

MAN 6636: GLOBAL STRATEGIC MANAGEMENT, FALL 2016 (MOD 1)

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COURSE MATERIALS

The required course materials are a Course Packet, polleverywhere account, Electronic Reserve & Class Materials on e-Learning

Each student must purchase the course packet designed specifically for this class MAN 6636.

The packet is available online from Harvard Business Publishing:

<http://cb.hbsp.harvard.edu/cbmp/access/51608828> (NOTE: PURCHASING THE COURSEPACK IS A REQUIREMENT – COPYING CASES IS A VIOLATION OF THE ACADEMIC HONOR CODE).

Register for a polleverywhere account. The business school has purchased a site license, so there is no need for you to pay anything to polleverywhere (if you already have paid for another class, that should not be a problem). The polleverywhere account is required for you to take our in-class quizzes and polls related to case discussion. If you are in the 127B section starting at 1:55, respond to this invitation link to your section: www.polleverywhere.com/register?p=3ttu1-iev8&pg=wCTNCfI&u=aJ2P1LWz. If you are in the 127E section starting at 4:05, respond to this invitation link to your section: www.polleverywhere.com/register?p=3ttu1-1qk3&pg=jCjv413&u=aJ2P1LWz.

Make sure you are able to access the e-learning platform (using your gatorlink account) to get electronic reserve and class materials. Electronic reserves are on Ares, which can be accessed through a link provided on our Canvas course webpage.

There is no textbook for the course, though our readings will draw from several texts.

COURSE DESCRIPTION

This course will help you to understand the key issues surrounding firms' strategies for operating in today's dynamic global business environment. In this course, we question recent common wisdom of a "flat world," where technological advances have made international boundaries transparent with respect to a firm's global expansion efforts. In particular, we seek to understand the persistence of economic, institutional, and cultural differences across countries. As we will explore through case studies, these differences are a source of not only challenges but also opportunities in leveraging foreign markets.

To convey the complexity of issues faced by firms in an international context and to enhance your knowledge of the decision-making rationales and processes underlying this context, we will rely heavily on the case method. The case method will help you systematically digest and analyze the international business challenges you may face in your career. Case discussions will be augmented by lectures and classroom exercise covering the underlying theoretical concepts and discussions about current news events.

COURSE EVALUATION

1. Individual Class Participation	20%
2. Quizzes	15%
3. Group Assignment	25%
4. Final Exam	40%

PREPARATION

In a case-based course, full preparation of the cases/readings prior to class (and subsequent active participation during class) serves two important and complementary roles. First, other students benefit when you make insightful comments. Second, what you get out of the class depends on what you put in. You will typically not be able to learn from the discussion contributions of others if you do not know the details of the case. As such, I expect you to be fully prepared for each class and may ask you to start a discussion or answer a question during the class. Of course, there may be unavoidable situations that preclude you from being fully prepared on a particular day, and in that case, please let me know ahead of time so that I do not embarrass you inadvertently. You should make every effort to attend all classes, even if you have not prepared adequately.

My advice for preparing a case is threefold. First, analyze the case beyond the stated facts. Think about why the companies in the case are making the decisions described. As you are likely to do with other daily events you encounter, you should relate the factual events in the case into more broadly applicable insights, principles, and theories. Second, preparation involves not just thorough analysis but also developing a personal position on the issues surrounding the case. Developing a personal position will help you critique the contributions of others in the class. Third, I strongly encourage you to discuss the case with your classmates ahead of time to prepare for class discussion.

PARTICIPATION

The most engaging discussions occur when the class is doing most of the talking. In discussing cases, class participation is crucial for enjoyable and effective learning. Class participation enables you to learn from fellow students and helps them learn from you. Effective class participation involves presenting and defending your views about the issue at hand in a concise and persuasive manner. Further, it involves the ability to build on the views of others in class. Good class participation is not limited to giving an insightful answer, and indeed an insightful question is much more interesting. I encourage thoughtful questions, answers, and comments that indicate both preparation prior to a session and attention to the discussion during class.

