



# INTB 6291

## Global Management

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International Business and Strategy

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### COURSE DESCRIPTION:

When you work in a multinational company you need to understand how to build and manage the company's competitive advantage that a domestic company is unable to replicate, and at the same time address specific challenges that emerge while operating in several countries. In this course we will discuss how managers of a multinational company build and sustain a competitive advantage across countries. The course builds on previous ideas and frameworks you have learned in your job and in courses on international business and strategy, and integrates them with new concepts and frameworks. You will have the opportunity to apply concepts, frameworks and factual knowledge gained in this and other courses and solve some of the important challenges that managers of multinational companies face.

The course is organized into two parts. In the first one, we study how the company can sell more abroad and benefit abroad from the competitive advantage it has developed at home. To do this, we first study how a manager identifies the advantage of the company in its home country and transfers it abroad. We then analyze how the manager identifies new customers in a foreign country, tackles incumbent competitors there, and deals with the demands of the local government abroad. In the second part, we study how the company can buy from abroad to build its competitive advantage. Thus, we study how the manager can help the multinational company access and benefit from the geographic, political and social advantages that other countries provide.

### COURSE MATERIALS:

This is an advanced course on international business and strategy. Since there are no textbooks that cover the topics we study, materials will be available from blackboard, online or distributed in class. Check blackboard periodically for new material.

### REQUIREMENTS:

**Class participation (30%).** To benefit from this course you need to prepare and actively participate in the discussions. Be prepared to present your ideas and explain the assumptions upon which you build your arguments. Quality rather than quantity of comments will get you a good grade. If you do not participate I may ask you to contribute. If you are unprepared you will get a grade penalty. On-time attendance is a requirement. Absences are only excused for jury duty, medical emergencies or religious reasons as defined by university guidelines. When you miss a class you need to send via e-mail a two-page (single-space, 1-inch margin, Times New Roman 11-point font) memorandum of the key ideas contained in the readings and discussed in the class by the next class; late submissions will get zero points. If you miss more than two classes you will get a grade penalty.

**Exam (30%).** We will have one short exam that will test basic knowledge of previous readings and class discussions.

**Report (40%): Building and defending the competitive advantage of the multinational company.** You will write a report analyzing and providing recommendations to managers of a multinational company on how to solve a challenge in one of the company's foreign operations. You will

take the role of consultants hired by the Board of Directors of a multinational company as advisors to the manager in charge of the operation. You have to identify the challenge, find relevant information and analyze it. Be aware that information will be dispersed across sources and exercise caution when assessing the reliability of the sources. The challenge has to be one that the firm is facing now or has faced in the last four years. Do not study companies for which cases are available from case providers like Ivey or HBS. Send me an email describing the company and challenge by the second meeting. If several people want to study the same company, the first person that informs me will be assigned the company.

The report has two parts. In the first part (ten single-spaced pages of text minimum) you explain in detail the challenge the manager has to solve. In the second part (five single-spaced pages of text minimum) you evaluate potential solutions that the manager can take, explain which solution is best, and provide a detailed plan of action. Your report should be clear and specific to the level at which a manager working in the company can implement your recommendations without having to undertake additional analyses. Be careful in acknowledging the sources of information in endnotes. Place all supporting material (tables, figures, statistics, photographs...) as exhibits at the end of the report; they do not count toward the page number. Use Ivey or HBS case studies as guidelines for the format.

The report will be graded on the quality and clarity of the information gathered and presented, and on the quality of the analysis and the strength of the arguments. Please take special care with the manner in which you write the report, including spelling, syntax, and grammar.

Send me the report via e-mail as one word document free of viruses. Title the email and attached document with your last name(s), and the name of the company and country (e.g., LeeSmith\_Huawei\_USA). The report will be run through turnitin.com to check for potential plagiarism. Plagiarized or late reports will get zero points.

## **LOGISTICS:**

**Electronics:** Only use your laptop/tablet for activities related to the course (e.g. note taking, data analysis...). If you use the computer for unrelated activities (e.g. email, social networking, web surfing, gaming...) you will get a grade penalty. Turn off your phone during class.

**Ethical behavior:** Behave ethically and follow Northeastern University's Honor Code and Code of Student Conduct (<http://www.northeastern.edu/osccr/codeofconduct/index.html>) and Academic Integrity Policy (see <http://www.northeastern.edu/osccr/academicintegrity/index.html#Code>).

**Class notes:** Class notes represent the intellectual property, either direct or borrowed, of faculty members. The unauthorized distribution or sale of class notes by students is prohibited.

