

**D'AMORE-McKIM SCHOOL OF BUSINESS****INTB 3320 – Fall 2022****INTERNATIONAL BUSINESS MANAGEMENT & ENVIRONMENT****Class: Tuesday and Friday (TF) 9:50- 11:30****Location: Dodge Hall 370**

Professor Ruth V. Aguilera  
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**PURPOSE OF THE COURSE**

The course provides students with a clear conceptual understanding of:

- The fundamental economic, financial, and political factors affecting the international expansion of the firm as distinct from purely domestic factors.
- The persistence of deep and momentous cross-national differences in the world that affect the strategy, performance, and value of the multinational firm.
- The optimal sequence, speed, and mode of international expansion depending on the characteristics of the industry, the firm, and the host country.
- The models for organizing and managing a multinational network of subsidiaries, including how to coordinate and to transfer useful knowledge across borders.

The course intends to demonstrate that decisions affecting the international expansion of the firm are neither obvious nor totally determined by the technological or economic forces generally associated with globalization. I seek to illustrate with theoretical articles and detailed case studies that the internationalization of the firm is a sequential decision-making process operating at the country, industry, corporate, business, and subsidiary levels of analysis. Firms manage knowledge accumulation and transfer as they grow international through a mixture of planning and trial-and-error. I would like students to experience in the classroom the most transcendental decisions that multinational firms face in the course of conducting business across borders, and particularly in emerging markets. The course is unique in that it presents and explains the unexpected ways in which international competition unfolds over time and across countries.

Course takeaways:

- A set of conceptual tools to navigate through the often contradictory and ambiguous mass of information about how international competition takes place.
- An appreciation of the differences between multidomestic and global industries.
- A set of criteria for evaluating exactly which global strategy will help enhance the firm's long-term profitability and value.
- A clear understanding of how to measure and interpret the effects of economic, cultural, financial, political, and social factors on international management decisions.

**Dr. Ruth V. Aguilera** [www.ruthaguilera.com](http://www.ruthaguilera.com)

Ruth V. Aguilera is a Distinguished Full Professor and the Darla and Frederick Brodsky Trustee Professor in Global Business at International Business and Strategy at the D'Amore-McKim School of Business at Northeastern University and a Visiting Professor at ESADE Business School. She returns from an academic year as a Visiting Professor at the Department of Strategy and Policy at National University of Singapore Business School. She started her academic career at the College of Business at the University of Illinois at Urbana-Champaign, and also taught Responsibility in Global Management to MBAs at the Wharton School of Business. Prof. Aguilera was listed among the *World's Most Influential Scientific Minds* in Economics and Business, by Thomson Reuters in 2014 and has received multiple teaching awards. She is also a prolific and avid researcher in international corporate governance.

Prof. Aguilera received her Bachelors' and Masters' degree in Economics from the College of Economics at the Universitat de Barcelona (Spain), did additional graduate work in Business Analysis at the Management School in Lancaster University (England), and did a Master and Ph.D. in Organizational Sociology at Harvard University. Prof. Aguilera has spent considerable time conducting international business research at the Wissenschaftszentrum Berlin für Sozialforschung (WZB to) in Berlin, Università Luigi Bocconi in Milan, Instituto Juan March in Madrid, at the Research Institute of Economy, Trade and Industry (RIETI-MITI) in Tokyo, Sogang University in Seoul, and at ESADE Business School.

Her research interests lie at the intersection of economic sociology and international management, and include comparative corporate governance and global strategy. She has co-edited a book with Prof. Federowicz that compares Eastern and Western European corporate governance systems entitled *Corporate Governance in a Changing Economic and Political Environment*. (Palgrave MacMillan). Prof. Aguilera has also published extensively in academic journals such as *Academy of Management Annals*, *Academy of Management Journal*, *Academy of Management Perspectives*, *Academy of Management Review*, *British Journal of Management*, *Corporate Governance: An International Review*, *Journal of International Business Studies*, *Journal of Organizational Behavior*, *Management International Review*, *Organization Science*, *Organization Studies*, *Strategic Management Journal*, and numerous book chapters on different research issues surrounding corporate governance across countries and global strategy. She is widely cited by google scholar and a world reference in international corporate governance.

