



Boston University International Programs
London

Boston University British Programmes
Seminar in International Business
CAS IR 427 (*Elective B*)
Spring 2010

Instructor Information

A. Name	Dr. John Lang
B. Day and Time	Fridays, 9am-1pm, plus first class on Thursday 25 Feb. and last class on Tuesday 20 April
C. Location	Prince Consort room, 43 Harrington Gardens, SW7 4JU
D. BU Telephone	020 7244 6255
E. Email	
F. Webpage	http://www.bu-london.co.uk/academic/ir427
G. Office hours	By appointment

Course Description

The course is designed to enable the students to understand the critical importance of the role of multinational decision making, management and strategy concepts, employed by the firm to ensure the implementation of international management strategies and plans in order to achieve stakeholder satisfaction and firm profitability. The content and approach reflect the need for more effective multinational management in the corporate sector.

Methodology

The Instructor serves as a resource person in the class. Concepts will be introduced through lectures, supported by video clips; case studies and slides of key issues. These will be supplemented with handouts from the lecturer. Students will be expected to prepare a case study assigned to them either individually or in small groups depending on the class size.

The case studies, which are predominantly Harvard Business School cases, will be supported by guided readings and preparations for analysis will be conducted in the students' own time on both an individual and group basis.

A computer simulation exercise will be used to illustrate, and simulate management issues in all functional areas of the business in an international context.

Course Objectives

The course takes the approach that International management strategy and the management of the multinational enterprise can be thought of in a number of different ways. Firstly, it can be seen as a matter of *analysis and planning*. Secondly, it can be seen as a matter of

organizational decision making within a political and cultural context. Thirdly, it may require a degree of adaptability and flexibility in order to cope with emergent events and decisions within and exogenous to the enterprise.

For example, a theme running through the course is the importance of a clear analysis of the strategic situation facing the multinational and a rational assessment of the future options available to it. In considering such issues, the course includes, discussion of the value of environmental decisions concerning entry positions of firms, cultural and strategic group analysis of competitive environments, the relevance of value chain analysis, and the findings of those researchers who have tried to understand the relationship between multinational management and financial performance.

Learning Objectives

Specifically the course will offer students the following:

1. The opportunity to exercise the analytical skills that case analysis requires.
2. Provide conceptual frameworks that act as overall guides to strategy formulation.
3. Introduce new concepts that help broaden the individual's imagination on multinational management issues.
4. Facilitate more effective decision making by developing strategies based on sound decision making techniques and not guesswork.
5. Provide a basis for understanding both the economic and the organizational implications of strategic decision making in the multinational environment.
6. Simulate a firm's industrial competitive environment, within which decisions will be made both proactively and reactively by that firm, highlighting the causality of decision making within and between functions – the Business Strategy Game will be used to support this.

Outcomes

As a result of successfully completing the course, students will be in a position to answer/address the following:

1. How companies acquire effective multinational management capabilities?
2. What business is the company in, and what are its core competencies?
3. Audit and analyze the competitive environment using models such as management matrices and competitive strategy analysis.
4. Evaluate the capabilities of the firm, identifying key competencies, alternative resources and organizational structures available to the company.
5. Understand market dynamics and assess trends.
6. Does the company have the financial resources to carry out its strategy? Is the strategy appropriate, given the company's current financial position in the industry?
7. Management issues relating to the multinational and diversified firm.
8. Identify changes that the organisation may expect to find in a global environment
9. Examine the causes and consequences of decision making within and between firms.

Learning Content

The learning content and context of the course will stress the following

1. Analysis and decision making
2. Synthesis of information and Presentation skills
3. Organizational processes and the concept of value added
4. Multinational management in a variety of cultural and international contexts

Course Assessment and Grading Criteria

The course will be assessed in three parts, each case element carrying weights given below.

1. There will be a group International Business Simulation Exercise (IBSE), which is a business strategy game, run on computers and students enter decisions on a weekly basis. These are then processed by the instructor and the results of each weekly round presented in the class the following week. The finishing position (score) of each the groups will determine their grade for this part of the course assessment. All group members will receive the same grade. This simulation is very well received by the students and gives them the opportunity to put the theory into practice as they manage their firms in a number of geographic arenas.
2. There will be a group case study – presented in seminars alternate weeks by a group of pre-assigned students. This will be a group presentation and all members of the group will be given the same grade. Students are expected to submit copies of their transparency masters to the professor at the time of the presentation.
3. There will also be an open book case study examination, on the last day of the course, of two hours in length.

