 Syllabus

**MGT 630 – Global Business and Markets**

Distinguished Professor Michael Parfett

Wesley J. Howe School of Technology Management

Stevens Institute of Technology

Hoboken, New Jersey 07030

Office Phone: 201-216-8731

Cell Phone: 732-809-5338

Email: mparfett@stevens.edu

**Catalog Description**

|  |
| --- |
| This is a comprehensive course in global business and markets providing a broad, multidisciplinary understanding of global business. The theoretical context for engaging in international trade is established, with attention to the current economic and political environment. Then the business level rationale and techniques for initiating trade, as well as the functional area decisions that must be made, are discussed. Topics include: cultural differences; international trade; regional economic integration; international monetary system; entry strategies; strategic alliances; exporting and importing; global production and logistics; global marketing; … |

**Introduction to Course**

|  |
| --- |
| Post cold war political and economic changes have opened up previously closed borders and have reduced barriers to trade. Concurrently, technological developments in communication, information and transportation technologies have enabled faster and better channels for doing business.  This change to an outward looking orientation has resulted in an era of increased globalization. The impact of increasing international trade has provided access to new markets, greater interdependence and foreign competition on domestic turf.  More firms, large and small, have become adept at selling across borders. Understanding the fundamentals of international trade prepares managers to grasp more aspects of a firm’s business initiatives.  Many of the issues that a business encounters in the global context present difficult choices from and economic and profit point of view and also from a human and cultural point of view. The resolution of these issues rarely has a single right answer. The course material will evoke several of these ill-structured problems so students will have a chance to grapple with the complexities the problems present.  The course material will be developed through student reading and discussion, lecture, videos and student projects. The approach is both theoretical and applied, with emphasis on the real world. |

**Learning Goals**

|  |
| --- |
| The student will be able to :   * Discuss the basics in international culture, economics, finance and operations. * Have a comprehensive understanding of the global business point of view, business practices, issues and the theories that are used to explain the global context. * Develop at the real world level, a detailed knowledge of a business entry strategy; and for a specific country or region fully understand an international business issue, which will integrate the various topics into the whole. * Develop a cultural analysis, economic analysis and do a detail analysis of an issue facing a chosen country. * Examine global issues from different viewpoints and to utilize critical thinking skills to understand the sources of the differences. |

**Pedagogy**

|  |
| --- |
| The course will employ lectures, case studies, class discussions, individual assignments, and one team project made up of three parts. Students will critically evaluate and discuss global concepts. The use of Stevens online technologies (Moodle and Wimba) will supplement class discussion and external communications. |

**Required Text(s)**

|  |
| --- |
| *International Business, Competing in the Global Marketplace,* 10th edition, Charles W. L. Hill; Irwin McGraw-Hill, 2015. ISBN: 978007811277-5. |

**Required Readings**

|  |
| --- |
| Current event topics will be selected and discussed every week throughout the semester.  *Winning the $30 trillion decathlon: Going for the gold in emerging markets*, McKinsey Quarterly, August 2012  *Manufacturing the future: The next era of global growth and innovation*, McKinsey Global Institute, McKinsey Operations Practice, November 2012  Michael Porter, *The Five Competitive Forces That Shape Strategy*, Harvard Business Review, January 2008. |

**Business Cases**

The following business case will be individually analyzed and a detailed document written and submitted for grade:

John A. Quelch, Katherine E. Jocz, *Google in China A, B, C*, Harvard Business School, 9-510-071 Rev: April 22, 2010; 9-510-110 Rev: July 7, 2010; 9-511-024 Rev: July 27, 2010

The following business cases represent the cases from the Hill text that will be read and discussed in class after the relevant materials are covered:

Who makes the Apple iphone, page 33

Revolution in Egypt, page 85

Culture & business in Saudi Arabia, page 118

US tariffs on tire imports from China, page 219

Rise of the Indian automobile industry. page 291

Billabong, page 318

Evolving Strategy at IBM, page 476

Philips NV, page 442

Making the Amazon Kindle, page 533

Domino Pizza, page 564

MMC China, page 591

**Assignments**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Assignment** | **Description** | **Percentage of Grade** |
| 1 | Analysis of Case Studies | One case study will be graded as an individual assignment. Analysis will include critical review of the management decisions presented in the respective case, followed by the student’s recommendations to management. Case study write-ups should be 4-7 pages in length. | 10% |
| 2 | Mid-Term Exam | An exam will be given. Questions will be drawn from all course materials including lecture notes, journal articles, text book, and instructor commentary. | 20% |
| 3 | Team Presentations | Students will pick a country or region and identify a business issues to analyze. This will be a team project made up of three parts:   1. Cultural analysis (20%) 2. Economic analysis (20%) 3. Analysis of an international business problem (20%) | 60% |
| 4 | Participation | Class participation and sharing of real life experiences are part of the learning process in this class. Attendance is a part of class participation and students are expected to attend all classes. | 10% |
|  | Total: |  | 100% |

