PURPOSE OF THE COURSE

This course is designed to immerse you in the challenges faced by managers venturing into international markets. Through a combination of case discussions, readings, lectures and a group project, 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 international business opportunities, develop market entry strategies and effectively manage expansion in international markets. We will consider emerging global 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 topic of conducting business in emerging markets such as China and India.

REQUIREMENTS

- Written case Analyses (20%) – 2 out of 3
- Class participation (20%).
- In-class midterm exam (20%), Thursday February 14, 25 minutes.
- Group project (40%)

A Note on Homework Assignments and Class Participation

Case Analyses – Students will have to submit written analyses for 2 cases during the course of the semester. The syllabus indicates which of the cases are eligible for this exercise. The written analysis should not exceed 1 page (single spaced, font size: 12) and should directly address the questions for the day in a clear and concise manner.

Class participation - Each student will be graded based upon the frequency as well as the quality of his or her contribution to class discussion. Effective participation is accomplished by focused comments or questions that demonstrate mastery of readings and cases. We especially encourage class participation that applies conceptual frameworks to case materials and that enriches the learning experience of the class.

I expect students to prepare for class, to attend class (and be on time) and to be willing and ready to participate in each and every class discussion. Please inform the instructor in advance by email if you are going to miss a class. Please remember to turn off your cell phones and Blackberries before the start of class. Concert rules will be enforced and no laptops should be open during class. Please bring your name tent to each class. Class participation will be affected by any class that you miss beyond two.
Group Project

The group project consists of a mini-report and a presentation on a key decision made by a multinational firm. It is worth 40 points (i.e. 40% of the total grade). Groups should have 5-6 members. The final report should provide: (1) a description of the company and industry background; (2) a description of the decision; and (3) a critique of the decision. The decision should be directly related to one or more of the nine key themes below:

1. The Global Environment
2. Industry Characteristics & Global Strategy
3. Home-Country Effects
4. Distance & Global Strategy
5. Organization of the MNC
6. Innovation in Multinationals
7. Market Entry Strategies & Sequence and Pace of International Expansion
8. Developed country multinationals in emerging markets
9. Multinationals from Emerging Markets

The decision analyzed in the project could be one that helped the company become more competitive or profitable, or just the opposite. The specifications, distribution of points, and deadlines are:

Deliverable #1: Deadline Feb 28. A short presentation of your project proposal. Hard-copy of the slides is due at the end of the class (5 points)

Deliverable #2: Deadline April 23 by 9:00am. Final report due. Please submit it to the electronic submission folder. The final report should be no more than 10 pages, single-spaced, 12 point Times New Roman Font, with 1 inch margins all around, excluding tables or exhibits. (15 points)
Deliverable #3: Deadline April 23. A 10-minute presentation of your final project. Hard copy of the slides is due at the end of the class (15 points)

Deliverable #4: Deadline April 23 by 9:00am: Evaluation of your team mates (on a Scale of 1-4 where 4 indicates being involved and helpful in the team project and 1 indicates not participating and/or not being helpful in the team project. Make an Excel sheet indicating your team number and have a column for each of your team members. Score them separately on a scale of 1-4 and submit to electronic folder (5 points)

We will have sessions in the course exclusively dedicated to the discussion and presentation of the project. In those instances, I will provide more details about the project and answer specific questions students may have. Any student who misses his/her group presentations due to an unexcused absence will forfeit 50% of the oral presentation points earned by the group

READING MATERIALS
All readings are available from Wharton Reprographics.

ABOUT THE INSTRUCTOR
Prithwiraj (Raj) Choudhury is an Assistant Professor of Management at the Wharton School, University of Pennsylvania. His research is focused on innovation in emerging markets in the context of both developed country and emerging market multinational firms. In particular he is interested in studying how firms in knowledge intensive industries manage human capital, a key yet mobile resource. He has studied the phenomenon of return migration within multinational firms and is currently studying how large firms catalyze efficient within-country migration of human capital in emerging markets. He also studies the interactions of multinational firms with government R&D labs and other government entities in emerging markets.
His work has been published in the Academy of Management Best Paper Proceedings and in leading academic journals such as the Review of Financial Studies and the Global Strategy Journal. In 2010, he received the Academy of International Business’ Haynes Prize for the most promising scholar under the age of 40. His doctoral dissertation also received the Wyss Award for Excellence in Doctoral Research at the Harvard Business School and the Richard N. Farmer Best Doctoral Dissertation Award from the Academy of International Business.

