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Office: Steinberg-Dietrich 2015  
Office Hours: TBA. Feel free to email me directly for appointments outside of regular office hours.  
Email: ncarlson@wharton.upenn.edu

COURSE DESCRIPTION

Emerging firms are a critical element of economic growth, and a key source of gains in innovation and social welfare. This course is designed to depart from the U.S.-centric conversation on startups – with its outsized focus on Silicon Valley – and train a critical eye on some of the unique innovations emerging from new regional hotspots across the globe, with a particular focus on developing and emerging economies. We will discuss the challenges faced by founders in different global contexts, the components of a robust institutional ecosystem, and the ways in which creative solutions may flourish in response to local problems. Along the way, students will gain a virtual view into global startup communities, and personalized insights from firm founders operating around the world – from Rio to Accra to Bangkok.

The course will be structured in three primary parts. The first and longest section will discuss the Key Challenges for emerging firm growth across the globe, such as access to talent and resources, political risk, and legal institutions. The second section will highlight particularly active areas of Context-Driven Innovation that are thriving in various regions, such as financial technology, mobile health products, and clean energy. The final section will train Regional Spotlights on different geographic areas in turn, so that we may focus on the challenges and opportunities specific to various parts of the world.

This course is relevant to both U.S. and non-U.S. students, and it is expected that students will bring their own backgrounds and experiences to contribute to lively class discussions. The course will culminate with a group project done in teams of four, in which groups will give short presentations to the class.

COURSE READINGS

In order to reduce costs for you, you can find the readings in one of three places: (1) the Study.net course pack, (2) the library, or (3) the hyperlinks provided for those readings that are publicly available online. If the cost of the readings is an impediment to your taking the course, please contact me so that we can find a solution.

Recommended Listening
For most of the sessions, I have included recommended podcast episodes that complement the course content. These are not required, but I encourage you to listen, as they allow opportunities to apply the course materials and may provide inspiration for topics for your midterm paper or final group project.

**GRADING**

Students will be graded on the basis of a midterm paper (30%) and final group project (30%), as well as four class write-ups worth a total of 20%. The remaining 20% will be based on attendance and class participation in the cases and lectures. You will not be graded on a curve. Your grade will correspond to the sum of the points you have accumulated as a proportion of the total points available. MGMT 1170 uses the following grade distribution:

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Information about each of these assignment components can be found below. No late submissions are accepted for any assignments.

**Attendance and Participation (20%)**

Lecture attendance is required and counts toward your grade. Attendance will be taken at every lecture. Missing more than ten minutes of lecture counts as missing the entire class. Attendance will not be taken for the first lecture.

*Authorized Absences:* You have two “freebie” absences throughout the semester, no questions asked. Each additional absence beyond the two permitted ones will result in a 1-point deduction from your attendance grade. Attendance is important for your understanding of course concepts because exams draw heavily on the content covered in lectures; this content goes well beyond the readings.

*Participation:* To earn full participation points, you must actively and productively engage in any group discussions and exercises.

**Class Writeups (20%)**

Pick four classes from throughout the semester and submit a short reaction paper to the readings the day BEFORE class (no later than 11:59pm the day before). The reaction paper should focus on one or more of the discussion questions listed in the syllabus. Papers will be graded on the basis of their insightfulness, use of concepts learned during the course, quality of answers to the questions posed in this syllabus, and clarity of the writing. This is an individual assignment, so no teamwork, please. Word limit: 1000 words, or roughly 2 pages, single spaced.

**Midterm Paper (30%)**
For the individual midterm paper, I would like you to write an ecosystem report on a global entrepreneurial ecosystem or subfield of your choosing. This ecosystem may be as broadly or narrowly conceived as you like (e.g., high-tech firms in Tel Aviv, solar energy in East Africa, multi-sided platform startups in Southeast Asia).

In the report, please address the strengths and weaknesses of elements of the ecosystem, including market institutions, human capital, financing, support system, infrastructure, regulatory environment, educational institutions, and cultural support.

Target length should be approximately 3000-4000 words (absolute maximum 6000 words) – please strive for quality over quantity!

The midterm paper will be due Friday, March 3, by 11:59pm.