She is a Senior Editor of *Organization Science*, an Associate Editor at the top corporate governance journal, *Corporate Governance: An International Review*, a Consulting Editor at the *Journal of International Business Studies*, and a member of the Editorial Boards of seven top tier scholarly journals. She also serves on the board of IMDEA, IMPACT, Strategic Management Society, International Corporate Governance Society, and Sorrell Corporation.

At the University of Illinois, ESADE and more recently at Wharton Business School, Prof. Aguilera has taught courses in International Management, Global Strategy, International Corporate Governance and Responsibility in Global Management to a wide variety of students: undergraduates, MBA, and Global Executive programs. In addition, she teaches a course in Comparative Employment Systems to Masters in Human Resources Management, a doctoral seminar on Corporate Governance and Capitalism, and executive education courses at the Instituto de Empresa (Madrid), Archer Daniels Midland (Danville) and to several Chinese state-owned banks.

Before Prof. Aguilera joined academia, she founded and managed a technical translation firm in Barcelona (Spain) that was acquired by IBM. She also works as a consultant in the area of family business and corporate governance, for example re-designing the stock options plan of Telefónica, S.A. She is married to John Dencker (also a Professor at Northeastern) and together they have three teenage kids, Adam, Anna and Julia. Ruth enjoys travelling, running, playing tennis, cooking and hanging out with her family and friends, and spending time in her native Spain.

**COURSE MATERIALS – IN DOUBT ALWAYS CHECK CANVAS . It has the most updated information**

You will need to purchase the cases from this link at HBS.

<https://hbsp.harvard.edu/import/977140> (\$25.50.00)

The rest of the readings are listed in the syllabus and posted in CANVAS (🖥️).

**WARNING:** This course has a fair amount of readings, student presentations, and case preparation. It demands quite a bit of time for individual and team preparation.

CANVAS is our most up to date reading depository. Please check it regularly and also pay attention to my announcements

*\* Note: I reserve the right and I will be assigning additional required readings or audio/video materials throughout the semester.*

**EVALUATION OF COURSE PERFORMANCE**

The final grade for INTB 3320 will include the following components:

Assessment	Due Date (2022)	Points
Contribution to in-class participation	---	25
Including, weekly Participation (Webcam on, Pop Quizzes, Class assignments)		
Week 2 Presentation	Upload on Sept 15 by 8pm	5
Global Business Leader Assignment (Team)	October 6 <sup>th</sup> Midnight Kuala Lumpur time	10
One In-Class Presentation (Team)		10
Two Individual Case Write-up (10 + 10)	Sept 26 and Oct 27	20
Public Seminar Reflection Essay	CEM ideally! Dec 7 <sup>th</sup>	5
Final Global Strategy Exam	Dec 7 <sup>th</sup>	25
<b>TOTAL</b>		<b>100</b>

## COURSE POLICIES

### Background Information Sheet –

Please turn in the Background Information Sheet in Assignment folder in Canvas. Turning the Background Information Sheet on time will ensure that I get to know you as soon as possible and will be able to give you participation credit for the first class. I will use this information to make the global teams.

### Class Preparation and Contribution to In-Class Discussions

Class discussion is a critical ingredient in your learning for this course, for which we all bear collective responsibility. Class participation provides an opportunity to develop oral communication skills, to present your ideas concisely and persuasively, and to respond effectively to the comments of others. While I will lead class discussions, I do not intend to subject you to 90 minutes of intense lecturing each week, but rather encourage you to offer insights and thoughts on the material assigned. To prepare the cases, please make sure you cover the case questions listed below for each week.

Most issues, cases and problems do not have one “right” answer, though some answers are more correct than others. Consequently, being “right” or “wrong” should not be your concern when participating. **I am interested in your point of view** and, if the consensus differs from your viewpoint, that in no way diminishes the value of your comments. Critically listen to the arguments of your fellow students and if you disagree, speak and explain how and why your viewpoint differs. In general, I will assess class participation based on the *quality* of your contributions in class, and the professionalism of your conduct (attendance, punctuality, preparedness, and showing respect to all section members and their class contributions). The quality and frequency of contributions depend on a number of issues, such as one’s ability to draw on course materials productively, to advance or sharpen in-class discussion and debate, and to use logic, precision, and evidence in making arguments. Therefore, speaking too much without adding value will be as detrimental to your grade as not speaking at all, and behaving in a disruptive manner will be most detrimental to your grade.