It is important that you participate enough so that I can assess the quality of your thinking. Beyond a certain quantity, your participation is based only on quality. As long as you are a regular participant, and I hope that all of you will be, you don't have to worry about whether someone else is speaking more than you are.

Class participation will be graded based on my assessment coupled with input from your peer evaluations (see Appendix for a sample of this form). The actual peer evaluation form to fill out will be sent to each student as an email via e-Learning at the end of the term.

I encourage lively discussion and debate. Hence, class comments that (a) move the discussion forward, (b) are particularly insightful or (c) help others feel comfortable in participating (e.g., a tasteful joke related to the case discussion) will receive the highest participation credit.

ATTENDANCE

You are expected to attend every session. Given the importance of class participation, any absences may affect your class participation grades (through missed quizzes). If you have to miss a class for some unavoidable reason (e.g. a medical emergency), please inform me as soon as possible. Any absences due to medical emergencies must be confirmed by a doctor's letter, which will ensure that there is no penalty for your absence.

ELECTRONIC DEVICES

As a courtesy to your classmates, please limit use of laptops, cell phones, tablets, and any other electronic devices for purposes directly relating to the course (e.g., following the discussion, taking notes, taking quizzes, and the like).

QUIZZES

I will give quizzes in several classes, administered through polleverywhere. One quiz grade will be dropped. Each quiz will contain questions on the readings, cases, and exercises for the class in which the quiz is given. A quiz may occur at any time during the class and may include material covered during the class but prior to the quiz. The quizzes are means for me to assess attendance and encourage you to prepare for class discussion. As such, the questions are designed to be straightforward for anyone who has read the material carefully, and taking a quiz outside of the classroom will be considered a violation of the Honor Code.

GROUP ASSIGNMENT

The course requirements include a final group project consisting of an analysis of a current example of a firm's global strategy (all students will examine the same firm). Key elements of the assignment are provided below. More details will follow in class.

- Project teams will consist of four to six students.
- The subject will be announced in class. The assignment is due, as an electronic submission on e-Learning, at noon of the due date. Late submissions will be penalized 25% of the possible score for each day late (hence, max of 3 days late).
- The main body of the report must not exceed 4 pages in length (single spaced, minimum font size 11). In addition, you may include up to 2 pages of exhibits (graphs, tables, etc).
- You are permitted to use any sources you see fit to complete your analysis. Please use endnotes to cite material you reference (the endnote page does not count towards the page limit). If you use material with a web link, put the link in the bibliography.
- I am not picky about the style of footnotes/endnotes or bibliography (does not have to be APA or anything in particular).
- Space is clearly very limited. You will need to identify the core issues and focus narrowly on them. Moreover, you will need to be concise and persuasive in your writing.
- You are NOT permitted to discuss the assignment with anyone outside of your group. To discuss the project outside of your group constitutes a violation of the honor code.
- Please do not waste scarce space reciting the facts from the news articles that I have provided, except as necessary to support your argument.

ACADEMIC HONOR CODE

It is expected that you will neither participate in nor condone honor code infractions such as cheating or plagiarism. Note that copying even a small original phrase (i.e., not a common

expression) from someone else's work without proper citation is a clear act of plagiarism. More broadly, it is the student's responsibility to understand the nature of such infractions (see <https://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>). By placing your names on assignments, you are affirming that the contents are your original work.

Student Honor Code: In adopting this Honor Code, the students of the University of Florida recognize that academic honesty and integrity are fundamental values of the University community. Students who enroll at the University commit to holding themselves and their peers to the high standard of honor required by the Honor Code. Any individual who becomes aware of a violation of the Honor Code is bound by honor to take corrective action. A student-run Honor Court and faculty support are crucial to the success of the Honor Code. The quality of a University of Florida education is dependent upon the community acceptance and enforcement of the Honor Code.

Academic Honesty Guidelines: The academic community of students and faculty at the University of Florida strive to develop, sustain and protect an environment of honesty, trust and respect. Students are expected exhibit honesty in academic pursuits and report violations thereof.