Final Group Project (30%)

The final project should be completed in teams of four (I will accept teams of three to five; expectations will scale proportionally with group size). In this project you will focus on an entrepreneurial firm operating in an international context (this may be multinational, or a firm operating in a single non-U.S. country). You may also write about a more established firm by taking a historical perspective on its early years of operation.

Please highlight several of the themes and frameworks discussed in the course in the context of your focal firm. For example, topics you might address include:

- How did the characteristics of the institutional ecosystem in the country of origin contribute to the emergence of this firm?
- How did the experiences of the founding team members affect their founding strategy?
- What challenges did the founders encounter in their institutional environment?
- How did the founders address political or legal risk in their operating country(s)?
- How did the firm approach international expansion?
- How specific is the underlying value proposition of the firm to its founding context (i.e. context-specific innovation)?

You should prepare a report (target range 1000-2000 words per group member) and a lightning talk presentation (approximately 1-2 minutes per group member) summarizing your main themes and findings.

In evaluating your paper and presentation, I will look to see whether the theories/concepts you use are described accurately, applied appropriately, and illustrate the firm’s situation. Please don’t choose a firm highlighted in the cases from the course.

You are welcome to form your own team. If you do so, please finalize your group and list your names on the worksheet here by March 21. After that, I will randomly assign the remainder of the class to teams.
The report and presentation slides will be due **Wednesday, April 19**, by 11:59pm. Presentations will be in class on April 20 and 25.

**COURSE POLICIES**

All students are responsible for reading, understanding and following the course policies posted below and on Canvas regarding class expectations, absences, withdrawals, exam conflicts, and academic integrity.

**Final presentation conflicts:** Per university policy, excused absences are only granted in cases of a conflicting class, a conflicting exam, a religious holiday, a serious illness or a grave family emergency, and each of these situations must be documented to our satisfaction. Note that Student Health Services do not deliver justifications for absences from class or exams, per their policy. Job interviews, incompatible travel plans, and forgetfulness will be considered unexcused absences. We require at least two weeks’ notice for foreseeable conflicts.

**Special needs:** If you have any kind of learning or physical disability, please notify me (by email or during office hours) so that we can discuss how best to support you. Any students who require special arrangements for their classes or exams must have an official letter from student disability services. They should submit this letter together with their request for special arrangements to the professor as early in the semester as possible, and at least two weeks before an exam.

**Academic integrity:** Students are required to abide by the University’s policy of academic integrity at all times. This applies to exam-related issues as well as plagiarism on graded assignments.

**Student-faculty meals and coffee breaks:** I will hold breakfasts and lunches during the semester with up to five students each time, to give us a chance to meet and chat informally. Sign-up sheets will be made available on Canvas.

**Ethics and use of prior materials:** You should not use previously completed case write-ups, summaries of readings, or other “cheat sheets”.
Part 1: Key Challenges

An Introduction to International Emerging Firms (1/12)

Readings


Discussion Questions

- Contrast the approaches to global innovation found in the Breznitz and Lazarow readings. Which piece resonated more with you?
- Consider a city or region you know well. Is it an innovation center? Which of the four stages of innovation describes it best?
- What are some of the unifying features that distinguish the environments of entrepreneurs operating in emerging economies from those in more mature economies?
- What global forces are likely to shift the geography of innovation in 2022 and beyond?

Classes 2-6: Innovation in Context

Ecosystems (1/17)

Readings
“A Note on Entrepreneurial Ecosystems in Developing Economies.” Stanford GSB Case Note (2016).


Recommended Listening: episodes of The Ecosystem Show, <https://www.audible.com/pd/Podcast/B08JJNN5RX>

Discussion Questions

- Evaluate the eight pillars framework given by the Stanford case note. Is there anything you would change, add, or subtract if you were creating your own taxonomy of an entrepreneurial ecosystem?
- How would you rank the eight pillars in importance? Does this vary by the industry, goals, stage, etc. of a startup?
- Do you think dynamic entrepreneurial ecosystems can be deliberately engineered by public or private actors? If yes, how? If not, why not?
- Using the eight pillars, evaluate Philadelphia or another ecosystem you know well. What are the strongest and weakest aspects of the ecosystem?
- How does this framework intersect with the four stages of innovation discussed in the reading from Innovation in Real Places from the previous class? Are they compatible?

