

Northeastern University

D'Amore-McKim School of Business

INTB4202. Executing Global Strategy

Spring 2016. T, F 1:35-3:15 (section 1), 3:25-5:05 (section 2), Dodge Hall 430

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COURSE OVERVIEW AND OBJECTIVES

As a capstone course, Executing Global Strategy focuses on the “big picture”. Whereas other courses, explicitly or implicitly, present the perspective of a specific function (e.g., marketing, finance), this course presents a general management and global perspective. This perspective involves integrating the knowledge acquired in finance, accounting, operations, MIS, marketing, international business and organizational behavior courses, to understand and formulate strategy, and then set into motion processes to implement the chosen strategies.

Furthermore, the course emphasizes analyzing the business and developing strategy in a global context, i.e. across multiple countries, markets, competitors and governments. The course will focus on applying concepts, analytic frameworks, and qualitative and quantitative analysis to the strategic issues that real-world companies face in the global arena. These issues are presented in case studies and through a project. You should expect to spend about 8 hours a week, at a minimum, in reading and preparing class assignments such as case analyses, write-ups and presentations.

As you complete this course, you will have the opportunity to:

- Understand the key concepts of strategic management, including environment and industry analysis, company analysis, competitive strategy, business strategy and corporate strategy.
- Use these concepts, together with concepts from functionally specialized courses, to analyze and solve problems faced by managers.
- Present your analysis, verbally and in writing, with supporting arguments.

Major ideas in this course:

- First, that some industries are more attractive than others, offering superior profitability. This raises the interesting question of why do certain industries offer above average returns? And will competition chip away at these above-average returns, reducing them over time?
- Second, the challenge for the firm is to position itself in attractive industries so as to earn above average long-term profits; this involves creating and sustaining competitive advantage over time. Competitive advantage can derive from the resources and capabilities a firm brings to the competitive arena, and from how it analyzes and deals with its competitors, how it surprises and outthinks its competitors, to create and defend its competitive advantage.
- Of course, industry attractiveness can change, and a firm's competitive position can erode; thus strategy is dynamic, and the firm must change as the environment changes, and competition evolves. Thus, firms must simultaneously search for new opportunities; develop new resources, while leveraging their current resources to maximize returns from existing businesses while maintaining competitive advantage.
- A specific focus on global strategy, that is on strategy formulation in companies that operate internationally, manufacturing and marketing in multiple countries, and facing international competition, a dynamic international environment, and reconciling the interests of the company and that of multiple host governments; in this context, we emphasize leveraging national differences and the comparative advantages of nation-states, firm level scale economies and scope economies, to achieve strategic goals including efficient global operations, superior performance, risk management and innovation, learning and adaptation to changing global environments.