Guidelines will encourage others to act with integrity. Violations of the Academic Honesty Guidelines shall result in judicial action and a student being subject to the sanctions in paragraph XI of the Student Conduct Code. For more information on which conduct constitutes a violation of the Academic Honesty Guidelines (University of Florida Rule 6C1- 4.017), see <http://regulations.ufl.edu/chapter4/4017.pdf>.

OTHER RESOURCES

Student Mental Health: Students may lead very demanding lives as they struggle with the developmental tasks of physical maturation, interpersonal relationships, and occupational preparation. Even a mild impairment in psychological functioning can result in significant disruption of a student's ability to learn effectively and relate appropriately. Student Mental Health Services (SMHS) of the University of Florida, a division of the Student HealthCare Center, is dedicated to assisting students toward successful completion of educational programs through enhancing and maintaining their psychological and emotional well-being, providing support in situational crises, and treating them when functioning is impaired by stress or psychiatric disorders. SMHS is located in Room 245 of the Infirmary, and available by telephone to (352) 392-1171. Hours are Monday through Friday 8 am – 4:30 pm. All services are confidential.

Special Accommodation: Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the Instructor when requesting accommodation.

COURSE SCHEDULE OF READINGS

CLASS	DATE	TOPICS	READINGS	COURSE ASSIGNMENTS/NOTES
1	8/22/16	Introduction	R: Why the World Isn't Flat R: It Is a Flat World, After All? R: A Note on Case Learning C: Go Global--or No?	
2	8/24/16	Environment: Industry Structure	R: The Five Competitive Forces that Shape Strategy C: Global Wine War	
3	8/29/16	Environment: Country Effects	R: The Competitive Advantage of Nations R: Distance Still Matters: The Hard Reality of Global Expansion* C: Swatch and the Global Watch Industry	
4	8/31/16	Environment: Distance Effects	R: Redefining Global Strategy Ch. 3 R: Choosing Corporate and Global Scope C: The globalization of CEMEX	
5	9/07/16	AAA: Adaptation	R: Playing the Differences: The AAA Triangle C: Levendary Café	
6	9/12/16	AAA: Putting it all together	C: GE Health Care	
7	9/14/16	Managing for Innovation	R: Building Effective R&D Capabilities Abroad C: P&G Japan: The SK-II Globalization Project	
8	9/19/16	Competitive Dynamics 1	R: Competitive Dynamics and Business Strategy C: British Satellite Broadcasting Versus Sky Television	
9	9/21/16	Competitive Dynamics 2	C: Maersk Shipping: Is the Price Right?	
10	9/26/16	Alliances & Acquisitions	R: The Global Logic of Strategic Alliances R: Transnational Management excerpt C: Eli Lilly	
11	9/28/16	Global Competition	E: The Global Game	Group Assignment Due
12	10/03/16	Organizing for Globalization	R: Note on Organization Structure E: Organizational Game	
13	10/05/16	Final Exam		

*This reading is relevant for the following week, but in the interest of balancing out your work, I am assigning this for the week before.

COURSE OUTLINE

Note: The case questions are intended to stimulate your thinking as you read the case so that you are better prepared for class discussion.

Session 1 Introduction and mini-case discussion

Readings:

- Why the World Isn't Flat
- It Is a Flat World, After All?
- A note on case learning
- Case: Go global-or no?

Case Question:

1. Should DataClear go global?

Session 2 Environment: Industry Structure

Readings:

- The Five Competitive Forces that Shape Strategy
- Case: Global Wine War

Case Questions:

1. Analyze the wine industry. Is this an attractive industry? What is the basis for competitive advantage?
2. How were the French able to dominate the global wine industry for centuries?
3. How were the New World producers able to expand their market share so rapidly in the 1990s?
4. How should the Australians/Americans/French respond to their situation?

