AEM 4940. SPECIAL TOPICS IN APPLIED ECONOMICS AND MANAGEMENT: GLOBAL BUSINESS STRATEGY
3 credits

May 27 -- June 16, 2015

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Course Objectives

In today’s increasingly globalized and interconnected world, international transactions as part of business are the norm. Even purely domestic firms have to deal with international issues, be it in the form of imported supplies or foreign competitors. In addition, more and more companies are going abroad to pursue their major business objectives. How can they take advantage of the global marketplace and create economic value through their multimarket activities?

This course has three integrated objectives:

-- First, to give you a basic grounding in global business, so that you can become capable of understanding and analyzing events and trends in the global business environment and their impact on managerial decision making;

-- Second, to help you understand the analytical frameworks on strategy formulation and implementation in an international context;

-- And third, through a series of concrete case discussions and a local product internationalization project, the course aims at developing your practical skills in applying the tools of global strategic analysis in concrete business situations. Its ultimate goal is to help you become better prepared to serve in and lead business organizations in today’s globalized world.

Course Resources

A Reading Packet will be available for purchase at the campus store on Monday, December 22nd. If you are on campus, you can go to the campus store and buy a copy of the reading packet. If you have already left Ithaca, you can call the Book Information
Desk (607-255-2933) and order your reading packet. The store will ship it out to you at a designated address for a small shipping fee.

**Additional Readings**: will be posted on **Blackboard**.

**Lecture Notes**: Will appear on Blackboard at 2 am for each day when the class will hold sessions.

**Videos**: There will be a web link provided in either the syllabus or the lecture notes.

**Business Journals**: Review of international business news on a regular basis is highly recommended for this course – it will greatly enhance your understanding of the major international business concepts that will be discussed in class. Journals to consider are *The Wall Street Journal*, *The Economist*, *The Financial Times*, *Bloomberg BusinessWeek*, and *Fortune*.

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**Pedagogy and Distance Learning Organization of the Course**

1. **Lectures**. The course’s core conceptual material will be introduced through lectures and relevant articles. Many of the lecture examples will be pulled from current events and developments in the global business environment – regular reading of *The Wall Street Journal*, *The Economist*, *Bloomberg BusinessWeek*, *Financial Times* and other sources of business news is recommended.

   Each day of the week, Monday through Friday, there will be a PPT lecture for the day posted on Blackboard at around 2 am. The lecture notes are below each slide. You have to download the lecture from Blackboard to your computer and study it. Each lecture will consist of approximately 30 slides.

2. **Assigned Readings**. In addition to the lecture notes for the day, you have to study the assigned readings for the day. They are listed in the syllabus after each class session. You can find them on Blackboard, in the Course Documents folder, as well as in a Reading Packet which is available for purchase from Cornell’s Campus Store.

3. **Discussion Board**. Once you have read the lecture notes and the assigned materials for the day, you can raise questions or come up with comments related to the topics under discussion. We will open a discussion board on Blackboard for each class session.

   Will you need to be on Blackboard/online for a specific time of the day, in order to participate in group discussions? The answer is No. Overall, the course has a flexible schedule - you are not required to be at your computer at a certain time of the day for class discussions; you can access your email at a time that is convenient for you; and you can download the lecture notes and do the readings any time of the day or night.

4. **Fulfilling the Course Requirements**. Finally, you have to fulfill the course requirements which are listed below.

   Appendix 1 to this Syllabus provides additional useful information about the basics of online learning and how to become a successful online learner.
Course Requirements and Grading Policy

Upon successful completion of the course, you will receive 3 semester hours of respective credit. Your grade will be based on your performance on the following items: (a) participation in class discussions over email (30 points); (b) two case write-ups (20% each, total 40%); and (c) a final internationalization project (30%).

(a) Participation in Class Discussions (30%)

As I wrote above, there will be a discussion of the material for each class session, through Blackboard. Each morning I will open the discussion of the respective topic for the day by outlining some key points and raising some key questions. I expect you to take part in the discussion by voicing your opinions and critical comments in regard to the covered material. You have the flexibility to reflect on the assigned material at a time that is convenient for you, throughout the day.