SUMMARY COURSE OUTLINE

	Date	Topics	Readings	Assessment
1	Tue Jan 12	Introduction. Course description.	Introduction	
FOUNDATIONS OF GLOBAL STRATEGY				
2	Fri Jan 15	Basic Concepts of Strategy	Chapter 1. Strategizing Around the Globe.	
3	Tue Jan 19	Selling abroad: Identify sources of competitive advantage (1)	Chapter 3. Leveraging Resources and Capabilities. Case: Ryanair (integrative case 5)	
4	Fri Jan 22	Selling abroad: Identify sources of competitive advantage (2)	Hu. 1995. The international transferability of the firm's advantage. California Management Review Case: Lincoln Electric's international expansion (dossier)	
5	Tue Jan 26	Selling abroad: Identify industry opportunities (1)	Chapter 2. Managing Industry Competition. Case: The chocolate industry 1 (dossier)	
6	Fri Jan 29	Selling abroad: Identify industry opportunities (2)	Prahalad and Doz. 1987. The Multinational Mission. Chapter 2 Case: The chocolate industry 2 (dossier)	
7	Tue Feb 2	Selling abroad: Identify customers abroad	Holt, Quelch and Taylor. 2004. How global brands compete. Harvard Business Review Case: India's middle class (dossier)	
8	Fri Feb 5	Selling abroad: Solve differences across countries (1)	Chapter 4. Emphasizing Institutions, Cultures, and Ethics Case: Wynn Macau (integrative case 4, dossier)	
9	Tue Feb 9	Selling abroad: Solve differences across countries (2)	Khanna, Palepu and Sinha. 2005. Strategies that fit emerging markets. Harvard Business Review Case: Walmart in China and India (dossier)	
10	Fri Feb 12	Buying abroad: Access geographic comparative advantage	Tahija. 1993. Swapping business skills for oil. Harvard Business Review Case: Chevron in Angola (dossier)	
11	Tue Feb 16	Buying abroad: Access socio-cultural comparative advantage	Farrell. 2006. Smarter offshoring. Harvard Business Review Case: Offshoring to India (integrative case 3, dossier)	
12	Fri Feb 19			Critical thinking, global knowledge, and personal assessment
13	Tue Feb 23	Buying abroad: Access economic comparative advantage	Ferdows. 1997. Making the most of foreign factories. Harvard Business Review Case: Mattel global supply chain (dossier)	
14	Fri Feb 26	Buying abroad: Access politico-legal comparative advantage	Watkins. 2003. Government games. Sloan Management Review Case: Boeing v Airbus (dossier)	
15	Tue Mar 1			Exam 1
16	Fri Mar 4	Final report progress meeting		Final paper outline
	Tue Mar 8	Spring break. No class		
	Fri Mar 11	Spring break. No class		
BUSINESS LEVEL STRATEGIES				
17	Tue Mar 15	Foreign market entry (1)	Chapter 6. Entering Foreign Markets. Case: Havaianas (dossier)	
18	Fri Mar 18	Foreign market entry (2)	Chapter 7. Making Strategic Alliances and Networks Work. Case: TNK-BP (dossier)	
19	Tue Mar 22	Manage competition abroad (1)	Chapter 5. Growing and Internationalizing the Entrepreneurial Firm. Case: Zumba (dossier)	
20	Fri Mar 25	Manage competition abroad (2)	Chapter 8. Managing Global Competitive Dynamics. Case: AJE and Cola wars (dossier)	
CORPORATE LEVEL STRATEGIES				
21	Tue Mar 29	Global corporate scope	Chapter 9. Diversifying, Acquiring, and Restructuring. Case: Virgin (dossier)	
22	Fri Apr 1	Global corporate organization	Chapter 11. Governing the Corporation Around the World. Case: Holcim-Lafarge merger (dossier)	
23	Tue Apr 5	Global corporate governance	Chapter 10. Strategizing, Structuring, and Learning Around the World. Case: Samsung (dossier)	
24	Fri Apr 8	Global corporate sustainability	Chapter 12. Strategizing With Corporate Social Responsibility. Case: Piracy (dossier)	
25	Tue Apr 12			Exam 2
26	Fri Apr 15	Final Paper Presentations		Presentation
27	Tue Apr 19	Final Paper Presentations		Presentation
	Fri Apr 22			
	Tue Apr 26			Final paper

MATERIALS

The materials for the course are:

1. Text: Peng, Mike. 2013. Global Strategy. Mason, OH: Cengage Learning. You can buy a paper copy or ebook, or rent it at Cengage learning. <http://www.cengagebrain.com/shop/>. You can also buy a paper copy or rent the book from online sellers, or buy a paper copy from the NU bookstore.
2. Additional materials will be available for download from websites, from blackboard or in class.

GRADING

Your final grade will be weighted in following manner:

Report (30%). 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 their reliability. 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.

You can work in groups of two or three. Choose carefully and manage the relationship well: you will get the same grade regardless of the amount of work each person did. I am not in a position to observe who did what. If you cannot work together, consider working separately.

Send me an email describing the company and challenge by the second week of the course. If several people want to study the same company, the first person that informs me will be assigned the company. I will meet with you to discuss the report. At the meeting you will need to bring the materials analyzed and share the progress you have made.

The report has two parts. In the first part (minimum of ten single-spaced pages of text) you explain in detail the challenge the manager has to solve. In the second part (minimum of five single-spaced pages of text) 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.

Title the email and attached document with your last name(s), and the name of the company and country (e.g., LeeSmith_Huawei_USA). Plagiarized or late reports will get zero points.

Report presentation (5%) You will present the report in class. This will help you gain additional insights on how to improve it. The presentation will be graded by the audience. You can share the draft of the report with the audience before the presentation to get additional suggestions.

Group case analysis presentation (15%). You will lead the discussion of one or two cases in class. I will assign the case and you will meet with me to organize the presentation before class. Case presentations will be graded by the audience. The number of cases and the size of each group will depend on the number of students in class. We will decide this at the beginning of the semester.