Session 3 Environment: Country Effects

Readings:

- The Competitive Advantage of Nations
- Distance Still Matters: The Hard Reality of Global Expansion (for next class)
- Case: Swatch and the Global Watch Industry

Case Questions:

1. In what ways is the watch industry global? Compare and contrast the drivers of the watch industry with those of a multidomestic industry, for example bakeries. What is the globalization potential of bread, and how does this differ from watches?
2. What factors explain the changing leadership (among the Swiss, Japanese, and Americans) in the global watch industry?
3. How did Swatch manage to succeed given this prior history of leadership in the global watch industry?
4. What strategic options would you recommend to Hayek for future

Session 4 Environment: Distance Effects

Readings:

Redefining Global Strategy Ch. 3
Choosing Corporate and Global Scope
Case: The globalization of CEMEX

Case Questions:

1. What factors explain the success of CEMEX? How do cross-border activities contribute to its success?
2. What accounts for the sequence in which CEMEX entered foreign markets? How do the markets it has entered recently compare with the markets that it entered early on?
3. What kinds of countries should CEMEX focus its future expansion on?

Session 5 AAA: Adaptation

Readings:

Playing the Differences: The AAA Triangle
Case: Levendary Café: The China challenge

Case Questions:

1. What is your evaluation of the way Levendary Café has entered the China market?
2. What changes (if any) should Mia Foster make? Specifically, what should she do about Louis Chen? And what changes (if any) would you propose at headquarters?
3. How should Foster address the need for continued growth in China?

Session 6 AAA: Putting it All Together

Readings:

Case: GE Health Care

Case Questions:

1. What is the underlying logic behind the global product idea (e.g., what are the expected costs and benefits)?
2. Should the global product philosophy be changed or altered to suit the China market?
3. Should GEMS be aggressively pursuing genomics and healthcare-IT related opportunities in addition to, or instead of, the China opportunity?

Session 7 Managing for Innovation

Readings:

Building Effective R&D Capabilities Abroad
Case: P&G Japan: The SK-II Globalization Project

Case Questions:

1. Does SK-II have the potential to become a global brand within P&G's worldwide operations? Why or why not?
2. Which of the three market options should Paolo DeCesare recommend to 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 8 Competitive Dynamics 1

Readings:

Competitive Dynamics and Business Strategy

Case: British Satellite Broadcasting Versus Sky Television

Case Questions:

1. How might BSB have been able to identify News Corporation as a potential competitor prior to Rupert Murdoch's announcement of the launch of Sky television?
2. What might BSB have done differently before Sky's entry announcement? Following the announcement?
3. What should BSB do in 1990? In particular, what share of a possible merger pie would you hold out for, as BSB?
4. Why did this competitive battle turn out to be so costly for both parties?

Session 9 Competitive Dynamics 2

Readings:

Case: Maersk Shipping: Is the Price Right?

Session 10 Alliances and Acquisitions

Readings:

The Global Logic of Strategic Alliances

Transnational Management excerpt

Case: Eli Lilly

Case Questions:

1. Did Eli Lilly pursue the right strategy to enter the Indian market?
2. Carefully consider the evolution of the joint venture (JV). Identify the unique challenges faced by the three successive international joint venture (IJV) leaders.
3. How would you assess the overall performance of the JV? What did the partners learn from the IJV?

Session 11 Global Competition

Class Exercise:

The Global Game

Session 12 Organizing for Globalization

Readings:

Note on Organizational Structure

Class Exercise:

The Organizational Game

Appendix 1. Peer Evaluation of Contribution to Case Discussions

In your evaluation, the following five students excluding yourself, in no particular order, have most significantly contributed to our discussion. In other words, they deserve the full 20% of the class contribution grade. You should make this evaluation by yourself, not jointly with your colleagues. You should identify members of your team with a “*”.

Notes: The information you submit is complete confidential. The limit of five students does not imply that only five students can attain excellence in class participation.

1. _____
2. _____
3. _____
4. _____
5. _____

Appendix 2. Peer Evaluation of Individual Participation in the Team Assignments

Evaluate the other members of your team based on your assessment of their level of participation. This evaluation will be taken into consideration when determining overall participation grade.

Team: Allocate a total of 100 points across all team members

	Name	Score
Yourself		
Member 1		
Member 2		
Member 3		
Member 4		
Member 5		
		Total = 100