What counts as a post: (a) one answer to one discussion question (already posted on Blackboard by me or a student moderator); (b) one separate comment on the assigned readings that is unrelated to the posted discussion questions for the day (You can post your comments on anything that has interested you and attracted your attention after you have read the assigned readings for the day); or (c) a comment - analysis of how a recently published article in the media relates to the respective topic under discussion (attach the article to your post or provide a link to the article in your post).

You do not have to post on every discussion forum but you need at least 10 posts throughout the duration of the course in order to earn the 30 points from discussion participation. Having less than 10 posts will reduce your class participation points accordingly. This quantitative criterion is based on the understanding that your posts are of high quality.

Timing of postings for a discussion forum: you can post any time of the day but there is a deadline – the forums will be closed for postings at midnight of the day when we have the discussion. So look at the syllabus and the Discussions folder on Blackboard to figure out what class discussion is listed for each day, and decide in advance how you would like to distribute your posts throughout the duration of the class.

Bonus points. You can earn 5 bonus points toward your final grade if you volunteer to be a moderator of a discussion forum – that is, to post discussion questions as a general orientation for the students, and to summarize and analyze their postings after the discussion ends at midnight.

Length of your discussion posts. Try to be efficient and say as much as you could within a paragraph (half a page at the most) per post.

Appendix 2 provides basic netiquette guidelines on how to write and receive communications in an online course.

(b) Case Write-Ups (40%)

You have to write two essays on any two of the following five cases that will be discussed in class: Intel’s Site Selection Decision in Latin America (June 1); Trouble in
Paradise (June 3); Starbucks and Conservation International (June 5); The Shakedown (June 8); and Burma Pipeline (June 9).

Each write-up should be an answer to the respective discussion questions for the case (they are listed in the Syllabus). Please answer separately each of the discussion questions and create a clear structure of your write-up – that is, identify your answers to each question by using subheadings (for example: Question 1 - Answer; Question 2 - Answer; etc.).

Length: Up to 1,300 words. Less words is not bad; I will be evaluating the quality of your logical thinking and critical assessment of the case, not the quantity of words with which you express yourself. In any case you have to assume that quantity and quality are often interdependent. With more space/words you can increase the general quality of your answer by bringing additional relevant evidence/data in support of your argumentation.

Formatting: Use any easily readable font and margins of your liking. Please save your essay as a Word document and send it to me by email.

Your essays are due by 11 pm on the day before the respective case will be discussed in class. Please send them to me by email.

(c) Final Paper - Internationalization Project (30%)

You will have the unique opportunity to gain first-hand practical experience with international business by working on a local product internationalization project under the guidance of participating local companies. The class will be divided into 3-4 groups, depending on the final class size. Your task as a group is to identify a suitable international market/country for an assigned local product (Salamida’s spiedie sauce, Raymond Corporation’s automated lift truck, or a Stakmore Co. folding chair), and propose a relevant plan (strategy) for bringing the assigned product to the selected international market/country. Information about the companies – including presentations of their CEOs – will be available on Blackboard. You will also be able to address directly the corporate executives by email with any more specific questions.

Note: You can accomplish this project as an individual assignment, if for some reason you prefer to work on your own.

The Final Executive Report that you have to submit should, first, identify the most important factors in the selected country’s business environment, as sources of international expansion opportunities and risks for our local company. Second, based on this analysis, each group would propose to the management of the local company a relevant strategy – that is, exporting, licensing, franchising or direct foreign investment – for entering the selected country’s market.

Formatting. The standard for the paper is as follows: 12-point Times New Roman font, 1-inch margin, double-spaced, page-numbered, maximum 10 pages in length, and saved as a Word document. References and any exhibits/appendices you deem necessary do not count against this limit.

Appendix 3 provides more detailed guidelines on your final internationalization projects and executive reports.