5. Submission of Assignments

All assignments must be submitted in electronic form inside the Canvas system. Assignments submitted after the due date will be subject to a loss of grade.

*Grading Scale*

|  |  |  |  |
| --- | --- | --- | --- |
| **Grade** | **Score** | **Grade** | **Score** |
| A | 93-100 | C | 73-76 |
| A- | 90-92 | C- | 70-72 |
| B+ | 87-89 | F | <70 |
| B | 83-86 |  |  |
| B- | 80-82 |  |  |
| C+ | 77-79 |  |  |

# **Ethical Conduct**

|  |
| --- |
| The following statement is printed in the Stevens Graduate Catalog and applies to all students  taking Stevens courses, on and off campus.  “Cheating during in-class tests or take-home examinations or homework is, of course, illegal and immoral. A Graduate Academic Evaluation Board exists to investigate academic improprieties, conduct hearings, and determine any necessary actions. The term ‘academic impropriety’ is meant to include, but is not limited to, cheating on homework, during in-class or take home examinations and plagiarism. “  Consequences of academic impropriety are severe, ranging from receiving an “F” in a course, to a warning from the Dean of the Graduate School, which becomes a part of the permanent student record, to expulsion.  *Reference: The Graduate Student Handbook, Academic Year 2003-2004 Stevens*  *Institute of Technology, page 10.*  Consistent with the above statements, all homework exercises, tests and exams that are designated as individual assignments MUST contain the following signed statement before they can be accepted for grading. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  I pledge on my honor that I have not given or received any unauthorized assistance on this assignment/examination. I further pledge that I have not copied any material from a book, article, the Internet or any other source except where I have expressly cited the source.  Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_  Please note that assignments in this class may be submitted to [www.turnitin.com](http://www.turnitin.com), a web-based anti-plagiarism system, for an evaluation of their originality. |

**Course Schedule**

| Week | Topic  M = module number | Text and Article Readings | Business CasesAssignments |
| --- | --- | --- | --- |
|  | Module 1 - Globalization |  |  |
| 1 | M1 – Introduction and overview of class  Globalization | Syllabus  Hill Chapter 1 | *Class case discussion:*  *Who makes the Apple Iphone, p 33* |
|  | Module 2 – Similarities and Differences between countries |  |  |
| 2 | M2 – National differences in Political economy  Political economy and economic development  Laws & Regulations  International Legal Environ | Hill Chapter 2, 3 | *Class case discussion:*  *Revolution in Egypt, p 85* |
| 3 | M2 – Culture  Ethics in International business | Hill Chapter 4, 5 | **Google case due**  *Class case discussion:*  *Culture & Business in Saudi Arabia, p118* |
|  | Module 3 – International Economic and Finance Mechanisms |  |  |
| 4 | M3 – International Trade Theory  The Political Economy of International Trade | Hill Chapters 6, 7 | *Class case discussion:*  *US tariffs on tire imports from China, p 219* |
| 5 | Detail Culture discussions |  | **Cultural**  **Team Presentations due** |
| 6 | M3 – Foreign Direct Investment  Regional economic integration | Hill Chapters 8, 9 | *Class case discussion:*  *Rise of the Indiana automobile industry, p 291* |
| 7 | M3 – The foreign exchange market  The international monetary system | Hill Chapters 10, 11 | **Mid-term due; this will be posted in Moodle, you have a week to take the** **exam**  *Billabong, p 318* |
|  | Module 4 – The strategy and entry methods of international business |  |  |
| 8 | M4 – The Strategy of International Business  Entry Strategy and Strategic Alliances | Hill Chapters13 & 15  *Article: Winning the $30 trillion decathlon: Going for the gold in emerging markets* | *Class case discussion:*  *Evolving strategy at IBM, page 476* |
| 9 | Economic Discussions |  | **Economic**  **Team Presentations due** |
| 10 | M4 – The Organization of International Business | Hill Chapter 14 | *Class case discussion:*  *Philips NV, p442* |
| 11 | M4 – Exporting, Importing, and Countertrade  Global Production, Distribution and Logistics | Hill Chapters 16 & 17  *Article: Manufacturing the future: The next era of global growth and innovation* | *Class case discussion:*  *Making the Amazon Kindle, p 533* |
|  | Module 5 - Operations |  |  |
| 12 | M5 – Global Marketing and R&D | Hill Chapter 18 | *Class case discussion:*  *Domino Pizza, p 564* |
| 13 | M5 – Global Human Resource Management | Hill Chapter 19 | *Class case discussion:*  *MMC China, p 591* |
| 14 | Discussion of Final papers  Class conclusions |  | **Final Team Presentations**  **due** |