Marks for this course will be awarded according to the following weighted criteria:

International Business Simulation Exercise	= 30%
Group case study presentation	= 30%
Peer Evaluation of Group work on Simulation	= 10%
Final case study examination (2 hours)	= 30%

Grading

Please refer to the Academic Handbook for detailed grading criteria, attendance requirements and policies on plagiarism:

<http://www.bu-london.co.uk/files/images/ACADEMICHANDBOOKSP10.pdf>

Terms and Conditions

Attendance at all classes and field trips is mandatory. Students must check their email and the weekly Student Newsletter for field trip updates and reminders. Students

missing lectures without a doctor's letter or authorization from the Director or from the Placements' Team will automatically be docked a – or a + from their final grade. Persistent lateness will also be penalized in the final grade. A register of attendance will be taken at the beginning of each session. Absence can be conveyed either by advising a senior member of staff in the Academic Affairs Office with a request that the information be passed on to me; or by emailing me at --prior to class. Leaving it to another class member to convey messages will not be acceptable. Appointments for interviews for internships should not conflict with attendance at classes.

Attendance at all classes is compulsory. Students are expected to participate in class discussions, as this course will be run in an “interactive, participative” manner. Current affairs on the EU may be found in such publications as the Economist and the Financial Times newspaper (and their associated web sites) – students are recommended these as extra curricular reading.

Readings

Additional readings may be posted on the course webpage:
<http://www.bu-london.co.uk/academic/ir427> (you must be logged in to view materials).

General International Business and International Management are very well subscribed to in terms of texts available to students and there are now several texts dedicated to the context of international strategy making.

The main course textbooks, from which readings for the course schedule are taken, and from which the case studies will be drawn, are (Copies are held in the University Library):

Title: International Business 4th. Edition (2009)
Authors: A. Rugman and R. Hodgetts
Publishers: FT Prentice Hall

Title: Transnational Management 4th Edition (2004)
Authors: Bartlett and Ghoshal
Publishers Irwin / Prentice Hall

Title: International Business: Competing in the Global Marketplace
7th Edition (2008)
Authors: Charles Hill
Publishers McGraw Hill

A number of other good International Business texts include:

Title: Global Strategic Management (2003)
Author: Philippe Lasserre
Publishers Palgrave

The International Business Simulation Exercise

This is a key differentiating feature of this course. It brings practical decision making and application of managerial concepts to the fore, and engages the students enormously.

The industry in which “student firms”(your) compete is the athletic footwear industry. Athletic footwear makes an excellent setting for the simulation because it is a product that most students are intimately familiar with and the workings of the industry can easily be grasped by all —conditions which greatly enhance the effectiveness of a simulation from a teaching/learning perspective. The strategy simulation provides competition among companies from several continents, production is concentrated in low-cost locations, and the real-world marketplace is populated with companies employing a variety of competitive approaches and business strategies.

The use of this simulation, with *a global industry setting*, is especially desirable for the course because globalization of the marketplace is an ever-widening reality and global strategy/ management issues are becoming a standard part of the strategic management vocabulary. In addition, many business school programs (increasingly at masters levels) routinely require that the core curriculum include international business topics and the managerial challenges of operating in a globally competitive marketplace.

In *the International Business Simulation Exercise*, company co-managers make 47 types of decisions each period across the functional spectrum as follows:

- Production operations (up to 10 decisions for each plant, with a maximum of 4 plants)
- Plant capacity additions/sales/upgrades (up to 6 decisions per plant)
- Worker compensation and training (3 decisions per plant)
- Shipping (up to 8 decisions each plant)
- Pricing and marketing (up to 10 decisions in each of 4 geographic regions)
- Bids to sign celebrities (2 decision entries per bid)

Decisions are made relating to marketing; operations; HR – Technology; finance etc.

As the simulation unfolds, companies can reposition themselves in the four geographic regions and alter their emphasis on selling through footwear retailers or the company’s Web site. Also, you, and your co-managers, can place more or less emphasis on winning bids to produce private-label footwear for chain retailers. Companies have a full range of competitive strategy options—low-cost leadership, differentiation, best-cost provider, focused low-cost and focused differentiation. You, as managers, can pursue essentially the same strategy worldwide or craft slightly or very different strategies for the Europe- Africa, Asia-Pacific, Latin America, and North America markets. You can try to gain an edge over rivals with more advertising or a wider selection of models or more appealing styling/quality, or bigger rebates, and so on. Almost any well-conceived, well-executed competitive approach is capable of succeeding, *provided it is not overpowered by the strategies of competitors or defeated by the presence of too many copycat strategies that dilute its effectiveness.*

Ultimately, the challenge for each of your company’s management team is to craft and execute a competitive strategy that results in a respected brand image in footwear, keeps their company in contention for global market leadership, and produces good financial

performance as measured by earnings per share, return on investment, stock price appreciation, and credit rating.

