



## MANAGEMENT 611: MANAGING THE ESTABLISHED ENTERPRISE

Fall 2021, Mondays and Wednesdays (version of August 4, 2021)

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### Faculty websites

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The management of large, established enterprises creates a range of multi-faceted challenges for the general manager. A general manager needs to understand the internal workings of a firm, how to assess and create a strategy, and how to take into account increasing globalization. While these issues are distinct, they are very much intertwined. As a result, this course will provide you with an integrated view of these challenges and show you that successful management requires a combination of insights drawn from economics, sociology, psychology and political economy. The course has three main parts, and two “bookend” events. The course starts with a class in which you will meet your entire teaching team and receive a roadmap for this semester-long journey.

The first part of the course will deal with fundamental issues of strategy, examining issues central to the long- and short-term competitive position of an enterprise. We will develop a set of analytical frameworks that enable you to explain performance differences among firms and that provide a structure for strategic decisions to enhance firms’ future competitive positions. We will cover both strategy at the business unit level, introducing tools of industry analysis and competitive positioning, and at the corporate level, examining the economic logic for firms to diversify across businesses and for vertical integration decisions across stages of the industry value chain.

The second part of the course explores the successful management of individuals and groups. We stress the fact that organizational life is built around a complex interplay of social forces. Networks of cooperation, group conflicts, systems of power and influence, career paths, and reward systems shape how people and organizations manage and are managed. In this part of the course, we will create a framework for analyzing the impact of these social forces on individuals, groups, and the organization. In particular, we study how to motivate those you manage. Moreover, we will study how to develop and implement organizational designs and cultural systems that achieve competitive advantage through the management of people.

The third part of the course covers the unique opportunities and challenges that firms face when doing business across borders, and the strategies that they can deploy based on the country- and firm-specific characteristics. While reinforcing the learning points covered in the previous two parts of the course, the discussions in this part will emphasize the deep and persistent cross-country differences in economic, political and social institutions. We will also discuss how exchange rate volatilities, trade and investment treaties, new technologies, and new business models are shaping the business landscape for multinational enterprise.

The class concludes with your final papers, showing how these different perspectives on organizations can be brought together to understand how established enterprises can be successfully managed.

### TEXT AND READINGS

Course readings are on available on Canvas through Study.Net. The readings listed on the course outline below should be read and prepared before each class session.

## **BUILDING AN ENTERPRISE**

We will build a low-fare, short-haul airline with a point-to-point business model via a cloud-based simulation conducted by your course team. It will require about two hours of time with your course team outside of classtime. Simulation results will be reported in class and should be kept private until that time.

## **PLEASE NOTE**

This class is heavily participation based. Any students who fail to attend the first class will lose their seats in the class. Repeated absences from the class will result in a failing grade independently of your performance on the other assignments. The only exceptions to these rules are absences excused by the MBA Office.

## **ASSIGNMENTS, QUIZZES AND EXAMS**

Final Paper Proposals due: Tuesday September, 14<sup>th</sup> by noon  
Strategy Memo: Tuesday, September 28<sup>th</sup> by noon  
Human and Social Capital paper: Tuesday, November 2<sup>nd</sup> by noon  
Global Strategy multiple-choice tests (6): after each class session  
Final Paper Presentations: 6<sup>th</sup> and 8<sup>th</sup> of December  
Final Paper: Thursday, December 9<sup>th</sup> by noon.

**Please submit all assignments via Canvas.**

## **CLASS SESSIONS AND PARTICIPATION**

Each class will consist of a combination of lecture and discussion of the day's topic. On most days, we will use case analysis to explore the issues at hand. Careful preparation is essential. We expect you to read all of the assigned materials for each session in advance of the class. In class, you should be prepared to analyze the concepts from the case and the readings and to discuss any questions provided in the syllabus. If you cannot answer the questions, you are not prepared for class. We will use cold calling to ensure preparation and to establish an even level of participation throughout the course.

We expect you to participate actively in class to help your learning and that of your peers. A productive learning environment requires active engagement of all class members. Three factors determine good class participation. First, given thorough and careful preparation, you should be able to identify the important managerial issues related to the case and/or readings. Second, you should be able to use that analysis to define a concise and logical position on the issues. Please avoid pure repetition of case facts. You should be able to show how a particular concept is illustrated in the case or suggest how the substantive problem presented in the case can be solved. Third, you should be able to analyze constructively the positions your classmates take. Quality, not quantity, will determine the effectiveness of your comments. "Airtime hogs" will not be rewarded.