## Team Term Project

A major component of this course is the submission of a team projects. This will be a GROUP PROJECT, and each presentation is based on the prior one. You will have all of the resources to develop these presentations and have each part spelled out completely in terms of how and what to put together. The primary goals of the project are:

* Explore an international business issue.
* Gain understanding of the details of a country or region; business or industry.
* Make the connection between the conceptual material of the course and the way it translates to business

The project requires you to develop 3 presentations. You will be assigned to a team. Once given your team you need to pick a country or region on which you will prepare the presentation. Next you need to identify a business issue that you will address.

The three presentations are, in order: **Cultural Analysis**, **Economic Analysis**, and **Analysis and recommend solutions to your business issue**.

### Cultural Analysis

**The first presentation is a general survey of the country’s or regions culture. Some of the data you need is in the government publications section, the periodicals section, or the reference section of the library. Whatever is not there can be readily obtained via interlibrary loan. You are encouraged to use the Internet in your search for information in addition to commercial atlases and State Department background briefings. Part of this analysis entails developing a time‑series analysis of critical political and economic events of the last sixty years or so, which define the “modern” (i.e., post‑World War II)** **economic/political/ labor, etc. history of the chosen country. The presentation should target to be given in 30 to 45 minutes. It is expected that there will be detailed notes in the note section of power point. Areas to be addressed:**

* **Origins of Culture: Geography (climate, topography, flora, fauna); History; Political Economy; Social Institutions (family, religion, education, media); language**
* **Elements of Culture: Values; Rituals; symbols; beliefs; thought processes; traditions; customs; Hofstede dimensions; Trompenaars dimensions; class structure; ethnic groups; cuisine; music; sports**
* **Consequences of Culture: Consumption decisions and behaviors; business practices; management style; Political structure; Corporations; economy (from a structural perspective only, as it might relate to culture); Military; Technology**

### Economic Analysis

**The second presentation covers the economy of the country. This presentation should cover the economic trends for the last 50 years; with special emphasis on the current state and projections of the future state. You should address the topics we discussed in class e.g., economic history; apply international trade theories to the countries; relate how politics influences the economy; government involvement; their position on foreign direct investment; trade barriers; tariffs; principle industries; export and import history; trade agreements; level of economic integration; foreign exchange market; balance of payments; currency; use of the WTO and IMF; GDP/PPP; Economic outlook and challenges; consumer confidence; doing business in the country … This presentation should target to be given in 30 to 45 minutes.**

### Analysis of the business issue and Alternative Solutions

**The third presentation involves analyzing the business issue you have chosen and prepare a though evaluation with proposed solutions. You need first to define the business issue in detail then analysis the past and current state and propose the future state. There should be several alternatives discussed with pro’s and con’s for each and then the selected solution discussed in detail. This presentation should be targeted to be given in 30 to 45 minutes.**

Assignment guidance:

You should use and sight references. Good sources: academic journals, government or trade organization data, textbooks, company information, country information. See the *links for information sources for paper* below. Use footnotes or endnotes and show your sources.

A fair quality paper tells a story and reports on events.

A good quality paper uses greater depth of information from different sources, shows greater detail and connection of theory to the situation being studied.

An outstanding quality paper uses detail, theory and contracts in information to show thoughtful probing and analytic understanding of the topic.

