competition](#)" Harvard Business Review, 1998

[Farrel et al, "[Beyond cheap labor](#)," McKinsey Quarterly, 2005]

Case: Cluster Mobilization in MittelDeutschland

3. Globalization versus local needs

Ghemawat, "[Managing differences](#)" Harvard Business Review, 2007

[Levitt, "[The globalization of markets](#)," Harvard Business Review, 1983]

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

4. Leveraging local capabilities abroad

Conn and Yip, "[Global transfer of critical capabilities](#)," Business Horizons, 1997

Khanna & Palepu, "[Emerging giants](#)," Harvard Business Review, 2006

Written Case: Jollibee Foods

5. Confronting culture (a): Navigating cultural divides

Javidan, Dorfman, Sully de Luque & House, "[In the eye of the beholder: Cross cultural lessons in leadership from Project GLOBE](#)," Academy of Management Perspectives, 2006

Group Presentation A: Cross-cultural Training

6. Confronting culture (b): HR practices in global firms

Bartlett & Ghoshal, "[What is a global manager?](#)" Harvard Business Review, 1992

Written Case: Toivonen Paper in the US

7. Market entry (a): Timing and "mode" of entry

Suarez & Lanzolla, "[The half truth of first-mover advantage](#)," Harvard Business Review, 2005

[Teece, "[Transactions cost economics and the multinational enterprise: An assessment](#)," Journal of Economic Behavior and Organization, 1986]

8. Market entry (b)

Group Presentation B: Shanghai Volkswagen & Shanghai General Motors**

9. Boundaries of the multinational firm: BPO and beyond

Brouthers, Brouthers & Wilkinson, "[Strategic alliances: choose your partners](#)," Long Range Planning, 1995

Couto, et al, "[The globalization of white collar work](#)" Booz Allen Hamilton, 2007

[Campbell & Reuer, "[International alliance negotiations: Legal issues for general managers](#)," Business Horizons, 2001]

Written Case: Tracmail

10. Non-market strategy (a): Understanding stakeholder needs in international markets

Martin, "[The virtue matrix: calculating the return on corporate responsibility](#)," Harvard Business Review, 2002

Baron, "[Integrating market and non-market strategies](#)," California Management Review, 1995

[Donaldson & Dunfee, "[When ethics travel: The promise and peril of global business ethics](#)," California Management Review, 1999]

Written Case: Genzyme's CSR Dilemma: How to play its HAND

11. Non-market strategy (b): Global corporate social responsibility

Spar & La Mure, "[The power of activism: Assessing the impact of NGOs on global business](#)," California Management Review, 2003

Keys, et al, "[Making the most of corporate social responsibility](#)" McKinsey Quarterly, Dec. 2009 (Click on this link for free registration to access the article from McKinsey Quarterly)

- Rotman students are eligible for free access to the Premium Edition of McKinsey Quarterly by clicking on the following link:

<http://www.mckinseyquarterly.com/links/14484>

Group Presentation C: Profiles in non-market strategy

12. Final project(a): Evaluating an international joint venture

Final Case: Caterpillar-Mitsubishi

Note that there is no class meeting on November 30; write-up due, 11:59pm.

13. Final project (b): Renegotiating an international joint venture

The negotiation simulation takes place during a special session on Saturday December 4 (9:15am – 2:00pm).