Of course, the underlying condition for class participation is attendance. We expect you to attend all sessions. Specifically, according to the MBA office, there is no recruiting reason for which you should miss class. If you cannot come to class, you should notify your instructor by email in advance of the class. We will use the check-in app for all our classes. (More details to follow in the first class.) If you cannot come to class, you should notify your instructor by email in advance of the class.

Finally, in order to facilitate lively, in-depth discussions and out of respect for each other, there are two simple ground rules regarding mobile devices and laptop computers: 1) please remember to turn off your phone, and 2) no laptops or tablets open during class.

## **CASE DISCUSSIONS**

In preparing cases for discussion in class, you should be ready to comment on (1) the case's background and context, (2) the key issues and problems, (3) a framework for analyzing the issues and problems, (4) the implications of the assigned readings for understanding the case, and (5) a course of action for designing and implementing solutions.

## **FACULTY LUNCHESES**

We have scheduled a number of informal lunches with the course faculty. These are totally optional. You may sign up for lunch on the Canvas page for your section.

## **ETHICS AND USE OF PRIOR MATERIALS**

It is never appropriate to use materials prepared by students or faculty in this course from previous years. You should not use previously completed case write-ups, or summaries of readings.

## **GRADING**

Your grade will be based on:

- Class participation (20%) which will be graded by all three instructors and equally weighted across sessions. Because participation is a critical part of the learning experience, unexcused absences will be heavily penalized.
- Three individual assignments – a Human and Social Capital paper (20%), a Strategy memo (20%), and a Global Strategy multiple-choice quizzes (20%).
- The final project, which includes a team presentation (5%) in class and a team project write-up (15%).

It is possible to fail this class.

## **INDIVIDUAL ASSIGNMENTS DETAILS**

### **Strategy Memo**

**Due by Noon on Tuesday, September 28**

1. Conduct an industry analysis of the last industry you worked in from the perspective of an incumbent firm.
2. Draw the activity system for your last employer.
3. Discuss 2 or 3 interactions within the activity system you drew (i.e., the reasoning behind why you have connected 2 elements in the activity system).

The paper should be no more than 1,000 words, i.e., about 3 pages, with one additional page depicting the activity system. Each of the three parts of the paper will have an equal weight for grading purposes.

**This is an individual assignment, and should be done individually.**

### **Human Capital Paper: Written Analysis of Previous Employment**

**Due by Noon November 2**

Your assignment is to examine your last job or two (or an earlier job) and use the concepts and principles from the Human & Social Capital section of the course to analyze and explain your work experience. You will use your prior job as the case material that allows you to demonstrate your understanding of course concepts and principles, drawing on sessions 8 to 16 in which we cover motivation, job and work design, reward systems, managing and appraising performance, making good and timely decisions, general management, and architecture and culture. Some readings provide specific frameworks for predicting and explaining behavior (e.g. equity theory, job enrichment), while other readings and possibly an executive speaker present concepts and principles that can be applied to a wide range of situations (e.g., the article by Kerr).

The choice about what work issues to cover and what concepts and principles to apply is yours. In evaluating your answer, we will look to see whether the concepts and principles that you use are described accurately (i.e. substantively correct), applied appropriately (i.e. fit the job situation you describe), and most relevant to the situation (i.e. the concepts and principles best illuminate your situation).

In analyzing your job, focus on how you were managed, not how you behaved in managing others. It does not matter whether you had a good job experience or a bad job experience. You can talk about both the successful and the unsuccessful aspects of the job, and about what was missing for you. The paper presents you with an opportunity to explore the course readings, class discussions, and speaker presentation, and then apply them to your experience. You will want a lively and detailed description of your past job, and also to show good appreciation for and application of course concepts and principles:

- Demonstrate an understanding of a minimum of three concepts and principles from class sessions 8 to 16 by making specific links between the concepts/principles and key elements of your job experience.
- Demonstrate your understanding of the similarities, complementarities, or inconsistencies among the concepts and principles.
- Explain why the concepts and principles that you have chosen are important and useful for understanding and perhaps for suggesting changes to your prior job or organization.