The Value Added of this Simulation

A competition-based simulation gives you an opportunity to put what you have read in the textbook chapters into play, thus hammering home the “lessons to be learned” and providing valuable decision-making practice. As mentioned above, company co-managers have to wrestle with charting a long-term direction for their company, setting strategic and financial objectives, and crafting strategies that produce good results and perhaps lead to competitive advantage. Within the context of the simulation, you are provided with strategic group maps and lists of competitive strengths and weaknesses, as well as an assortment of cost benchmarks and comparative financial statistics, allowing you to diagnose the company’s market standing vis-à-vis rivals.

The Overall Pedagogy

Using both case analysis and a simulation to reinforce and drive home the lessons of the lectures is far more pedagogically powerful and lasting than just the use of case analysis alone. The always new and slightly different market and competitive conditions that flow from each round of decision-making turns the simulation into a “live, semester-long case” that puts all students squarely in the middle of the action and under the gun of competition to display a command of the subject matter and exercise good managerial judgment.

Having you run a company and repeatedly make a set of wide-ranging decisions forces you into the role of a practicing manager charged with reading the signs of industry change, reacting to the moves of competitors, evaluating strengths and weaknesses in the company’s competitive position, and deciding what to do to improve a company’s financial performance in light of all the surrounding circumstances. All this is *highly valuable practice*.

Moreover, what this simulation does that the case analysis part of the course cannot is give you immediate and unmistakable feedback on the calibre of your managerial decisions and actions. In contrast, in analyzing cases and making action recommendations for the company being studied, there is little way to provide you with credible feedback on their calibre of your action recommendations/decisions beyond that of subjecting your views to the scrutiny of the whole class and at the end of the case discussion telling the class what’s happened at the company since the case was written. The potent and highly effective “learn-by-doing” pedagogy of this simulation helps create a recursive feedback loop that promotes learning faster (See Peter Senge, *The Fifth Discipline*)

One word of caution – In the past this *competition-based strategy simulation adds an enormous amount of interest and excitement to the course* —a head to-head competitive battle for market share and industry leadership is certain to *stir your competitive juices* and make your task of learning about crafting and executing winning strategies more enjoyable. The engaging learn-by-doing nature of this simulation will get you more emotionally and personally involved in the subject matter because you are active participants, along with your co-managers, in crafting and executing strategy for a company in which you have a stake—the decisions you make and the results these decisions produce affect your grade! GOOD LUCK.

Chronology of Classes

LECTURE SEQUENCE:	TOPIC:	TEXTBOOK CHAPTER: (Rugman & Hodgetts)
<u>25 February</u>		
LECTURE 1:	Introduction to Course & Expectations	
SEMINAR 1:	Intro. To International Business Simulation Exercise (IBSE) - LAB	
<u>26 February</u>		
LECTURE 2:	Globalization (Regional and Global Strategy)	1
SEMINAR 2:	Intro. To Case Studies – Allocate case studies to groups IBSE Practice Round 1	
<u>5 March</u>		
LECTURE 3:	The Strategy of International Business	
SEMINAR 3:	(Corporate Strategy and National Competitiveness) IBSE Practice Round	15
<u>12 March</u>		
LECTURE 4:	The Management of International Business Strategies and Structures (Organizing & Managing Strategy/ Multinational Strategies)	8 & 9
SEMINAR 4:	Case Study presentation IBSE Round 1 entered	
<u>19 March</u>		
LECTURE 5:	Entry Strategy & Strategic Alliances	
SEMINAR 5:	Case Study presentation IBSE Round 2 entered	Handout
<u>26 March</u>		
LECTURE 6:	Production / Operations Strategy	
SEMINAR 6:	Case Study presentation IBSE Round 3 entered	10 & 11
<u>2 April</u>		
	No Class (Good Friday)	
<u>9 April</u>		
LECTURE 7:	Marketing Strategies	
SEMINAR 7:	IBSE Round 4 entered	12
<u>16 April</u>		
LECTURE 8:	Comparative Management Systems; Asia/US/ European	
SEMINAR 8:	Case Study presentation IBSE Round 5 entered	Handout

