

**University of Pennsylvania  
The Wharton School  
MGMT871  
Spring, 2008  
(T/TH 1:30-3:00pm)**

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This course is designed to immerse you in the challenges faced by managers venturing into overseas markets in response to (or in anticipation of) increased global competition. Through a combination of case discussions, readings, lectures and simulation exercises you will develop the ability to pursue managerial action that is responsive to the evolving global business environment, and to the often-conflicting demands of multiple stakeholders such as local and overseas customers, joint venture partners, or governmental organizations. We will explore the key activities undertaken by managers to evaluate new market opportunities, develop market entry strategies and effectively manage expansion in international markets. We will consider newly-internationalizing firms, identifying the circumstances in which venturing overseas makes sense, and when it may *not* be a wise strategy. We will explore the essential strategic and organizational challenges encountered by international managers; for example, how to build competitive advantage in international markets, how to balance the benefits of global integration against the need to respond to local differences, and how to promote innovation in a global network. We will also consider strategic and managerial issues associated with different modes of entry. Finally, we will confront the recent trend towards international collaboration and outsourcing, and examine both the potential and limits of these strategies.

An important component of this course includes students working in teams to devise a global expansion strategy, and then to execute this strategy through a computer-based simulation game called CESIM. Through simulation exercises, teams will plan and

implement the international expansion of their firm's value chain activities across three regions, while other classroom teams are attempting to compete in the same markets.

**Workload:**

Your grade will be based on class participation, three individual case analyses, one paired country analysis assignment, three course topic applications and three simulation reports.

*Class Participation:*

It is important to appreciate that students are co-producers of the class discussion. Students are expected to come to class prepared to discuss the assigned readings or case. For class discussion, I may call on one or two people to open the discussion or highlight one or more of the readings. For cases, be sure to read and think about the preparation questions found in the syllabus. These questions will form the basis for our discussion. It is crucial that you listen carefully to each other and extend or critique prior comments. The extent of your contribution to the learning process will be appraised in addition to the content of your comments.

I expect you to attend all sessions (and be on time). I will use a sign up sheet in class to take attendance. If you sign in for someone other than yourself, both people will receive a failing grade for the class and may be considered for ethical violations. I will cold call students throughout the semester. (If you come in late to class, please expect to be called on shortly after your arrival.) Please remember to turn off your cell phones and Blackberries before the start of class. There should also be no laptops open during class.

*Case Analyses:*

For each case analysis, you should work individually. For four of the cases, one or two case discussion questions have been marked with an asterisk. For three of these cases, you should answer these questions in no more than 1 single-sided page (no smaller than 11 point font, Times New Roman with 1 inch margins). You can assume I am familiar with all case facts. All assignments are due at the start of class the day the case is discussed. No late assignments will be accepted (after we have discussed the case in class). Each case analysis will be graded based on how well you have analyzed the case to answer the question. I am willing to accept your three highest scores (of four total possible cases) to calculate the case analysis portion of your grade. Please provide both a hard copy of each of your three case write-ups in class and e-mail me your assignments prior to the start of class.

*Individual Course Topic Applications:*

Throughout the course, you should find three examples to illustrate how concepts we have covered in class impact a firm. In a paragraph or two (no more than one page in length) please summarize a current business story and indicate how it complements or extends something we have discussed in class. Please do not pick one of the firms we are already discussing through the case assignments in these illustrations.

*Paired (2-person) Country Analysis Assignment:*

For one of the Evaluating Country Market cases, you will be asked to analyze the country choice(s) of the firm. This assignment should be done in pairs as I encourage you to discuss the best way to apply the country analysis frameworks we will cover in class. There is a 3 page limit for this assignment. Additional information on this assignment will be provided in class.

*CESIM Simulation:*

For the simulation, you will be working in small groups (4 students per group). One of your first tasks will be to devise an expansion strategy for your firm, addressing how you propose to expand your activities across the three regions. Each group will submit an initial Global Strategy Plan after first playing a practice round of the simulation. We are creating the market in this simulation, and this initial plan should cover your thoughts on the best market position for your firm given the information you have available. After playing three rounds of the simulation, teams will submit a report applying course concepts (including industry analysis, competitor analysis, country analysis and firm resource positions) and providing a more detailed strategic plan for further global expansion in the last three rounds of the simulation. After six rounds of play, teams will submit a final report that describes their firm's performance and what was learned from the experience of managing their firm's international expansion. More information on the simulation and the three CESIM assignments will be handed out and discussed in class.

*Course Materials:*

Bulkpack with cases and textbook chapters (available from reprographics)

**Final Grade Based On:**

Individual Case Analyses (three out of four)	15%
Individual Class Participation	25%
Individual Course Topic Applications (three)	10%
Paired (2-person) Country Analysis Assignment	10%
Group CESIM Initial Strategy	5%
Group CESIM Strategy Report	15%
Group CESIM Final Report	20%

## COURSE OUTLINE

1/17/08:	Introduction to Course
<b>WHY?</b>	
1/22/08:	Motivations for FDI (Go Global or No? Case)
<b>WHO?</b>	
1/24/08:	Identifying Global Industries (Real Madrid Club Case)
1/29/08:	Identifying Firm Intangibles (Ikea Case)
1/31/08:	Global Competition and Positioning (Samsung Case*)
2/5/08	<b>Introduction to CESIM Case and Simulation</b>
<b>WHAT?</b>	
2/7/08:	International Expansion Strategies <i>Practice Round Advanced Sunday 2/10/08 at 10:00pm</i>
<b>WHERE?</b>	
2/12/08:	<b>CESIM Practice Round Discussion</b>
2/14/08:	Evaluating Foreign Markets (Citibank)
2/19/08:	Evaluating Foreign Markets (Timken Case) *Paired Assignment
2/21/08:	Geographic Choices and Firm Value Chains (Zara Case) <b>CESIM Initial Strategic Plan (Due 9:00pm 2/20/06)</b> <i>Round One Advanced Sunday 2/24 at 10:00pm</i>
2/26/08:	Emerging Markets (Metro Cash and Carry*)
<b>WHEN?</b>	
2/28/08:	Timing is everything (Shanghai VW case) <i>Round Two Advanced Sunday 3/2 at 10:00pm</i>
3/4/08:	Late Movers Entry (Jollibee case)
3/6/08:	<b>No Class</b> – work on CESIM in groups <i>Round Three Advanced Sunday 3/9 at 10:00pm</i>
3/11/08:	Spring Break
3/13/08:	Spring Break
<b>HOW?</b>	
3/18/08:	Local and Global Manufacturing (BMW case)
3/20/08:	Local and Global Marketing and Production (L'Oreal case)
3/25/08:	<b>No class</b> – work on CESIM in groups
3/27/08:	<b>CESIM Global Expansion Strategic Plan (Due 9:00pm 3/26/06)</b> <i>Round Four Advanced Sunday 3/30 at 10:00pm</i>
4/1/08:	Product and/or Geographic Expansion (Steinway Case*)
4/3/08:	Exporting: Distribution and Positioning (Montgras Case) <i>Round Five Advanced Sunday 4/6 at 10:00pm</i>
4/8/08:	Local and Global Knowledge Management (Nestle Case)
4/10/08:	Local and Global Managers (Ciba Geigy case) <i>Round Six Advanced Sunday 4/13 at 10:00pm</i>
4/15/08:	TBA (case*)
4/17/08:	Unsuccessful Expansion Abroad (Lincoln Electric case)
4/22/08	<b>No class</b> – work on CESIM in groups.
<b>4/24/08:</b>	<b>Final Class CESIM Final Report (Due 9:00pm 4/23/06)</b>