Prior to entering academia, he worked at McKinsey & Company for five years. He was Engagement Manager and worked across the Delhi, Detroit, Moscow and Mumbai offices of McKinsey. He then incubated and managed the global accounts business unit for Microsoft Corporation in South East Asia. He also worked at the IBM Advanced Technologies Research Lab in Bangalore. Professor Choudhury holds a Bachelor’s Degree in Computer Science and Engineering from the Indian Institute of Technology Kharagpur, an MBA from the Indian Institute of Management Calcutta and earned his Doctorate from the Harvard Business School.

MULTINATIONAL CORPORATE STRATEGIES

Theme 1 – The Global ENVIRONMENT

Session 1 - Thursday, January 10


Readings
Session 2 - Thursday, January 17

Guest lecture – *Difference in FDI investment norms around the world and implications for multinational firms*

**Theme 2 - INDUSTRY & Global Strategy**

Session 3 - Thursday, January 24


Case: Robert Mondavi and the Wine Industry, HBS 9-302-102

(WRITTEN CASE ANALYSIS CAN BE SUBMITTED FOR THIS CASE)

Questions: (1) What is the global potential of the wine industry?

(2) Characterize and evaluate the strategies of Mondavi”s global competitors.

(3) Do you think that Mondavi should compete head-to-head with the Australian wine producers?

**Theme 3 – LOCATION & Global Strategy: Home-Country Effects**

Session 4 - Tuesday, January 29

Session 5 – Thursday, January 31


Questions: (1) How do you explain the shifting global leadership in the watch industry, from Swiss to American to Japanese and back to Swiss firms?

(2) How do you explain the success of Swatch as a company in this industry?

(3) Do you think that Swatch should continue to rely on Switzerland as the location for most of its activities?

Theme 4 – LOCATION & Global Strategy - Distance & Global Strategy

Session 6 - Tuesday, February 05


Session 7 – Thursday, February 07

Case: The Globalization of CEMEX, HBS 9-701-017

(WRITTEN CASE ANALYSIS CAN BE SUBMITTED FOR THIS CASE)

Questions: (1) What accounts for CEMEX”s success to date? In particular, what are the benefits that CEMEX has derived from expanding across borders?

(2) How far can Cemex”s competitive advantage travel?

(3) Do you think that CEMEX is making the right strategic move in expanding into developed countries?
Review Session

Session 9 – Thursday, February 14
In-class mid-term exam. Group sign-ups due.

Theme 5 – ORGANIZATION of the Multinational Firm

Session 10 – Tuesday, February 19


Session 11 – Thursday, February 21

Case: Acer Inc.: Taiwan’s Rampaging Dragon. HBS 9-399-010.

Questions: (1) Describe Acer’s culture and organizational structure. Can Acer’s early culture and practices be sustained as the company grows?

(2) How responsive is Acer to local environments? How coordinated or integrated is it?

(3) Analyze the advantages and disadvantages of allowing Acer America to design and market the Aspire.

(4) If you were Stan Shih, would you give the Aspire project the green light? Is the organizational structure appropriate?
Session 12 – Tuesday, February 26


Questions: (1) How did Philips become a leader in the industry? How did Matsushita overtake Philips? What distinctive capabilities did each firm possess?

(2) What are the major problems currently facing each firm?

(3) What specific organizational changes would you say each firm should implement?

