



INTB 4501

Advanced Global Management

Spring 2013. Section 1. T, F 3:25-5:05, Dodge Hall 430

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COURSE DESCRIPTION:

In this course we analyze how a manager of a multinational company helps it build a competitive advantage across countries and address the 'triple bottom line' of profits (governance issues), people (social issues) and planet (environmental issues). In the first part of the course we discuss how a manager can identify, transfer and improve the competitive advantage of the company by operating abroad. We study how a manager can help the multinational benefit from the competitive advantage it has developed at home by entering a foreign country. We then assess how the manager can help the multinational build its competitive advantage by accessing the comparative advantage of a foreign country. In the second part we analyze how the manager addresses challenges that may diminish the sustainability of the multinational's competitive advantage. We first discuss how the manager solves governance issues that reduce a multinational company's profits. We then study how the manager deals with social issues that affect the operations of the firm abroad. We conclude with the discussion of how the manager solves environmental problems that impact the multinational.

The course builds on previous concepts and frameworks you had the opportunity to study in international and strategic management courses. Here you will have the opportunity to integrate and extend these with new concepts, frameworks and factual knowledge that may be useful for solving managerial challenges in your future career. Welcome to the leading Bachelor of Science in International Business!

COURSE MATERIALS:

This is an advanced course on global strategy. There are no textbooks that cover the topics we study. Materials will be available from the library (go to myneu, library, library website, article databases, business source complete, and input the name of the author and title of the article) or directly from their sources via internet links that will be provided throughout the course.

GRADING:

Exams (40%). 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.

Case presentations (12%). You will lead the discussion of two cases. I will assign the case and you will meet with me to organize the presentation before class. You will write a one page summary of the key ideas and plan of analysis. Case presentations will be graded by the audience.

Report (25%). 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.

You can work alone or with another person. If you work with another person, 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 periodically to discuss the report. At the meetings you will need to bring the materials analyzed and share the progress you have made.

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.

Report presentation (3%) 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.

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, C = 70-76, D = 60-69, and F = below 60. Grades reflect outcome, not effort (I do not observe effort). A and A- are given in cases of exceptional achievement. Do not expect to get more than a C+ by completing the assignments.

LOGISTICS:

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):

I. Introduction

T Jan 8. Introduction to the course

F Jan 11. How to create interesting and insightful case studies.

Guest speaker: David Wesley, Northeastern University.

M Jan 14. Email describing company and challenge

II. Part 1. Leveraging and building competitive advantage in multinational companies

II.1. Sell abroad by leveraging competitive advantage

T Jan 15. Manage the transfer of competitive advantage to another country

Readings: Hu. 1995. The international transferability of the firm's advantage. California Management Review

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

F Jan 18. Manage potential customers in another country

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

Case: Dossier on managing customers abroad

T Jan 22. Manage competitors and industry barriers to entry in another country

Readings: Prahalad and Doz. 1987. The multinational mission. Chapter 2.

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

Harvard Business Review

Case: Dossier on industry analysis

F Jan 25. Manage institutional and governmental barriers to entry in another country

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

Case: Dossier on institutions

II.2. Buy abroad to access comparative advantage and build competitive advantage

T Jan 29. Build competitive advantage by accessing geographical sources of comparative advantage

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

Case: Dossier on geographical advantage

F Feb 1. Build competitive advantage by accessing economic sources of comparative advantage

Guest speaker: Klaus Meyer, China Europe International Business School

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

Case: Dossier on economic advantage

T Feb 5. Build competitive advantage by accessing political sources of comparative advantage

Readings: Watkins. 2003. Government games. Sloan Management Review

Case: Dossier on political advantage

T Feb 12. Build competitive advantage by accessing social sources of comparative advantage

Readings: Farrell. 2006. Smarter offshoring. Harvard Business Review

Case: Dossier on social advantage

F Feb 15. Exam 1.

III. Part 2. Sustaining competitive advantage in multinational companies

III.1. Profit: Governance issues in multinational firms

T Feb 19. Manage government corruption

Readings: Doh et al. 2003. Coping with corruption in foreign markets. Academy of Management Executive.

Case: Dossier on corruption

F Feb 22. Manage employees' misbehavior

Readings: Waters and Chant. 1982. Internal control of managerial integrity: beyond accounting systems. California Management Review

Akula. 2000. Business Crime: What to do when the law pursues you. Sloan Management Review

Case: Dossier on rogue traders

T Feb 26. Manage organized crime

Readings: Goodman. 2011. What business can learn from organized crime. Harvard Business Review

Case: Dossier on piracy

F Mar 1. Manage intellectual property right protection

Reading: Anand and Galetovic. 2004. How market smarts can protect property rights. Harvard Business Review

Case: Dossier on IP battles

T Mar 5. No class. Spring break

F Mar 8. No class. Spring break.

III.2. People: Social issues in multinational firms

T Mar 12. Manage poverty

Readings: Immelt, Govindarajan and Trimble. 2009. How GE is disrupting itself. Harvard Business Review

Prahalad and Mashelk. 2010. Innovation's Holy Grail. Harvard Business Review

Case: Dossier on frugal innovation

F Mar 15. Manage lack of education

Guest speaker: Ricardo Torres, University of Havana

Readings: Schilling. 2003. Technological Leapfrogging: Lessons from the U.S. video game console industry. California Management Review

Case: Dossier on education

T Mar 19. Manage migration and diversity

Guest speaker: Maria Johansson, Schneider Electric

Readings: Black and Gregersen. 1999. The right way to manage expatriates. Harvard Business Review

Earley and Mosakowski. 2004. Cultural Intelligence. Harvard Business Review

Case: Dossier on migration

F Mar 22. Manage health crises

Readings: UNAIDS. 2002. Employer's Handbook on HIV/AIDS: A Guide for Action. UNAIDS and IOE.

Case: Dossier on AIDS

III.3. Planet: Environmental issues in multinational firms

T Mar 26. Manage pollution

Readings: Hart. 1997. Beyond greening: Strategies for a sustainable world. Harvard Business Review

Case: Dossier on pollution

F Mar 29. Manage climate change

Hoffman. 2005. Climate Change Strategy: The business logic behind voluntary greenhouse gas reductions. California Management Review

Case: Dossier on climate change

T Apr 2. Manage threats to biodiversity

Readings: The Economics of Ecosystems and Biodiversity. 2010 Mainstreaming the Economics of Nature: A synthesis of the approach, conclusions and recommendations of TEEB. TEEB

Case: Dossier on biodiversity

F Apr 5. Manage energy diversity

Readings: Kammen. 2006. The rise of renewable energy. Scientific American

Johnson and Suskewicz. 2009. How to jump-start the clean-tech economy. Harvard Business Review

Case: Dossier on energy

IV. Conclusions

T Apr 9. Exam 2.

F Apr 12. Presentations

T Apr 16. Presentations and conclusion

F Apr 26. Report due