Course Objectives

In an increasingly globalized and interconnected world, 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 provides the evidence, analytical concepts and models for understanding company performance in a global world. The ultimate goal of the course is to help you prepare for global leadership in the early 21st century by understanding the analytical frameworks on strategy formulation and implementation in an international context. Topics include identification and assessment of the cultural, economic, political and legal forces that shape the international business environment; the principles of global competition; motivations and models for international expansion; the pros and cons of forming global strategic alliances; and the principles of multinational strategy, among others. Through a series of concrete case discussions and a local product internationalization project, the course further aims to help you develop practical skills in applying the tools of global strategic analysis in concrete business situations.
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.

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) E-mail 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 for each class session through email.

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.

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 (10 points); (b) two case write-ups (25% each, total 50%); and (b) a final paper (40%).

(a) Participation in Class Discussions (10%)

As I wrote above, there will be a discussion of the material for each class session, through email. 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.

(b) Case Write-Ups (50%)

You have to write two essays of up to 1,300 words each on the following cases that will be discussed in class: Intel’s Site Selection Decision in Latin America (December 31) and The Shakedown (January 7).

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

(c) Final Paper - Internationalization Project (40%)

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. I will also provide detailed guidance on how to do research for the project, once the class starts. You will also be able to address directly the corporate executives by email with any more specific questions.

Note: If you prefer to do this project as an individual assignment rather than a group assignment, you would be able to do it.

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 or franchising or direct foreign investment – for entering the selected country’s market.

Format. 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.

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

Detailed Class Schedule

December 26, Friday
(1) Globalization of Markets and Internationalization of the Firm
Readings:

December 27, Saturday
(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).

December 29, Monday
(3) Regional Economic Integration
Readings:

December 30, Tuesday
(4) Strategy and Organization in the International Firm
Readings:

December 31, Wednesday
(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.

**January 1, Thursday**
Happy New Year 2015! No class session

**January 2, Friday**
(6) Global Market Opportunity Assessment

**Readings:**

**January 3, Saturday**
(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?


January 5, Monday
(8) Assessing and Managing Risk in Global Organizations
Readings:
Case: Financing the Mozal Project (Reading Packet).
Discussion Questions:
1. Who are the Mozal Project’s partners?
2. What types of risk is the Project facing in Mozambique?
3. How are the Project partners managing these risks?
4. In your opinion, what are the three key factors for the success of the Mozal Project?

January 6, Tuesday
(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 Starbuck’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 Starbuck’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?

January 7, Wednesday
(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?
Case: NES China: Business Ethics (A) (Reading Packet).

Discussion Questions
(1) Should NES China give “gifts” to government officials to facilitate the approval process for the establishment of a holding company in Beijing, to coordinate its investment in China?
(2) Consider Chen’s views vs. the German team’s views: would gift-giving to Chinese government officials be unlawful? Would it be immoral?

January 8, Thursday

(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?

January 9, Friday

(12) Strategic Community Engagement and Corporate Social Responsibility

Readings:
Geoffrey G. Jones. Multinationals as Engines of Growth. HBS case, July 2003 (Reading Packet).
January 12, Monday  

Readings:  

January 13, Wednesday  
(14) Concluding Discussion: Key Success Factors for Global Business Management

Readings:  

January 15, Friday  
Final Executive Reports are due by 8 pm.