Incubators, Accelerators, and Hubs (1/19)

Readings


Discussion Questions

- Hubs and coworking spaces are an aggregate of several functions: how do they provide value to emerging firms? What do you view as the most important function?
- How do these benefits differ between developing and developed economies?
• The study of Start-Up Chile found that entrepreneurship schooling improved venture performance, but basic services like coworking space didn’t have much impact. Why do you think this might be? Do you think this generalizes to other countries and contexts?

Talent (1/24)

Guest Speaker: Jean Pierre Saint Hubert, CMO & Co-Founder, Alkemy (Argentina)

Readings


Discussion Questions

• Discuss the ecosystem in Shenzhen and how it shaped Tencent’s recruitment strategy in its early years of operation.
• How did Tencent’s corporate culture interact with recruitment?
• What are some of the advantages and disadvantages of high-investment internal training programs such as Tencent Academy?
• How does risk tolerance impact the ability of emerging firm founders to recruit talent?

Economic and Social Institutions (1/26)

Readings

Discussion Questions

- How did the three Vietnamese entrepreneurs in the case navigate the market reform transition period?
- Dispute resolution is a key theme in each of the three entrepreneurs’ stories. How do they approach disputes in the absence of reliable courts?
- How do intermediaries and credibility-enhancing organizations impact the trust environment in a given market?
- How does economic inequality within a country interact with its institutional environment?

Political Risk (1/31)

Readings


Discussion Questions

- How can firms prepare differently for local political risk (e.g. the Arab Spring) versus global political risk (e.g. the 2008 crisis)?
- Discuss the importance of on-the-ground knowledge with respect to assessing local political risk.
- What are some of the most important political risks (local or global) that you anticipate facing firms in 2022 and beyond? Discuss one or two of these in detail.

Classes 7-10: Securing Resources

Early-Stage Financing (2/2)

Readings
• “A Note on Financing Entrepreneurial Ventures in Developing Economies.” Stanford GSB Case Note (2020).

Discussion Questions

• Consider the different funding sources discussed in the Stanford case note. How would you organize them into categories? What do you see as the strongest advantage of each category?
• How does business informality affect the early stage financing gap?
• Discuss some of the benefits and drawbacks of bootstrapping in the early stages of growth.
• How do legal regimes and country of incorporation affect a firm’s ability to raise funding?

Venture Capital (2/7)

Readings

• [CHOOSE ONE OF THE TWO FOLLOWING READINGS TO READ CLOSELY]:
Discussion Questions

- Both readings pertain to the importance of the institutional environment for supporting venture capital. Discuss one or two of what you view as the most important institutional factors (e.g. tax policies, labor market regulations, stock markets) and how they impact the venture capital industry.
- What makes it difficult for the government or other players to engineer a dynamic venture capital market?
- How does staged financing assist in managing uncertainty?
- Is traditional venture capital investment the best funding structure for firms in developing and emerging economies? What aspects could be changed to better suit these contexts?

Investor Perspectives (2/9)

Readings

- Recommending Listening: “Becoming the youngest female VC partner in LatAm: Antonia Rojas, ALLVP,” Latitud Podcast, <https://podcasts.google.com/feed/aHR0cHM6Ly9mZWVkcy5idXp6c3Byb3V0LmNvbS85OTU3MjIucnNz/episode/QnV6enNwcm91dC05MDU3MDU3MjAY>

Discussion Questions

- From the perspective of local investors such as ALLVP, what are some of the advantages and disadvantages of prominent international investors (e.g. SoftBank) gaining interest in a region?
- Discuss interregional competition between markets (e.g. Brazil versus the rest of Latin America) and how investors might weigh domestic versus regional opportunities.
- What do you view as some of the greatest risks and opportunities for a firm like ALLVP?
- The case ends with the two founders discussing bringing on more senior level talent, which they seem to have found in Antonia Rojas (see Recommending Listening). What value does her expertise and experience bring to the firm?