Your final Executive Report is due on January 15th Friday by 8 pm ET. Please send it to me by email.
Detailed Class Schedule

May 27, Wednesday
(1) Globalization of Markets and Internationalization of the Firm
Readings:

May 28, Thursday
(2) Global Governance and Regulation of Corporate Behavior
Readings:
UN-ILO. Corporate Codes of Conduct and Labor Standards (Blackboard).
Supporting materials on the World Bank; International Monetary Fund; World Trade Organization (Blackboard).

May 29, Friday
(3) Regional Economic Integration
Readings:

May 30, Saturday
(4) Strategy and Organization in the International Firm
Readings:

June 1, Monday
(5) Expanding Abroad: National Sources of Competitive Advantage and the Changing Global Mosaic
Readings:
Overview:
Intel has decided to locate its next assembly and testing plant in Latin America. Four countries have made the short list: Brazil, Chile, Mexico, and Costa Rica. The
Telford, International Site Selection Analyst for Intel, needs to recommend a final site. There are two key issues that must be resolved first: (1) what kind of national business environment is most suitable to Intel's comparative strengths and weaknesses; and (2) how can Intel leverage its competitive advantages most effectively. The case illustrates the advantages for a high-technology company such as Intel, with its strong need to operate in a country with stable, predictable rules of business, and to invest in a fully consolidated democracy.

Discussion Questions:
(1) Why did Intel decide to invest in Latin America?
(2) What were the criteria influencing Intel managers’ site selection decision?
(3) If you were part of the selection team, which of the four shortlisted Latin American countries (Brazil, Mexico, Costa Rica, and Chile) would you recommend for locating Intel’s assembly plant? Please motivate your selection.

June 2, Tuesday
(6) Global Market Opportunity Assessment
Readings:

June 3, Wednesday
(7) Entry Strategies. Making Strategic Alliances Work
Readings:

Discussion Questions:
(1) Is the joint venture Zhong-Lian Knitting Company Limited between the U.S. apparel company Heartland Spindle and the Chinese manufacturer Suzhou First Textile Company beneficial to both companies?
(2) What dilemma does Mike Graves, general manager of the joint venture, face?
(3) What are the four experts’ commentaries on Mike’s dilemma? Which recommendation for approaching the dilemma are you in favor of? Why?

June 4, Thursday
(8) Assessing and Managing Risk in Global Organizations
Readings:
June 5, Friday

(9) Global Trade and Justice

Readings:

Case: Starbucks and Conservation International (Reading Packet).

Discussion Questions:

(1) In your view, is Starbucks profiting at the expense of poverty-stricken coffee farmers in developing countries? While undeniably benefiting from cheap beans, Starbucks portrays itself as a responsible global citizen. Do you agree with this portrait?
(2) What is the rationale for Starbucks’s collaboration with Conservation International on the Chiapas coffee project in Mexico?
(3) What are the key success factors to the Starbucks – Conservation International partnership?
(4) What would you recommend to Starbucks regarding the future of its relationship with Conservation International? What might you change?
(5) How does Starbucks’s relationship with Conservation International compare to that of its relationship with the Fair Trade Movement organizations Global Exchange/TransFair? In that regard, do the criticisms against Starbucks make sense to you?

June 8, Monday

(10) Dealing with Corruption

Readings:

Materials on the Foreign Corrupt Practices Act (Blackboard).


Case: The Shakedown, by Phil Bodrock (Reading Packet).

Discussion Questions:

1. Why are the tax officials “picking” on Customer Strategy Solutions?
2. Should the company have paid to Mylofienko – as it did – for the installation of the phone lines? Had they or had they not bribed Mylofienko?
3. In your view, how should Customer Strategy Solutions respond to the extortion request: pay off the tax officials in Kiev and stay; do not pay and stay; or do not pay and leave Ukraine?