Session 13 – Thursday, February 28

Presentation of project proposals

SPRING BREAK: March 02 – March 09

Theme 6 – ENTRY STRATEGIES for Multinationals – SEQUENCE AND PACE

Session 14 – Tuesday, March 12

Readings:


Session 15 – Thursday, March 14

Case: Häagen-Dazs’ Entry in to Europe, Wharton case study

Questions: (1) Why has Häagen-Dazs been so successful in its home country?

(2) Why did Häagen-Dazs decide to expand internationally? Did it learn how to succeed globally as it entered new markets?

(3) Do you like the second European entry plan? Please provide reasons for your answer.

Session 16 – Tuesday, March 19


“Leahy’s lead: A mixture of understatement and quiet confidence has turned Tesco from a domestic grocery chain…”, The Economist, August 11, 2001.


Questions: (1) Do you think there is a good strategic rationale for Wal-Mart &/or Tesco to expand internationally?

(2) Explain what you believe to be the rationale for the sequence in which, and the pace at which, Wal-Mart & Tesco have entered different markets.

(3) Do you think Tesco’s strategy to enter the United States makes sense?

Theme 7 – Multinationals and INNOVATION

Session 17 – Thursday, March 21

Readings:


Session 18 – Tuesday, March 26

Case: P&G Japan: The SK-II Globalization Project, HBS 9-303-003

Questions: (1) Does SK-II have the potential to become a global brand within Procter & Gamble”s worldwide operations? Why or why not?
(2) Which of the three market options should Paulo DeCesare recommend to the GLT? What benefits do you expect to gain? What risks do you see?
(3) How should he implement your recommended option? What are the implications for P&G”s new post-O2005 organization? What support and/ or resistance do you expect? How will you manage it?

Session 19 – Thursday, March 28

Case: BT Group: Bringing External Technology Inside, ECCH 307-045-1

Questions: (1) How do you compare BT”s technology scouting units with a typical subsidiary in a multinational corporation? What makes their mandate distinctive?
(2) What are the main challenges involved in this global technology scouting process?
(3) Among the three growth avenues being considered by Frangos, which one would you recommend to him? Why?

**Theme 8 – Doing business in EMERGING MARKETS**

Session 20 – Tuesday, April 02

Readings:


Session 21 – Thursday, April 04

Reading:

Tarun Khanna, Krishna Palepu and Jayant Sinha, Strategies that fit emerging markets, Harvard Business Review, June 2005

Case: Microsoft in China and India, 1993-2007, HBS 9-708-444

(WRITTEN CASE ANALYSIS CAN BE SUBMITTED FOR THIS CASE)

Questions:
(1) Of the two major initiatives profiled in the case (Fone+ and Windows Starter edition), which one do you find more suitable to the context in China and India? Please list the pros and cons of both the alternatives?

(2) Given that in 2007, China and India account for less than 5% of global revenues for MSFT, do you think your chosen strategy and initiatives would enable MSFT to create multi-billion dollar businesses in these two countries by 2015? Do you think the „Beijing Declaration” can be achieved?

(3) Is the Microsoft organization structure, as profiled in the case well designed to execute on this strategy?

Session 22 – Tuesday, April 09


Session 23 – Thursday, April 11

Case: Bharti Tele-Ventures, HBS 9-704-426

Questions: (1) What were the main growth drivers for Bharti Tele-Ventures in the mid to late 1990s?
(2) Starting out in 2003, who would characterize as the major competitive threat to Bharti –Tata, Reliance or the government owned BSNL? How should Bharti think about maintaining competitive advantage?*

(3) In facing new competition, what help should Bharti seek from its partners at Singtel and Warburg Pincus?

Session 24 – Tuesday, April 16

Case: Haier: Taking a Chinese Company Global, HBS, 9-706-401

Questions: (1) What do the characteristics of the global large appliances industry tell you about the design of an effective competitive strategy?

(2) Was there a good rationale for Haier to make global expansion its top strategic priority?

(3) Do you think Haier is right to shun the conventional wisdom by focusing on markets in developed countries before turning to those in developing countries?

CONCLUSION

Session 25- Thursday, April 18

Group project preparation

Session 26 – Tuesday, April 23

Final project presentations