***Please do not confuse attendance with participation.*** While on-time attendance, punctuality and preparation are important, active participation in the class discussion is evaluated separately.

I will assess each student’s contribution in each class session on a **three-point scale**. One point will be awarded for attendance and minor contribution. A total of two points will be awarded for a meaningful contribution that helps fellow students learn from the class. Full points (three points) will be awarded for an exceptional contribution that moves the discussion forward in a particularly insightful way. Students who miss class without a valid excuse or behave in a disruptive way will receive “zero” points.

In an effort to provide a classroom environment as conducive to learning as possible, the following ground rules should be observed:

1. *Confidentiality*. Concepts and ideas can be taken from class and discussed freely. However, personal stories or issues raised by individuals are confidential and the property of the class.
2. *Respectful Listening*. When differing with another participant's point of view, listen first before raising questions. When another participant raises a point you disagree with or find offensive, it is important to remember that the human being behind that question or comment deserves respect.
3. *Inclusive Sharing*. Participants who know they tend to be quieter are encouraged to push themselves to contribute. I will try to help. Those who are aware they are prone to monopolizing discussions are encouraged to self-monitor their behavior and make room for quieter students.
4. *Professional and Polite Engagement*. In keeping with the notion of respectful listening, "putting-down" others in class is discouraged. Putting down another person often serves to discourage open and honest exchange of ideas among the whole group. We are working towards being high-functioning professionals who are able to disagree open and honestly, but with respect.

Given the importance of discussion to your learning and final grade, attendance will be critical for your success in this course. Missing class without a valid excuse will have a negative effect on your grade. If you have concerns about your ability to participate during class discussions, or are unaccustomed to participating in class, **please contact me immediately**. I can help you to improve your ability to participate, but only if you contact me **early** in the course for assistance.

*Having said this, things happen! So, you are allowed to skip one session without penalty, but I still would appreciate if you notify me in advance. Save that session for when you need it!*

### **Global Business Leader Assignment (Team)**

For this assignment, your team will be asked to identify someone with experience doing business in a foreign country, interview that person, and then write up an essay reflecting on what you see to be the main lessons you have learned. During the second week of class, you will be asked to choose a global strategy theme of interest to you and your group and read a set of articles from the news relating to that theme. Armed with this knowledge, you will then prepare a questionnaire for your interview. Your submitted essay should also include the interview questions at the end as an Appendix. We will discuss this assignment in greater detail both on the first day and again during the second week.

### **In Class Weekly Mini-Quizzes**

There will be weekly quizzes at the beginning of every session on the readings, cases, and students' presentations. These quizzes will count towards your participation grade.

This class will capitalize on how easy it is to do quizzes and polls in an online setting. These will sometimes come at the start of class, sometime in the middle sometime in the end, and sometime

a combination of these. They will be very short and aim to incentivize and reward diligent reading and diligent engagement in class. They will also aim to help prepare students for tests.

**Quizzes** will test your retention of information from recent readings, lectures, and/or discussions. As such, they will be graded based on whether answers are correct or not. However, students should keep in mind how low an impact each individual question has on their overall grade and therefore not obsess over each one. While bargaining over the correctness of an answer is highly discouraged, substantive discussion aimed at deeper comprehension is very much encouraged.

Separate from graded quizzes, there will also be **polls** (what Canvas categorizes as "Graded Surveys"). These will involve gathering information from students or sometimes testing knowledge like with a quiz but just even lower stakes. Even when testing knowledge, answers will not be graded as right or wrong, but they will still contribute to your In-Class Mini Quizzes grades based on just a Completed v. Not Completed basis. I will always be very clear on whether we are doing a poll or a quiz

### **Two Case Write ups: Questions posted in Canvas**

This is a two-page single spaced case write-up answering the case questions posted in Canvas and using the tools/frameworks that go with that particular case. The integration of tools with the case is critical as well as your insights as opposed to a summary of the case. It is due on the day before we discuss it in class (ideally around 5pm, but later ok).