Several guidelines for preparing the paper:

- Keep in mind that this is an exercise that must be graded. It is easy to get carried away with an interesting story and forget that this is also a way to test your knowledge of and ability to apply the course material.
- Be sure to explore your **personal** experience with your job, rather than writing generically about the experience of people in positions like yours.
- You will want to be concise and make careful choices about what aspects of your work to focus upon.
- Remember to identify course concepts and principles specifically, and then draw explicit links between the concepts/principles that you identify and your work experience.
- It may be useful to develop a comparative aspect to the paper, e.g. by comparing how your job experience varied for two different tasks; before and after a change in your boss; before and after a restructuring; or perhaps at two different companies.
- The paper should be double-spaced using 12-point Times New Roman Font. The maximum length is 1,000 words (please include a word count on the front page). We recommend that you begin work on the paper early.

**This is an individual assignment, and should be written individually.**

## **Global Strategy Multiple Choice Quizzes**

A multiple-choice quiz with three (3) questions will be made available on Canvas at the end of each session in this module, for a total of six (6) quizzes. Students will have one day to answer the questions.

**This is an individual assignment, and should be completed individually. It is open-book.**

## **THE FINAL PAPER**

**Due by Noon on Thursday, December 9<sup>th</sup>**

The final paper should be written by **teams of 5-6**, randomly assigned at the beginning of the semester. Your assignment is to use theories and concepts from the course to analyze and explain the activities of a given firm located in a given country, vis-à-vis the firm's employment practices and organizational and human-resource systems, its corporate strategy, and its global strategy. Essentially, in this assignment, you will use an actual firm as the case material that allows you to demonstrate your understanding of and ability to apply course theories/concepts. The project can incorporate such competitive strategy topics as industry analysis, positioning, firm capabilities and resources, and the horizontal, vertical and geographic boundaries of the firm; such human and social capital course topics as motivation, job design, reward systems, recruiting and selection, managing individual performance, and links between the HR system and business strategy; and global strategies of aggregation, adaptation and arbitrage, the role of business groups and the tension between shareholder value maximization and stakeholder demands. This assignment requires you to prepare a report (25 pages in length) and a presentation summarizing its main themes and findings. For both, you should consider the drivers of the firm's recent performance as well as the sustainability of these drivers over time.

The choice about the relative weight to put on different issues, theories and concepts in explaining the firm's activities and its performance is yours. In evaluating your paper, we will look to see whether the theories/concepts you use are described accurately (i.e. substantively correct), applied appropriately (i.e. fit the context you describe), and most relevant to the situation (i.e. did you pick the theories/concepts that best illuminate the firm's situation). **In choosing a focal firm, remember that you may not choose a firm highlighted in the cases from the course; and that the firm must, to some degree, be global, i.e. involved in cross-border activities (not only serving a domestic market).**

Please consider the following suggested sections to include in your report:

- Short history/overview of the focal firm, its strategy, and its management practices, including the influence of its home country's political, economic and social institutions;
- Short history/overview of the economic, political, legal or social context in the focal country and the focal firm's perceptions of their likely evolution over time, as it pertains to the evolution of the focal firm's strategy and management practices;
- Industry analysis, both globally and in the focal national market;
- Management challenges, including (but not limited to) organizational design, structure, and processes; culture, i.e., how the firm's culture deals with differences in national culture that affect its activities; and HR practices related to rewards, skills/talent, hiring and retention, job design, supervision and performance appraisal;
- Is this company considering a global expansion or contraction? Does it make sense for the company to expand globally at this time? Why or why not?
- If the company were to expand globally beyond its current geographic scope, which regions make the most sense? (CAGE framework) Why?
- How much adaptation of product attributes or marketing does this company do as it moves across different geographies? Should it do more? Less?
- Global strategy (i.e., Aggregation, Adaptation or Arbitrage) of the firm in the focal market differentiating by product or function as appropriate, and including mode of entry and sequence of entry by which the firm entered the focal market where appropriate;

- Impact of different national employment laws, policies, institutions, and norms on the focal firm when it operates in different countries (Porter Diamond, Institutional Voids);
- What is the nature of the competitive forces within the industry currently and how are these dynamics likely to change in the near and medium term?
- How this firm is positioned with respect to its industry competitors? Note that this analysis should include both external (i.e. execution of the strategy vis-à-vis customers) and internal (i.e. organizational practices that develop capabilities underlying the strategy) activities. Do these activities reinforce each other, per the concept of an activity system?
- National positioning analysis – How does the focal country position itself to attract firms and investment from within and outside national borders? Why did the focal firm choose to locate in this particular country? What location choices are competitors making?
- Overall assessment of this firm's competitive advantage – its sources, distinctiveness, imitability, and the sustainability of its competitive position.