Impact (2/14)

Guest Speaker: Dhananjay Goel (WG22), Co-Founder, DetoxYFi
Readings

• Recommended Listening: “Jane Chen – Embrace the Entrepreneurial Journey,” Stanford eCorner, <https://podcasts.google.com/feed/aHR0cHM6Ly9mZWVkcy5zb3VtZGNsb3VkLmNvbS91c2Vycy9zb3VtZGNsb3VkOnVzZXJzOjIwMTg2ODAvemNyZnNhZ2d1cnNhdGFkYzE1>/

Discussion Questions

• How can investors estimate the value of social or environmental returns? What are some of the associated practical and moral issues?
• What are some of the advantages and disadvantages of trying to simultaneously maximize financial and social returns (i.e., the double- or triple-bottom line approach)?
• How should entrepreneurs in emerging markets think about approaching an impact investor versus a more traditional funding source?
• How does a firm’s legal status affect its ability to raise funding?

Classes 11-14: Globalization

Born-Global Firms (2/16)

Readings

• Recommended Listening: “Investing in Future Africa with Iyinoluwa Aboyeji,” Glocal Citizens, <https://podcasts.google.com/feed/aHR0cHM6Ly9mZWVkcy5maXJlc2lkZS5mbS91YXJjaXRpemVucy9yc3M/episode/YzZiMjU5NTExYzQ5Yi00NDc2LWFkZmltNmUxMWM1MzZkYWNk>
Discussion Questions

- What are some of the key risks facing enterprises that seek to be global from the outset? What competencies do born-global founders need to master?
- Discuss the importance of diaspora networks in supporting born-global firms.
- What future do you see for a firm like Andela in a post-Covid-19 world? What adjustments would you make to their business model?

Interactions with Multinationals (2/21)

Readings


Discussion Questions

- What are some of the advantages and disadvantages of being an “intrapreneur” inside a large organization, versus an independent entrepreneur?
- Why do you think some large multinationals choose to have a high level of startup engagement?
- What role can multinationals play in an entrepreneurial ecosystem? What factors might affect the role that they play?

Globalization of the Silicon Valley Ethos (2/23)

Readings

- Recommended Listening: “Startup Corporate Structures for Latin America and Silicon Valley,” Crossing Borders Podcast, <https://www.nathanlustig.com/dan-green-
Discussion Questions

- Should it be the goal of emerging ecosystems to become a “Silicon-Hyphen”? Why or why not?
- What standard Silicon Valley practices and norms do you think are most easily exported? Which are most difficult to export?
- How do the layouts of physical work spaces translate across different cultural contexts?
- How has Covid-19 impacted the prominence of Silicon Valley, both culturally and economically? What dynamics have shifted in the wake of the pandemic?

Founding Teams/Internal Networking Session (2/28)

Readings

- Recommended Listening: “Mira Mehta – The Tenacious Founder of Nigeria’s Tomato Jos”, Young African Entrepreneur, <https://podcasts.google.com/feed/aHR0cHM6Ly95YWVwb2RjYXN0LmxpYnN5bi5jb20vcnNz/episode/NDVmMzBhMTQ1OGM5NGI2MThiNzhlNWU5NmU4YTEhNDc>

Discussion Questions

- Discuss some of the advantages/disadvantages of having a multinational founding team.
- In the Embrace case, how would you allocate each of the teams to the different proposed projects and why?
- How do Team A’s diverse backgrounds and experiences shape their strategy with respect to the infant warming device?
- Which step would you recommend for Sonia (in the HBR article) and why?

Class 15: Midterm Paper Discussion Class (3/2)

Part 2: Areas of Innovation
**Context-Specific Innovation (3/14)**

**Readings**
- “ZipDial: Reaching the Next Three Billion Consumers.” Stanford GSB Case IDE07

**Discussion Questions**
- What role does experimentation play in the development of products for local markets?
- Discuss some of the ways that ZipDial leveraged understanding of local consumer behavior in designing their campaigns.
- What is the value in being able to connect offline to online behaviors?

**Artificial Intelligence (3/16)**

**Readings**

**Discussion Questions**
- What makes a company an “AI company”? Is the term overused?
- What role does AI play in ByteDance’s TikTok, and how does it differ from previous-gen recommendation systems?
- How can potential investors evaluate a firm’s AI offering?
- Discuss the ecosystems that support AI innovation in the US and China.