The two case write up will be:

= Nippon Steel Corporation—due Sept 26th at 5pm in canvas

= Haier, Due Oct 27<sup>th</sup> at 5pm in canvas

Here are some important guidelines for your written case analysis:

- (1) You should not conduct outside research for the case analysis. In fact, you should pretend that you are facing exactly the same situation and information presented in the case.
- (2) Think of your case analysis as a consulting assignment that you are performing for the case firm. Thus, your audience for the case analysis is your client (an executive in the case firm) and your analysis should take the form of an executive briefing. Think about who your client is and what he/she would like to see in your report. The analysis must be written in a professional manner. If you need help with writing, please use the campus-writing center.
- (3) Minimize summarizing the case unless the question specifically asks for it. The audience (your client) is very familiar with the situation and requires further analysis that goes beyond the information presented in the case. Plus, you only have 2 pages max and need to be concise.
- (4) Focus and organize your analysis. Look for frameworks from the readings or class that help you organize and present your analysis.
- (5) As you will hear me stress repeatedly in class, you should explicitly identify and acknowledge key tradeoffs, wherever possible. If an issue seems too obvious to you, perhaps it is either not important or you are overlooking a key component.

## **Presentations**

I will assign each Global team either a report/topic to present to your classmates on Tuesday or an update of the case industry from the Global perspective on Friday. They should be around 15-20 min long and they will be delivered at the beginning of class on Tuesdays and at the end on Fridays.

The first draft of the Presentations are due to Prof. Aguilera via email on Thursday the week before for Tuesday Presentations, and on Tuesday for Friday presentations. I will provide feedback via email or before/after class for you to incorporate ... and then the final draft is due 24 hours prior to going on the air. You need to allow sufficient time in your schedule to incorporate my feedback, otherwise please plan to send it earlier. No team will be allowed to present unless they have fully cleared the presentation by me.

Presentations will be graded on both content and delivery. Not all team members are required to present every time, but you all have to present in one of the two team presentations.

## **Global Team Peer Group Evaluation**

All members of the team are expected to participate equally in the global executive project, team case discussions, in-class group activities that count toward class participation, and class presentation. It is primarily your responsibility to eliminate free-riding since I have no way to know disputes within a team.

At the end of the semester as part of the final case write-up, each team member will have the opportunity to evaluate in a confidential manner the contribution of all team members. Confidential team peer evaluations are the degree to which a team member contributes his or her fair share to the team effort. These evaluations should be made on the following scale: Distinguished; Outstanding; Good; Needs Improvement; Unsatisfactory. Plus or minus can be attached to each grade. As a rater, you must take your rating seriously. If you rate a person in one of the extreme categories (i.e., Distinguished or Unsatisfactory), you need to write a paragraph saying why you did so. Further, if any group member is not measuring up to par, other group members should give feedback to that individual throughout the semester so that a poor final grade will not be a surprise.

All members of the team will receive the same grade for all parts of the project, except in such instances, as there is evidence from the confidential peer evaluations that a certain individual or individuals have not contributed equally to the project. In such cases, the instructor will use your comments to adjust grades up or down within a team.

## **Global strategy talk/seminar attendance and reflection**

Northeastern, schools in the Boston area, and local organizations hosts many talks and seminars where successful practitioners from the business world come to share lessons learned. This assignment asks that you select one such event, which involves a guest/topic with a clear global

strategy angle, attend that lecture and you write up a short essay reflecting on your main takeaways. Use the opportunity to show your abilities as a critical thinker and, if possible, reflect on potential relevance to your own future career. Maximum one page.

Please try to attend these two at the Center of Emerging Markets at DMSB:

## **OTHER THINGS YOU SHOULD BE AWARE OF**

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### **CODE OF PROFESSIONAL CONDUCT**

D'Amore-McKim School of Business is recognized for its VERY high-quality education. To that end, maintaining the caliber of classroom excellence requires students to adhere to the same behaviors that are expected in professional career environments. These include the following principles:

#### ***Discussion and Correspondence***

- Each student is encouraged to take an active part in class discussions and activities. Substantive dialogue requires a degree of mutual respect, willingness to listen, and tolerance of opposing points of view. Disagreement and the challenging of ideas must happen in a supportive and sensitive manner. Hostility and disrespectful behavior will not be tolerated.
- In both correspondence and the classroom, students should demonstrate respect in the way they address instructors. Students should use proper titles in addressing instructors unless there is an explicit understanding that the instructor accepts less formal address. Similarly, appropriate formatting in electronic communication, as well as timely responsiveness, are all expectations in every professional interaction, including with instructors. Everything said and written should demonstrate respect and goodwill.