Here are some tips based on our collective experience with this course assignment. Each instructor will offer additional guidance vis-à-vis specific expectations and recommendations.

- Don't forget that this is an exercise that must be graded. It is easy to get carried away with an interesting story and forget that this is also a way to test your knowledge of and ability to apply the course material.
- Remember to mention course concepts specifically, so we don't have to read your mind to figure out what concepts you are applying to your case. Drawing explicit links between the concepts you identify and the case material is the key. Don't just drop in the names of a few theories or concepts into the midst of a description. Show how they apply.
- Do not expect the reader to “crunch the numbers” that you display in your exhibits to see what is really happening; this is the difference between a case and a paper: you have to provide the data *and* the analysis.
- When facing a choice as to whether to narrow your paper to a more focused topic, recognize the benefits of this strategy in terms of richness, thoroughness and completeness but balance these benefits against the costs of reduced data availability and difficulty in legitimately speaking to all three elements of the course. Choose the narrowest possible topic that offers sufficient data and allows you to describe and integrate a discussion on corporate strategy, human and social capital and global strategy.
- It may be useful to
  - Develop a comparative angle in the paper, i.e. compare your firm to another firm in the same country or your firm's operations in the focal country to those in another country. Doing so, however, enhances the risk of spreading yourself too thin so be cognizant of this risk if you choose this approach.
  - Compare and contrast how two or more different theories or frameworks can be applied to the same case. Be sure you make it clear to us why you chose those theories and which you felt provided more insight.

Please note that any quotations of longer than a phrase must be explicitly noted in the text. Insufficient attribution to extended quotations from external sources will result in formal charges of plagiarism to the office of student conduct. If you have any questions on policy, see [http://gethelp.library.upenn.edu/PORT/documentation/plagiarism\\_policy.html](http://gethelp.library.upenn.edu/PORT/documentation/plagiarism_policy.html)

A one page proposal that describes the company you are planning to study, what aspects your analysis will focus on, and how you plan to gather data should be submitted on Canvas by **Tuesday 13th of September**. You should then meet with faculty or their teaching fellows by the end of October to discuss your progress.

You will present your projects in Classes 23-24, in a randomly generated order. One member of each team should upload your team's slide deck before Class 23, even if your team presents during Class 24.

The write-up should be printed double-spaced, using 12-point Times New Roman Font. The maximum length is 25 pages not including Exhibits. Please include an executive summary and word count on a title page. You will have to be concise and make choices about what issues to discuss. We recommend that you begin work on the paper early, to avoid a last minute crunch. This is feasible because some corporate and national material is readily available and each class session will introduce new concepts that are potentially applicable. You will also do a presentation to the faculty and your classmates of your report's primary themes and conclusions.

## COURSE OUTLINE

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### **Class 1: Introduction to Managing the Established Enterprise (30<sup>th</sup> of August)**

- Readings: “High Expectations: What a big pay rise at Walmart means for the minimum wage debate” *The Economist*, Jan 30th 2016.  
  
“Thinking Outside the Box: As American shoppers move online, Walmart fights to defend its dominance.” *The Economist*, June 2nd 2016.  
  
“Wal-Mart, thwarted by India's retail restrictions, goes big: wholesale,” *Los Angeles Times*, July 23, 2015.

### **Class 2: Industry Positioning & Competitiveness (1<sup>st</sup> of September)**

- Readings: Porter, Michael E. 2008. “The Five Competitive Forces that Shape Strategy.” *Harvard Business Review*, January, pp. 79-93.
- Case: Cola Wars Continue: Coke and Pepsi in 2010 (9-711-462)
  1. Why, historically, has the soft drink industry been so profitable?
  2. Compare the economics of the concentrate industry to that of the bottling industry: Why is the profitability so different?
  3. How has the competition between Coke and Pepsi affected the industry's profits?
  4. How can Coke and Pepsi sustain their profits in the wake of the flattening demand and the growing popularity of non-CSDs?