Exams (30%, 15% each). We will have two tests of basic knowledge of the readings and class discussions.

Class participation (20%). 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. If you miss more than three classes you will get a grade penalty. Absences are only excused for jury duty, medical emergencies or religious reasons as defined by university guidelines.

Grading scheme for participation: A, A- = Contributes frequently to the discussion; comments are outstanding; demonstrates a deep understanding of course materials, going beyond the content of the readings. B+, B, B- = Contributes sporadically to the discussion; comments are good summaries of the ideas contained in the readings. C+, C, C- = Sometimes made a point; demonstrated awareness of the content of the readings. D, F = Rarely or never participated; does not answer questions when asked; does not know the content of the readings; often came late to class, left early or missed classes.

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.

Critical thinking, global knowledge and personal assessments. As part of the BSBI program you need to complete a critical thinking, global knowledge, and personal assessments. This will be done in class and you will need to bring your laptop.

Final grades are relative to other students in the course. They reflect outcome, not effort (I cannot observe effort).

COURSE POLICIES

Strategic management involves thinking about business problems from a broad perspective. Many times the course material tends to be more open-ended and “gray,” rather than “black and white”. In most cases, there is no single right answer, although there are some wrong answers; the goal is for the students to ask the right questions. Students are pushed to think critically about a problem or issue, take a position and then present the logic behind their position.

The course is based on active learning and discussion. Class sessions will be interactive in nature using articles, case discussions and exercises, supplemented by lectures. It is essential that students are prepared for class sessions. The text provides frameworks and concepts, which are useful as a basis for class discussions. The classroom discussions are not a substitute for the text.

This course requires extensive readings, active discussions, and diligent attention to the lectures.

1. It is the students' responsibility to check in regularly to the course's Blackboard site. Communications, schedule changes, information, as well as class material will be available on this site.
2. All assignments must be completed to pass the course.
3. All assignments must be submitted on the due date. Assignments and/or due dates may be changed at the instructor's discretion. It is your responsibility to check with Blackboard regularly.
4. All written assignments must be submitted electronically to Turnitin on Blackboard on word format
5. Participation in all aspects of the class is considered a basic requirement of the course. You are expected to come to each class, to have prepared the assigned material, and to participate in the discussion of that material, as well as any other activities that may take place as part of the course.
6. Students are expected to attend class for the entire duration of the class (please plan to arrive on time). Continually Missing classes, arriving late or leaving early will result in a lower class participation grade.
7. Failure to fully prepare for class is also a detriment to one's fellow students. It is your responsibility to thoroughly read the syllabus, fully understand all the requirements, and keep track of all important dates in order to be successful. As we proceed through the term, I will “cold call” on students, in order to encourage equal participation among all students.
8. You are expected to conduct yourself with professionalism. Plan to arrive for class on time and turn off all devices that may be a distraction.
9. Laptops, cellphones and other electronic devices are permitted for use during class time only for taking notes and for consulting class materials. Chat programs, web surfing, and other non-class related activities on laptops are prohibited.
10. Papers must be turned in on time. All papers to be submitted through Blackboard Turn-It-In.
11. Late papers will be penalized.
12. You are not allowed to use the same topic/firm/industry for the project as in past or other current classes.

13. No extra credit assignments; no exceptions.
14. Students with Disabilities. If you anticipate issues related to the format or requirements of this course, please meet with me during my office hours. If you determine that formal, disability-related accommodations are necessary, it is important that you be registered with the Disability Resource Center (617-373-2675; www.drc.neu.edu) and notify me of your eligibility for reasonable accommodations. We can then plan how best to coordinate your accommodations.
15. Academic Honesty and Integrity. The NU community and CBA take seriously the requirement for academic honesty and integrity. The policy, adopted by the Student Government Association and the Faculty Senate reads, in part: “Essential to the mission of NU is the commitment to the principles of intellectual honesty and integrity.[...] Academic integrity is important for two reasons. First, independent and original scholarship ensures that students derive the most from their educational experience and the pursuit of knowledge. Second, academic dishonesty violates the most fundamental values of an intellectual community and depreciates the achievements of the entire University community.” Academic dishonesty is considered a serious offense and is more fully defined at <http://www.osccr.neu.edu/policy.html>.