#### ***Punctuality and Disruption***

- Class starts and ends promptly at the assigned periods. Students are expected to be in their seats or online (in virtual classrooms) and ready to begin class on time.

#### ***Technology***

- Sharing links to private online classes, attempting to join an online class that you are not enrolled in, or posting disruptive content during these sessions are strictly prohibited and may lead to disciplinary action.
- For more instructions on information technology resources at Northeastern University, please refer to the Acceptable Use Policy for Information Technology Resources

#### ***Misappropriating Intellectual Property***

- Almost all original work that is available to you is subject to claims of copyright by its creators or copyright holders. These copyright holders may include publishers, authors, professors, the University, DMSB, and in some cases, your fellow students. The



protected materials may include but are not limited to syllabi, recorded lectures, PowerPoint presentations, and other recorded, printed, or electronically stored media. These materials are only limited to completing the requirements of the class.

- Unauthorized use includes such things as copying, sharing, forwarding, selling, renting, online posting, publication, or any other form of distribution of these materials without the written permission of the copyright holder. Such misconduct may potentially subject you to disciplinary action by the University, significant civil penalties, and even severe criminal sanctions.
- For more instructions on copyright protections at Northeastern University.

The following lists some procedural items that are in your best individual interest and in the interest of the class as a whole. Please take this information into account. This will help make the course more worthwhile to all participants!

### Seating and Name Cards

In order to assess accurately the quality of your contribution to class discussions, it is essential that I know who you are *as soon as possible*. To facilitate this, in the second session, I will introduce you to your global team and seat with your team **in the same seat for the** remainder of the course or stay in close contact. We will do break out groups frequently. My Teaching Assistant will help me keep track of class participation.

Cell phones and related devices should be turned off at all times (please talk to me if you need an exception to this rule).

### No laptops or tablets open during class

In order to facilitate lively, in-class discussions and out of respect for each other, I will enforce this simple ground rule.

### Absence Policy

If you miss class, it is **YOUR RESPONSIBILITY** to find out from your classmates what was covered, and to obtain copies of any handouts and/or assignments. I would suggest to rely mostly on your team. Make-up exams will be given **only** if arranged well in advance, and if I believe that your situation warrants it. Please organize your time to allow for computers going down, busses running late, international phone calls, homework for other courses, need to attend yet another party, family obligations, broken alarm clocks, etc. You are more likely to gain my sympathy if you contact me as soon as possible to let me know about catastrophic or unexpected events, instead of just not showing up.

### Lateness and Courtesy

Arriving late or leaving early can be disruptive, particularly given the importance of student participation and in-class discussion in this course. Such behavior is also discourteous to the

class when it makes it necessary to repeat material. Therefore, please come to class on time, and, if you must arrive late or leave early for a particular session, please let me know in advance.

### Grades

Final letter grades are based on the following scale: A=95-100; A-=90-94; B+=87-89; B=84-86, B-=80-83; C+=77-79, D= 60-69, and F=0-59

For undergraduate courses at the 3000 level, the D'Amore-McKim School of Business expects an average 3.00 GPA to be maintain.

### Ethical Behavior

The instructor will not tolerate cheating or other breaches of ethical behavior. I do not wish to have to act on any unethical case. Nevertheless, it is in the best interest of the class that such offenses not to be allowed to interfere with the learning process. University provisions for the punishment of unethical behavior are such that a guilty student may fail the course, be brought before the Disciplinary Committee, or be expelled.

**Enrollment in this course indicates you have read and accepted the terms of this course outline.**

**COURSE OUTLINE (Fall 2022)**

**Week 1** (Sept 9): Class Presentation and Introductions

**Week 2** (Sept 13/16): “Exploring Global Strategy”

**Friday 9/16: Team Mini-Presentations**

**Week 3** (Sept 20/23): “Home Country and International Competitive Advantage”

Case: Indian IT Services

**Week 4** (Sept 27): “From International to Global: Managing the Transition”

Case: Nippon Steel --- **CASE WRITE UP DUE on 9/26**

START: Experiential Learning: Global Business Leader Project

**Week 5** (Oct 4/7): Experiential Learning. Meeting a Global Business Leader

**TEAM PROJECT (ESSAY) DUE on October 6<sup>th</sup>: Midnight Kuala Lumpur time**

Oct 7<sup>th</sup>: Guest Speaker: Raphael Lewis, Head of the Specialist Research group at Newton Investment Management

**Week 6** (Oct 11/14): “Organizational Design Choices for Global Firms”

Case: Telefónica, S.A.