<b>Labor Day: No Class on September 6</b>
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### **Class 3: Complementors (8<sup>th</sup> of September)**

- Readings: Brandenburger, Adam M., and Barry J. Nalebuff. 1996. Co-opetition pp. 11–34.
- Video: All Players in the Game: <http://vimeo.com/62165898>
- Case: **De Beers at the Millenium (9-706-518)**

1. What product does De Beers actually sell?
2. What role does GIA play in the De Beers value net?

#### **Class 4: Value Creation & Appropriation (13<sup>th</sup> of September)**

- Readings: Brandenburger, Adam, and Harborne Stuart. 1996. "Value-Based Business Strategy." *Journal of Economics and Management Strategy* 5 (1): 5–24.
- Videos: A Definition of Value: <http://vimeo.com/61143220>  
How the Pie is Divided: <http://vimeo.com/61225993>
  1. To check your understanding of value creation and added value answer the following questions:  
Consider a set-up with four suppliers, three firms, and two buyers. Each supplier can transact with at most one firm, and vice versa. Similarly, each buyer can transact with at most one firm, and vice versa. Each supplier has an opportunity cost of \$10 of providing resources to a firm. Each buyer has a willingness-to-pay of \$40 for the product of two low-quality firms (say firms 1 and 2) and a willingness-to-pay of \$50 for the product of one high-quality firm (say firm 3). What are the possible price ranges for the products sold by the high-quality and low-quality firms? Pick prices outside these ranges and convince yourself that these prices are not possible.

<p><b>Tuesday, September 14<sup>th</sup>      One-page team paper proposal due by noon</b></p>
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#### **Class 5: Positioning & Activity Systems (15<sup>th</sup> of September)**

- Readings: Porter, Michael E. 1996. "What is Strategy?" *Harvard Business Review* (November-December): 61–78.
- Case: **Progressive Corporation, 9-797-109**

What are the five key points in Porter's article?

When reading the Progressive case, please have the following questions in mind:

1. What is Progressive's positioning?
2. What are the characteristics of Progressive's customers?
3. How are Progressive's activities tailored to its position?
4. How do the activities fit with one another?
5. Should Progressive enter the standard segment?

#### **Class 6: Competitive Interactions (20<sup>th</sup> of September)**

• Readings: Porter, Michael E. 1980. Competitive Strategy Ch. 3, pp. 47–74.

• Video: The Uncertainty in a Game <http://vimeo.com/64599418>

• Case: **Philips' Compact Disc Introduction (B), 9-792-036**

1. How does competitor analysis proposed by Porter fit into the notion of second-order thinking in the video?

In solving the Philips case, be aware of what assumptions you are making, and whether your results are robust to (small) changes in these assumptions.

2. Should Philips establish a U.S. plant at the beginning of 1983 or wait a year before deciding? Why or why not? (You need to crunch numbers here!) Do not try to draw a game tree! In this case, solving the problem without a tree is much easier.

### **Class 7: Corporate Strategy (22<sup>nd</sup> of September)**

• Readings: Ghemawat, Pankaj and Jan Rivkin. 2010. “Choosing Corporate Scope,” Strategy and the Business Landscape (3rd ed.), Ch. 6, pp. 123 – 147.

• Case: **The Walt Disney Company: The Entertainment King, 9-701-035**

Please make sure you understand the “two tests” Ghemawat and Rivkin are describing.

When reading the Disney case, please have the following questions in mind:

1. Why has Disney been successful for so long?
2. What did Michael Eisner do to rejuvenate Disney? Specifically, how did he increase net income in his first four years?
3. Has Disney diversified too far in recent years?

### **Class 8: Strategic Planning and Strategy Wrap-Up (27<sup>th</sup> September)**

• Readings: Gavetti, Giovanni, and Jan Rivkin. “The Use and Abuse of Analogies” (9-703-429)

Gavetti, Giovanni, and Jan Rivkin. “Analogical reasoning at Lycos”

1. What are the pitfalls of analogical reasoning?
2. Read the Lycos mini-case. Do you buy the analogy to traditional media Lycos’s management team used to arrive at their decision? Does this analogy provide Lycos’s managers with valid guidance?