June 9, Tuesday

(11) Global Labor Standards and Human Rights

Readings:


Discussion Questions:

(1) Are companies in a position to change the work conditions in their supplier’s factory and bring them up to their own standards of labor practices? Please explain why Yes or why Not.
(2) What strategies would you suggest to such companies for resolving work condition issues in their suppliers? Please motivate your answer by explaining why you think a particular strategy would be beneficial.

(3) Should a new global regulatory system be developed to control labor conditions in less developed countries?

Case: The Burma Pipeline (Reading Packet).

Discussion Questions:
1. What were the concrete risks associated with the launching of the Yadana project in Myanmar? How did Unocal and Total manage them?
2. Consider the company’s options for response: withdraw from the project; ignore the critics; or manage the situation. Which one would you favor, and for what reasons?
3. Is it possible for a foreign investor to isolate itself from the political environment of a host country? If not, how could a foreign investor manage its dependence on the local political environment?

June 10, Wednesday

(12) Strategic Community Engagement and Corporate Social Responsibility

Readings:
Geoffrey G. Jones. Multinationals as Engines of Growth. HBS case, July 2003 (Reading Packet).

June 11, Thursday


Readings:
“Introduction” (Reading Packet).
June 12, Friday
(14) Concluding Discussion: Key Success Factors for Global Business Management
Readings:

June 15, Monday
Final Executive Reports are due by 8 pm.
Appendix 1
Tips for Being a Successful Online Learner
http://teaching.uncc.edu/academic-technologies/moodle-2/students/tips-being-successful-online-learner

Online learning requires commitment from the student. The student must complete all work on time and stay current with assignments. This reading will provide you with tips that will help you to succeed in the online environment.

(These are loose guidelines for online learning in general.)

Tips to Succeed in Online Learning

1. Be open minded and share experiences in the learning process. The online environment should be a place where a student is free to express themselves. The student has time to think carefully about what they want to share before responding.

2. Communicate through your writing. All communication is written, so it is very important that students are able to express their opinions in a written format.

3. Be disciplined and self-motivated. Students must be responsible and committed to keep up with the course workload. The instructor will not be able to tell if the student is having trouble if assignments are not completed on time.

4. Meet all time commitments and requirements for the course. On average, many students feel that online courses require more time and commitment than traditional learning environments.

5. Use critical thinking and decision making in your learning process. Students must be able to receive information and carefully consider all solutions before responding.

6. Think through ideas before responding. Your responses are vital to the learning efforts of the group as a whole. The input you carefully consider before responding will enlighten the learning environment.

7. Understand that high quality learning can take place in an online environment. Your input and participation are the key to your success. An online learner is expected to use technology correctly and communicate effectively in writing.

8. Set aside a place that provides a conducive study environment. Find a place that is well lit, well ventilated and a minimum number of distractions.

Advantages of Online Learning

1. Flexibility. Online students are able to learn and study at their own pace. Students have freedom to work on their schedule.

2. Interaction. Team learning is encouraged because online learning focuses on learner-centered instruction. Discussion forums and the sharing of diverse materials increase student interaction in the course.
3. **Technology.** Online learning teaches technology skills that will help students excel in the workforce.

4. **Team Learning.** Online learning facilitates team learning where individuals can work together online to complete activities.

**Pitfalls to Be Aware of in Online Learning**

1. **Isolation.** An online environment can sometimes feel more isolated than the traditional classroom setting. Students taking online courses do not always receive the same kind of social interaction that they would receive in a traditional classroom.

2. **Support.** Sometimes, instructors cannot provide the instantaneous feedback online that they could give in the classroom. It may be up to the student to take a more active role in seeking feedback from the instructor and fellow students in an online class. Also, students may encounter technical issues during the course, so it is important to contact the university help center when these situations arise.

3. **Technology Requirements.** Students must have access and knowledge of certain technology. Your computer system must meet minimum standards and have a high speed connection. A student must have access to a computer with an internet connection.

4. **Different facilities.** An online learner will not necessarily receive the same facilities as a student on a traditional campus, though an online equivalent may exist (e.g., online library course reserves).