**Week 7** (Oct 18/21): “Controlling and Coordinating Multinationals”

Case: Lundbeck

**Week 8** (Oct 25/28): “Emerging Market MNCs I: Market Entry Strategies”

Case: Haier -- **CASE WRITE UP DUE on 10/27**

**Week 9** (Nov 1/Nov 4): “Corporate Governance around the World”

Case: Alibaba & International Corporate Governance

**Week 10** (Nov 8/11): Global Entrepreneurship and Ethics

Book: An Accidental Entrepreneur, Mr. Brodsky

**Week 11** (Nov 15/18): “Non-market Strategies and Multinational Firms”

Case: Hermitage

**Week 12** (Nov 25): HAPPY THANKSGIVING BREAK!

**Week 13** (Nov 29): Global Value Chain

Guest Speaker

Dec 7th: Final Take home Exam

## COURSE DETAILS

### 1. Introduction

[Sept 9]

### 2. Exploring Global Strategy

[Sept 13/16]


Friday 9/16: Team Mini-Presentations


Please post in canvas at least two hours before class!

### 3. Home Country and International Competitive Advantage

[September 20/23]

We study comparative and competitive advantage of nations and how nations must adapt to new competitive challenges. We will analyze why firms engage in globally dispersed operations, and what the advantages and disadvantages are. We will also look at the role of government and country environments in shaping the evolution of a global industry.

Readings: Porter, Michael "The Competitive Advantage of Nations," *Harvard Business Review* (March-April 1990), vol. 68, no. 2, pp. 73-93. 

Ghemawat, Pankaj "Distance Still Matters: The Hard Reality of Global Expansion" *Harvard Business Review* Sept. (2001), pp. 137-147. 

Case: *The Indian IT Services Industry*, 36 pages



WARNING: THIS IS A VERY LONG!

Questions:

1. India still faces significant competitive issues according to the *Global Competitiveness Report*. Why has the software industry performed much better than most other Indian industries in international competition?
2. How did the move to offshore development (from onsite work) affect the Indian software industry's competitive position?
3. How sustainable are India's advantages in IT services? In particular, given that Indian programmers' salaries have recently increased at 15% per year, versus 3% in the United States, for how many years will India continue to be an advantageous location from which to deliver offshore IT services?
4. What lessons does the Indian example afford for other emerging countries intent to building up their IT service sectors (and for companies in that sector)?

#### 4. From International to Global: Managing the Transition

[Sept 27]

How firms go from internationalizing to being global firms and when it is good for firms to take that step. How to manage growth? How to be prepared for recession?

Reading: Yip, G. (1989): "Global Strategy... In A World of Nations?" *Sloan Management Review*, vol 31, Issue 1, Fall, pp. 29-41. 📖 --will probably change this reading!

Case: Nippon Steel Corporation, 18 pages.

Questions:

1. Assess Nippon Steel Corporation (NSC) competitive position (strengths and weaknesses) within the steel industry worldwide in 2005 (before the acquisition of Arcelor by Mittal).
2. What factors are driving the globalization of the steel industry?
3. Why Shoji Muneoka wanted to globalize the company's strategy in 2008?
4. Should NSC expand its production capacity outside Japan? Where? Should it expand to middle/low market segments to secure customers for the increased production capacity abroad? Would this move hinder its positioning as a top quality steel manufacturer?
5. What are the organizational challenges faced by NSC to globalize its strategy and become a global company? What actions would you recommend to overcome them?

**CASE WRITE UP DUE ON Sept 26<sup>th</sup> @ 5pm**

#### 5. Experiential Learning. Meeting a Global Business Leader

[Sept 30 & Oct 4<sup>th</sup>]

Oct 7: Guest Speaker, Rafe Lewis


**Raphael Lewis** (Rafe) heads up the Specialist Research group at Newton Investment Management, which is the primary active asset management boutique of BNY Mellon. Specialist Research at Newton is comprised of: investigative investment research, thematic research, private markets research & investing, and forensic accounting & analysis. Rafe also heads up the investigative team, which he founded at the firm in 2014. In all, Rafe has been conducting company, sector, and macro analysis for investment professionals since 2007, when he joined a Boston hedge fund called North Run Capital.