20 April

LECTURE 9: International Corporate Governance
Disclosure Management in the Multinational Merger

SEMINAR 9: Case Study presentation
IBSE Round 6 entered

Handout

22 April

EXAMINATION

Exam times and locations will be posted on the BU London website and in the Student Newsletter two weeks before exam dates. The examination will consist of a take home case study, given out a week before the examination date. Students will then be expected to analyse the case, and will be allowed to bring the notes made to the examination itself as an aid to answer questions that will be posed in the examination paper.

A Brief Note on Case Studies and Scenarios

Purpose:

- To test students abilities to *apply knowledge* in a practical context.
- To test students abilities to *address problems* in a *logical, analytical, practical and systematic manner*.

Contents:

- Information given in case studies is *incomplete*.
- Case studies by nature are *open-ended* with *insufficient information* and incomplete facts while working to a strict time scale/deadline

Approach:

- You must be able to *integrate, adapt, apply* your knowledge to the particular problems that the questions describe.
- Look at the *problems* not for the perfect solution.

Need To:

- Adopt a *flexible* approach
- Consider the advantages and disadvantages of alternatives and state them where appropriate and possible
- Make *practical recommendations* based on your assessments
- Remember that there is *no one best answer* in these non-computational cases – you must argue the case for the chosen solution against alternatives
- Case studies are *open-ended and assumptions* have to be made about missing and incomplete information
- Look at the *requirements* of the questions *with care*

Class Discussions of Case Studies

The following is a brief set of guidelines for you to consider in preparing for, and participating in, case study analyses/discussions in the tutorial sessions.

Preparing your case for class discussion:

1. Skim read the case to get an overview of the “story / situation” being told
2. Re-read the case more thoroughly to digest the facts and circumstances – you leave a day or two between the first and second, more thorough case reading – as this often results in key areas precipitating to the surface.
3. Review any exhibits and information therein.
4. Decide for yourself what the strategic issues are from your readings

It will not have escaped your notice that you have not been advised to begin answering the case questions! This is deliberate. The questions are there for guidance towards strategic issues of importance to the case – you should try to develop skills that allow you to “pick-up” on key questions / issues before you are guided by the case tutor’s questions.

5. Now read the questions and match them to the data in the case
6. Apply any concepts / techniques - relating to the course in particular – and from other courses that you are enrolled on, which may assist as heuristics in problem solving
7. Support analysis, judgments and opinions with reasons and evidence where possible
8. Develop a set of recommendations

As long as you are diligent in preparing you case analyses and recommendations, and attempt to support suppositions / propositions, you should not be concerned with whether what you have prepared is “***the right answer***”. Don’t lose confidence in the correctness of your judgment and analysis, as there is rarely, if ever, one right answer in case work.

Participating in Class Discussion of a Case:

You should expect the following:

1. That the tutor assumes the role of questioner and listener and devil’s advocate.
2. The members of the tutorial groups do most of the talking. It is not enough to be present as a silent observer – participation is the key
3. That the tutor probes for solutions and recommendations.
4. Challenges to your views: learning from the approaches and views of others is part of the pedagogy of the case method.
5. Be prepared to change your views but also be aware of the consequential changes that this may have on your re commendations.



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PRESENTATION GRADE SHEET

Case Study:

**Subject: International Management Business
(Elective)**

Tutor's Name:

Level: UG

Date & Time:

Seminar Session Number:

FORM:

Presentation Clarity (Communication verbal/written)	___/5
Presentation Logic	___/5
Presentation Visual Aids	___/5
Timing (25 Mins.)	___/5

CONTENT

Evidence of reading and researching the topic / case (Depth/Breadth)	___/10
Evidence of Analysis of "issue/problem" (Depth /Breadth)	___/15
Evidence of Logic to arguments	___/15
Knowledge and application of concepts	___/15
Evidence of value - added by student around topic (e.g. links with other conceptual areas of study)	___/15
Response to questions	___/10
TOTAL:	___%



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Group Members for Presentations:

(The name of each student must be typed on this sheet and submitted to the tutor by tutorial session three! You should also include the title of the case study that your group is presenting and the session number in which it will take place.)

Case Study to be presented:

Names:

- 1.
- 2.
- 3.
- 4.
- 5.