**Healthcare (3/21)**
Readings


Discussion Questions

- What are some of the unique challenges inherent in the provision of healthcare versus other types of goods?
- Narayana Health’s model does not rely on any particular breakthrough technologies. What are the keys to its success?
- What are some of the ways in which healthcare innovations can piggyback on existing technology and infrastructure to lower costs?

Energy and Agribusiness (3/23)

Readings


Discussion Questions

- Do you think the recent increase in climate-conscious investing is a bubble? If yes, why? If not, what’s different this time?
- What are some of the infrastructure challenges inherent to electrifying rural areas in developing countries?
- Discuss the centrality of pay-as-you-go (PAYG) systems to solar offerings like M-Kopa.
**FinTech (3/28)**

**Readings**

- Suri, T., & Jack, W. (2016). The long-run poverty and gender impacts of mobile money. *Science, 354*(6317), 1288-1292. [*Please read the introduction and conclusions of the article; you may skim the empirical results*]

**Discussion Questions**

- How can local institutions and government policies affect the diffusion of innovations like mobile money?
- Discuss some of the creative ways in which unbanked consumers have used existing technology to mimic the functions of traditional financial products.
- What are some of the factors that prevent widespread adoption of financial products like microinsurance in emerging markets?
- What kinds of data can substitute for prior financial history when providing financial products to people without such histories? Are you optimistic or pessimistic about these approaches?

**Logistics (3/30)**

**Readings**

Discussion Questions

- How would you map out the landscape of logistics innovation? What do you see as some of the most promising subareas for entrepreneurial firms?
- Discuss the difficulties in maintaining the cold chain in regions like rural Rwanda.
- How do efforts to digitize global supply chains intersect with decarbonization goals?

Part 3: Regional Spotlights

Africa (4/4)

Guest Speakers: Dario Giuliani & Joshua Murima, Briter Bridges (Kenya)

Readings


Discussion Questions

- Discuss some of the challenges and opportunities related to manufacturing and food production on the African continent.
- Consider the commonly cited hubs for innovation on the continent – e.g., Lagos, Nairobi, Johannesburg – and write about some of the advantages and disadvantages of these ecosystems.
- What are some of the differences and barriers between Anglophone and Francophone Africa?
- Discuss the complexities and importance of the Sino-African relationship.

Southeast Asia (4/6)
Guest Speakers: Ethan Choi (WG13), Venture Partner, Indies Capital Partners (Indonesia), + additional panel members tbd

Readings


Discussion Questions

- What is unique about the market in Southeast Asia, and what are some of the factors that have led to the rise of “super-apps” like the ones we see in the case?
- What role do large investors like SoftBank play in shaping competition between major regional players in a nascent industry like ridesharing?
- Discuss some of the ways in which Grab and Go-Jek instituted a tailored or “hyperlocal” strategy.

Latin America (4/11)

Guest Speaker: Rosanna Ramos-Velita (WG’92), Chairman, Caja Los Andes, Wharton Executive Board for Latin America

Readings

- Recommended Listening: episodes of Crossing Borders <https://www.nathanlustig.com/category/crossing-borders-podcast/>

Discussion Questions
• Discuss Nubank’s founding team. How did their prior experience prime theme for Nubank’s development? What complementarities exist between the founders?
• What do you view as Nubank’s most promising pathways for expansion, both geographically in Latin America and into different financial products?
• How can “missing middles” hold back the productivity of a region?

South Asia (4/13)

Guest Speaker: Shivani Bhasin Sachdeva (WG02), Founder and CEO, India Alternatives

Readings


Discussion Questions

• Discuss some of the opportunities and difficulties presented by the digital payments space in India. What are some of the challenges faced by Paytm as they move towards an IPO?
• Discuss the influence of local and national regulations on the founding of new firms.
• Why might a potential entrepreneur prefer a government job to starting a firm?

Final Projects

Class 26: Preparation Time for Class Presentations (4/18)

Class 27-28: Student Presentations and Wrap-Up (4/20 and 4/25)