**Tuesday, September 28<sup>th</sup>**

**STRATEGY MEMO DUE AT NOON**

### **Class 9 (Human and Social Capital #1): Strategy and Execution (September 29)**

Case: Charles Schwab Corporation (A), 9-300-024

1. Assuming that Charles Schwab decides to lower its commissions to \$29 per trade, as David Pottruck, what should be of greatest concern?
2. As Pottruck, how would you execute the company strategy of providing full-service trading at \$29?

Exercises: IBM, Lenovo, and Red Hat; developed in class

### **Class 10 (HSC #2): Motivating Individual and Team Performance (October 4)**

Stephen P. Robbins and Timothy A. Judge, excerpts from “Contemporary Theories of Motivation” (needs, cognitive evaluation, goal-setting, expectancy), *Organizational Behavior*, 12<sup>th</sup> edition, Englewood Cliffs, N.J.: Prentice Hall, pp. 192-198, 208-210

Martine Haas and Mark Mortensen, “The Secrets of Great Teamwork,” *Harvard Business Review*

Stephanie J. Creary, Mae McDonnell, Sakshi Ghai, and Jared Scruggs, “When and Why Diversity Improves Your Board’s Performance,” *Harvard Business Review*.

Case: Nordstrom Inc. Department Store (Wharton)

1. How are the performance goals set and how do they motivate employees?
2. What are the positive and negative effects of this motivating system?

Case: Wells Fargo Bank; developed in class

Building an enterprise, developed in class

### **Class 11 (HSC #3): Designing Reward Systems (October 6)**

Steven Kerr, “On the Folly of Rewarding A While Hoping for B,” *Academy of Management Journal* 18: 769-83

Stephen P. Robbins & Timothy A. Judge, “Equity Theory,” from *Organizational Behavior*, 12<sup>th</sup> edition, Englewood Cliffs, N.J.: Prentice Hall, pp. 203-207.

Case: Hausser Food Products Company (private case).

1. Why is the Florida sales team withholding information?
2. If you were Brenda Cooper, what actions would you take?

### **Class 12 (HSC #4): Designing Jobs, Organizing Work, and Defining Purpose (October 11)**

Talya Bauer and Berrin Erdogan, “Motivating Employees Through Job Design,” *Organizational Behavior*

Tony Schwartz and Christine Porath, “Why You Hate Work,” *New York Times*, May 20, 2014

Case: Trustworthy Trust

1. Why are analysts such as Henderson demoralized?
2. Why do senior managers seem so satisfied?
3. What recommendations would you offer the executive vice president?

Case: Preparing for the Rescue of the Miners in Chile (Wharton)

1. With no background in mining and new to his ministry, how could Laurence Golborne build credibility with the miners, families, and drillers?
2. Should he take part in the technical decisions on how best to reach and extract the miners?
3. Who should he draw onto his management team?

<b>October 12 to 22: No Classes</b>
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### **Class 13 (HSC #5): Making Good and Timely Management Decisions (October 25)**

Kathleen M. Eisenhardt, "Speed and Strategic Choice: How Managers Accelerate Decision Making," *California Management Review* 32: 1-16

Stanley McChrystal, Chapter 10, "Hands Off," in *Team of Teams: New Rules of Engagement* for a Complex World, with Tatum Collins, David Silverman, and Chris Fussell, Portfolio/Penguin

Michael Useem, "Making Better Choices," *Financial Times*, March 31, 2006

Exercises: Developed in class.

### **Class 14 (HSC #6): Managing Architecture, Culture, and Change (October 27)**

John P. Kotter, "Leading Change: Why Transformation Efforts Fail," *Harvard Business Review*

Charles O'Reilly, "Corporations, Culture, and Commitment: Motivation and Social Control in Organizations," *California Management Review* 31: 9-25

Johnson & Johnson Credo.

Case: Jean-Philippe Courtois at Microsoft Global Sales, Marketing and Operations: Empowering Digital Success, LBS 123456

### **Class 15 (HSC #7): Serving as a General Manager (November 1)**

Sydney Finkelstein, "The Best Leaders Are Great Teachers," *Harvard Business Review*.

Kevin Kaiser, Michael Pich, and I.J. Schecter, "Transitioning to General Management," *European Business Review*.