## 6. Organizational Design Choices for Global Firms


[Oct 11 & 14]

Why coordinate operations across-borders? Different levers of Global Strategy. Global versus multi-domestic strategies.

Reading: Freek Vermeulen, Phanish Puranam & Ranjay Gulati “Change for Change’s sake”

Kumar, N. and Puranam, P. (2011): “Have You Restructured for Global Success?”, *Harvard Business Review*, vol. 89, issue 10, pp. 123-128. 

Optional: Hill, Ch. W. (2011): “The Organization of International Business “ (chapter 13), *International Business. Competing in the Global Marketplace* (6<sup>th</sup> edition). New York: McGraw-Hill/Irwin, pp. 439-468. 

Case: Telefónica: Building a Global Company (ESADE) 

Questions:

1. To what extent was TISA (Telefónica’s international division) an appropriate organizational structure to manage the initial stage of the company’s international expansion?
2. Telefónica changed its organizational structure in 2000. To what extent did the new structure by (global) lines of activity support Telefónica’s ambitions to become a “global player” in the telecom industry?
3. What were the reasons behind the adoption of a new organizational structure by geographic areas (Spain, Latin America and Europe) in 2006?
4. At the beginning of 2009 the process of globalization continues in the telecom industry. What challenges does Telefónica face in order to consolidate its position as one of the leading companies in its industry worldwide?



Tuesday Team presentation:

World Economic Forum (latest): *Global Competitiveness Report*. Lausanne: WEF

## 7. Controlling and Coordinating Multinationals

[October 18/21]

Multinationals are complex organizations that require coordination and control between the headquarters and the subsidiaries. We examine these potential tensions as well as the cultural barriers in receiving and exerting control.

Reading: Prahalad, C.K. and Yves L. Doz, “An Approach to Strategic Control in MNC,” *Sloan Management Review*, Vol. 22, n. 4, (Summer 1981), pp.5-13.   
 Birkinshaw, J. and Hood, N. (2001): “Unleash Innovation in Foreign Subsidiaries”, *Harvard Business Review*, March, pp. 131-137. 

Case: Lundbeck Korea: Managing an International Growth Engine (Ivey)

Questions:

1. What priorities do the local (Jun), regional (Rajar) and headquarters (Andersen) managers have? How do their backgrounds and positions in the company influence their concerns?
2. What type of organizational mentality did Lundbeck have in 2005? Did it reflect a good balance between global integration and local responsiveness for Lundbeck?
3. What is the value of having a regional division?
4. Should Andersen separate Lundbeck Korea from Lundbeck Asia?
5. Can you devise a win-win-win situation - one which meets Andersen’s needs and does not result in either Jun or Rajar leaving the company?



Tuesday Team presentation:

World Bank Report on *Doing Business Globally in a More Transparent World* [latest available].

## 8. Emerging Market MNCs I--Market Entry Strategies

[Oct 25 & 28]

In the last decades, we have witnessed the emergence of new MNCs from emerging markets using different strategies from conventional MNCs. These have become the Global Challengers according to Ghemawat.

Reading: Guillén, M. and García-Canal, E. (2009): “The American Model of the Multinational Firm and the “New” Multinationals From Emerging Economies”. *Academy of Management Perspectives*, May, pp. 23-35.   
 Khanna & Palepu (2006): “Emerging Giants. Building World-Class Companies in Developing Countries”, *Harvard Business Review*, October, pp. 60-69. 

Case: Haier: Taking a Chinese Company Global in 2011, 23 pages.

## Questions:

1. Why was Haier so successful in China?
2. Was Haier's decision to globalize into developed markets early on a good strategy?
3. Can Haier build on its success in niche products to become a dominant global brand in high-end white products?
4. Is Haier's "three thirds" strategy a viable or wise approach?
5. Looking ahead, what actions would you recommend to CEO Zhang Ruimin to strengthen Haier's leading position both in the Chinese and international markets?