- See more at: [http://teaching.uncc.edu/academic-technologies/moodle-2/students/tips-being-successful-online-learner#sthash.nOzlFPRG.dpuf](http://teaching.uncc.edu/academic-technologies/moodle-2/students/tips-being-successful-online-learner#sthash.nOzlFPRG.dpuf)
Appendix 2
Netiquette Guidelines
http://teaching.uncc.edu/academic-technologies/moodle-2/students/netiquette-guidelines

Remember: We are all humans. Computers give us the illusion that we are writing to a machine. Human beings react to email responses with human behaviors and we need to be sensitive to that.

Communication Guidelines for Sending & Receiving

Guidelines for Received Communications

1. Forgive other people’s mistakes. Most people have accidentally said something online that they regret, or sent an email message to everyone when it should have gone to one person. Accept apologies and move on.
2. Respect other people’s privacy. If someone contacts you outside the chat room or the listserv, consider those messages as private communications and do not share them with others. If someone, however, sends inappropriate messages, let your professor know immediately.

Guidelines for Sending Communications

1. Adhere to standards of behavior. Be polite, sincere, and respectful of others. Avoid gossiping about others online.
2. Make yourself look good online. Check spelling, re-read for grammatical errors, format emails for easy responses, avoid “flaming” and project an image of a good student. (NOTE: “Flaming,” means to send an angry, hostile or abusive electronic message.)
3. Help keep “flames” under control. Only use appropriate language online. If others “flame,” try to move readers away from those inappropriate comments.
4. Share expert knowledge. When appropriate, help other students understand the assignment and learn the content. Before you ask your professors questions, see if other students can ease your confusion.

Writing Emails for Easier Responses

Guidelines for Composing Email

1. Avoid using humor or use it sparingly. What seems funny to you may not seem funny to others. Also, jokes and sarcasm can be offensive, and witticisms can fall flat.
2. Customize wording according to the audience. Don’t use the same language when writing to professors as you would use with your peers. Use standard spelling, punctuation, complete sentences and black readable font on a white background for communications with professors. Also, include your name and the class you are taking.

3. Write short paragraphs. Short paragraphs aid readability and avoid the problem of too much text on the screen.

4. Write lines shorter than 70 characters. Shorter lines are easier to read on the screen (think of a newspaper column).

**Guidelines for Formatting Email**

1. Use headings to help the reader find and preview the information. Headings allow the reader to find specific information, get a “preview” of what you are discussing, and aid in comprehension and memory.

2. Write informative, descriptive subject lines to describe your message. For example: If you send a message to Automobiles’ Newsgroup, a subject like “66MG Midget for Sale: Oregon” is much more informative than “Car for Sale.”

3. Separate your paragraphs with blank lines. Avoid indenting paragraphs and be sure to leave blank space between paragraphs so the reader can skim the paragraphs quickly.

4. Make your questions clear. Avoid the common condition of writing a statement instead of the actual question. Be sure to ask the question you mean to ask in as specific, concrete terms as possible.

5. Use only upper and lower case. ALL CAPS are extremely difficult to read on the screen and on the page. In addition, ALL CAPS imply screaming – a practice you will want to avoid.

6. Preview your message by sending it to yourself before you send it to others. You may have been interrupted while composing or you may have done some editing that will cause your message not to make sense.

**Guidelines for Continuing Email Conversations**

1. Respond to email received within a reasonable time frame. “Reasonable” will depend upon the recipient’s expectations and the subject being discussed.

2. Trim back the old messages. Most email clients will keep copying older messages at the bottom of an email. Delete the older messages so as to keep your message size from getting too large and to keep your messages looking clean.

*Developed in part by Dr. Deborah S. Bosley, Director of University Writing Programs
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- See more at: [http://teaching.uncc.edu/academic-technologies/moodle-2/students/netiquette-guidelines#sthash.RYWezwq1.dpuf](http://teaching.uncc.edu/academic-technologies/moodle-2/students/netiquette-guidelines#sthash.RYWezwq1.dpuf)