**Re-grading policy:** If you want to dispute the grade assigned to a report or exam, you must do so via e-mail within 48 hours after the report or exam has been returned. You must include a specific rationale. "I think I deserve a better grade" is not a rationale.

**TRACE:** Completing the Teacher Rating and Course Evaluation is a requirement of the course.

**Extra credit assignments.** There are no extra credit assignments.

**Changes:** I reserve the right to make changes to this syllabus at any time during the semester.

## **CLASS SCHEDULE (readings and cases are subject to change):**

### **1. Sell abroad by leveraging competitive advantage**

Saturday February 23, 7:45-10:25. Identify and transfer competitive advantage to another country

#### Framework:

Cuervo-Cazurra, Maloney and Manrakhan. 2007. Causes of the difficulties in internationalization. Journal of International Business Studies

#### Case:

Hastings. 1999. Lincoln Electric's harsh lessons from international expansion. Harvard Business Review

What are the sources of competitive advantage of Lincoln Electric in the USA?

Why did Lincoln electric expand abroad?

How did it transfer its advantage abroad?

What difficulties did Lincoln face abroad?

#### Discussion:

Economist. 2011. The world economy: A game of catch-up

How are changes in the global economy affecting your company and what strategies can you create to benefit from them?

### Friday March 1, 10:40-13:20. Manage customers in another country

#### Framework:

Holt, Quelch and Taylor. 2004. How global brands compete. Harvard Business Review

#### Case:

Dossier on India's middle class

What are the alternative strategies for serving the middle class in India? What are the benefits and costs?

#### Discussion:

Economist. 2009. Special report on the new middle classes in emerging markets

How are the growing middle classes in emerging economies affecting your company and what strategies can you create to benefit from them?

### Saturday March 2, 7:45-10:25. Manage competitors in another country

#### Framework:

Dawar and Frost. 1999. Competing with giants: Survival strategies for local companies in emerging markets. Harvard Business Review

Prahalad and Doz. 1987. The Multinational Mission. Chapter 2

#### Case:

Dossier on the chocolate industry

How do you position the chocolate industry using the global integration/local responsiveness framework?

#### Discussion:

Economist. 2008. Special report on globalization

How are competitors from emerging markets affecting your company and what strategies can you create to face them?

### Friday March 8, 10:40-13:20. Manage institutional and governmental barriers to entry in another country

#### Framework:

Khanna, Palepu and Sinha. 2005. Strategies that fit emerging markets. Harvard Business Review

#### Case:

Dossier on Walmart in China and India

What are the attitudes and influence of the government on Walmart's operations?

What strategies can Walmart use to deal with them?

#### Discussion:

Economist. 2011. Special report on the future of the state

How are government regulations affecting your company and what strategies can you create to face them?

## **2. Buy abroad to access comparative advantage and build competitive advantage**

### Saturday March 16, 7:45-10:25. Access geographic sources of comparative advantage

#### Framework:

Tahija. 1993. Swapping business skills for oil. Harvard Business Review

#### Case:

Dossier on Chevron in Angola

What, where, how does Chevron operate in Angola and invest in local communities?

What are the costs? What are the benefits?

What would you suggest they do differently?

#### Discussion:

Economist. 2009. Special report on China's quest for resources

How are changes in the demand for natural resources affecting your company and what strategies can you create to benefit from them?

### Friday March 22, 10:40-13:20. Access socio-economic sources of comparative advantage

#### Readings:

Ferdows. 1997. Making the most of foreign factories. Harvard Business Review

Farrell. 2005. Smarter offshoring. Harvard Business Review

#### Case:

Cuervo-Cazurra and Offong. 2008. Mattel: Quality and control abroad

Which problems did Mattel face?

Where did it face them?

Why did Mattel face problems?

What could have it done differently?

What to do next?

Discussion:

Economist. 2013 Special report on outsourcing and offshoring

How are changes in offshoring and outsourcing affecting your company and what strategies can you create to benefit from them?

Saturday March 30, 7:45-9:15. Access political sources of comparative advantage

Framework:

Watkins. 2003. Government games. Sloan Management Review

Case:

Dossier on Boeing vs. Airbus

Analyze the kind of games that Airbus and Boeing were playing, identifying the players, rules makers and referees, and the key business goals and strategies of the games.

Create a timeline of events and identify the changes in games

Identify how all these (players, rule makers, referees, goals, strategies) have evolved in the last two decade and why they have been changing

Discussion

Economist. 2013. Special report on offshore finance

How are subsidies and taxes affecting your company and what strategies can you create to benefit from them?

Saturday March 30, 9:15-10:25. Exam

April 5. Final report due