**CASE WRITE UP DUE ON Oct 27<sup>th</sup> @ 5pm**

Tuesday Team presentation: Boston Consulting Group: *BCG Global Challengers. Companies on the Move. Rising Stars from Rapidly Developing Economies Are Reshaping Global Industries.* Boston, MA: The Boston Consulting Group. OR BRI

**9. Corporate Governance around the World**

[Nov 1 &amp; 4]

Corporate governance relates to the rights and responsibilities of different stakeholders within the firm. We will discuss the different models of corporate governance across countries and how these models influence how firms are organized, where firms invest, how they distribute their benefits, how they deal with internal and external tension, etc.

Reading: Aguilera, R.V., and Judge, W. *Who Will Guard the Guardians? International Corporate Governance.* Ivey.  
Jiang & Kim (2015) Corporate Governance in China, *Journal of Corporate Finance*

Case: Alibaba goes Public

## Questions:

1. What are the key factors behind Alibaba's success in China?
2. Do you think Alibaba made the right choice to list on the NYSE, rather than on the Hkex? Why do you think Shanghai SE was not a potential candidate for listing?
3. Why do you think investors on the NYSE were so enthusiastic about BABA's stock?
4. What challenges does Alibaba face as a public company? What advice would you give to Jack Ma and his team on these issues?



Tuesday Team Presentation: OECD Corporate Governance Report.

Team Presentation: UNCTAD. World Investment Report 2020 or 2017, "Investment and the Digital Economy". <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1782>  
Check with Professor Aguilera

## 10. Global Entrepreneurship and Ethics

[Nov 8<sup>th</sup>]

This session will explore how MNEs have ethical decisions to make that define their business and sometimes give them competitive advantage and others hurt them.

Reading: Brodsky, The Accidental Entrepreneur

Guest Speaker: Mr. Fred Brodsky

Optional Readings:


Donaldson "Values in Tension: Ethics Away from Home"

Barstow (2012) Wal-Mart Hushed up a Vast Mexican Bribery Case, NYT

Vogel (2005) "The Market for Virtue: The Potential and Limits of Corporate Social Responsibility." *California Management Review*. 47 (4): 19-45.

## 11. Non-market Strategies and Multinational Firms

[Nov 15/18]

Readings: Bach, D. and Allen, D. (2010): "What Every CEO Needs to Know About Nonmarket Strategy". *MIT Sloan Management Review*, Vol. 51, Issue 3, pp. 41-48. 

Case: The Hermitage Fund: Media and Corporate Governance in Russia (HBS)

Questions:

1. What are the various ways in which managers in Russia extract value out of their companies? Which of these methods seems to be peculiar to the Russian environment? Why do Russian firms have corporate governance problems?
2. What is Browder's strategy? How does it differ from traditional investing? Do you agree with Browder's contention that media attention limits corporate governance abuses (in Russia or elsewhere)? How does the media affect governance decisions?
3. Is this a non-market strategy?
4. As an investor in the Hermitage Fund, what would you like to see Bill Browder do in summer 2002. Should he refine or change his strategy?
5. Is Browder's strategy good for Hermitage Fund investors? For Russia?

Tuesday Team presentation: Transparency International. *Global Corruption Report. Corruption and the Private Sector*. Berlin: TI <http://www.transparency.org/publications/gcr>

## 12. HAPPY THANKSGIVING WEEK

[Nov 22, no class on Nov 25th]

Please attend a business-related research talk or seminar and upload a one single-space page summary in Canvas. This can be done during the entire semester and it is based on honor code.

\*\*\*\*\* **HAPPY THANKSGIVING** \*\*\*\*\*



## 13. Global Talent

[Nov 29<sup>th</sup>/Dec 2]

Reading: Adler, Nancy “Cross-cultural Transitions: Expatriate Employee Entry and Reentry,” in *International Dimensions of Organizational Behavior*, Cincinnati, OH: South-Western College Publishing, 1997 (3<sup>rd</sup> edition.), pp. 234-262. . 📖

Case: Catskill Roads (10 pages) 📖 (TBD)

Video: “A Portable Life,” Instructional Communications Center, McGill Univ.

Guest Speaker: Mr. Pedro Gomez Vera, CFO, Hutchison Ports Best

## Final Take home exam

[Dec. 7th]

Details will be posted in Canvas