Jeffrey Pfeffer, "Producing Sustainable Competitive Advantage Through the Effective Management of People," *Academy of Management Executive* 19: 95-106

Results of building an enterprise

HSC summary

**Class 16 (Global #1): The Global Business Environment (November 3)**

- Readings: “The Future of Global Consumer Markets,” Wharton Magazine (Fall 2016).  
Thomas L. Friedman, “It’s a Flat World, After All” New York Times Magazine April 3, 2005.  
Pankaj Ghemawat, “Why the World Isn’t Flat,” Foreign Policy, March-April 2007, pp. 54-60.  
Ghemawat, Pankaj (2001) “Distance Still Matters: The Hard Reality of Global Expansion,” *Harvard Business Review* 79(8): 137-147.
- Case “Grolsch: Growing Globally” IESE Case SM-1529-E 0-308-029
  1. How are shifting demographics changing global consumer markets?
  2. What are the reasons for Grolsch to expand globally?
  3. What consumer trends should Grolsch be most aware of in its decision to expand globally?

**Class 17 (Global #2): Global Industry Dynamics (November 8)**

- Readings: SNL Kagan, *Economics of Global Music 2017*.  
IFPI, *Global Music Report 2019*.  
Dossier on Apple Music.
  1. Is the music streaming business a commodity business?
  2. What are the ways in which companies can differentiate themselves?
  3. In your view, who has a better chance of dominating this business, Spotify or Apple?

**Class 18 (Global #3): Prioritizing Global Markets and Entry Modes (November 10)**

- Readings: Irma Hunt, Allison Watts, and Sarah K. Bryant, “Walmart’s International Expansion: Successes and Miscalculations.” *Journal of Business Strategy* 39(2) (2018):22-29.  
Ghemawat, Pankaj (2007) “Managing Differences: The Central Challenge of Global Strategy,” *Harvard Business Review* 85(3): 58-68.
- Case: Walmart China: Challenging Alibaba’s New Retail. Asia Case Research Centre, University of Hong Kong Case 19/643C.  
Video (watch before class): Judith McKenna Discusses Walmart’s International Business (Yahoo! Finance). Click [here](#) to watch, or Available from FILES > Global Module Readings.
  1. Did it make sense for Walmart to enter foreign markets in the sequence it did?

2. How would you rate Walmart's decisions concerning the choice of wholly-owned operations, joint ventures, and acquisitions for different markets?
3. Does Walmart's China strategy have a good chance of success? Why? Why not

**Class 19 (Global #4): Managing Differences: Aggregation (15<sup>th</sup> of November)**

- Case: **Ingvar Kamprad and IKEA** (HBS 9-390-132)
  1. Why is the traditional furniture industry highly fragmented?
  2. What are consumers looking for when they buy furniture? And how does your answer to this question determine the right globalization strategy for IKEA?
  3. What are the major challenges faced by IKEA in its global expansion? How did it overcome these challenges?

**Class 20 (Global #5): The Organizational Challenges (17<sup>th</sup> of November)**

- Readings: Khanna, Tarun. (2014) "Contextual Intelligence," *Harvard Business Review*, September: 2-11  
  
Khanna, Tarun, Palepu, K. Sinha (2008) "Strategies that Fit Emerging Markets," *Harvard Business Review*
- Case: **The Abraaj Group: Making of a Global Private Equity Firm** (F312-PDF-ENG)
  1. Why is the Abraaj Group geographically dispersed but strategically focused on the growth markets?
  2. How does the Abraaj Group organize its global operations? What are the main challenges in balancing its global-local play?

<p><b>Thanksgiving Break, November 19-26</b></p>
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**Class 21 (Global #6): Managing External Stakeholders (29<sup>th</sup> of November)**

- Readings: Dossier on Total in Mozambique.  
  
Henisz, Witold and Zelner, Bennet (2010). "The Hidden Risks in Emerging Markets," *Harvard Business Review*
  1. What are the drivers of conflict in the local environment around Total's operations and in the Cabo Delgado region more broadly?
  2. What are Total's obligations for managing external conflict (conflict between stakeholders)?
  3. What strategies could Total deploy to prevent its operations from shutting down?

**Class 22 (Global #7): COP 26, Climate and Globalization: A Debate (1<sup>st</sup> of December)**

- Readings: To be handed out.

**Class 23 and 24: Final Paper Presentations (December 6<sup>th</sup> and 8<sup>th</sup> of December)**

**Thursday, December 9<sup>th</sup>**

**FINAL PAPER DUE AT NOON**