Possible topics:

1. Emerging markets (BRIC – Brazil, Russia, India, China) – 75% of the growth in the last 2 years has come from these counties. Can this be sustained? How? What does this mean for the rest of the world, especially the United States and the EU.
2. Is Singapore the new financial center? What does this mean for the rest of the world?
3. What is Japan’s role in the current and future global finance markets?
4. What does the mid-east’s unrests mean for the rest of the world?
5. What was/is the impact of the tornado and nuclear accident on the Japanese economic? How did it affect the rest of the world? E.g., auto industry …
6. Economic, Political, Social crisis in Egypt. What is Egypt’s future? How will infect the EU?
7. Prepare a case study of a firm’s success (or failure) story in international business
8. What is the future of the European Union (EU)? What might be the impact on the countries within the EU? What might be the impact on counties outside the EU? Will the Euro survive? Should the EU let Greece fail?
9. How will Brazil handle inflation?
10. What will be China’s position on international trade be?
11. Should Turkey enter the EU?

**LINKS FOR INFORMATION SOURCES FOR PAPER**

|  |  |  |
| --- | --- | --- |
| Item | [**CIA World Factbook**](http://www.cia.gov/cia/publications/factbook/index.html) |  |
| Item | [**Export Import Bank**](http://www.exim.gov) |  |
| Item | [**International Monetary Fund (IMF)**](http://www.imf.org) |  |
| Item | [**Organization for Economic Cooperation and Development (OECD)**](http://www.oecd.org) |  |
| Item | [**United Nations**](http://www.un.org) |  |
| Item | [**U.S. Agency for International Development (USAID)**](http://www.usaid.gov) |  |
| Item | [**U.S. State Department Background Notes**](http://www.state.gov/r/pa/ei/bgn/) |  |
| Item | [**World Bank**](http://www.worldbank.org) |  |
| Item | [**World Trade Organization (WTO)**](http://www.wto.org) |  |

### COUNTRY REGIONS for PROJECT

**Regional Groupings**

1. **North America**: Bermuda, Canada, Mexico, The Bahamas, United States ***\*\****
2. **Central America**: Guatemala, Belize, Honduras, Nicaragua, Costa Rica, Panama, El Salvador
3. **The Caribbean Basin**: Cuba, Dominican Republic, Jamaica, Haiti, Cayman Islands, Martinique
4. **South America**: Venezuela, Guyana, Surinam, French Guyana, Colombia, Ecuador, Peru, Brazil, Bolivia, Paraguay, Uruguay, Chile, Argentina
5. **Western Europe**: Ireland, United Kingdom, France, Switzerland, Portugal, Spain, Netherlands, Belgium, German)’, Austria, Norway, Sweden, Denmark, Italy, Luxembourg
6. **Central and Eastern Europe**: Poland, Czech Republic, Slovakia, Hungary, Romania, Ukraine, Moldova, Belarus, Russia, Estonia, Latvia, Lithuania;
7. The **Balkans and South-Eastern Europe**: Croatia, Slovenia, Bosnia, Serbia, Macedonia, Greece, Turkey, Bulgaria, Albania;
8. **Central Asia**: Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, Azerbaijan, Armenia, Georgia;
9. **Middle East**: Saudi Arabia, Syria, Iraq, Iran, Jordan, Israel, Oman, Yemen, United Arab Emirates, Kuwait;
10. **South Asia**: India, Pakistan, Thailand, Bangladesh, Myanmar, Laos, Viet Nam, Cambodia, Nepal, Sri Lanka;
11. **Oceania**: Malaysia, Singapore, Indonesia, Philippines, Papua New Guinea, Australia, New Zealand, Brunei;
12. **North Asia**: China, Mongolia, North Korea, South Korea, Taiwan, Hong Kong, Japan;
13. **Northern Third of Africa**: Egypt, Somalia, Ethiopia, Sudan, Libya, Tunisia, Algeria, Morocco, Sudan, Mali, Mauritania, Western Sahara;
14. **Western Africa**: Senegal, Gambia, Guinea, Liberia, Cote d’Ivoire, Ghana, Nigeria, Cameroon, Central African Republic, Sierra Leone, Togo, Benin, Burkina Faso;
15. **Central Africa**: Chad**,** Niger, Central African Republic**,** Democratic Republic of the Congo, Uganda, Gabon, Congo Republic,
16. **Southern and Southeastern Africa**: Kenya, Tanzania, Angola, Zambia, Malawi, Zimbabwe, Botswana, Namibia, Mozambique, South Africa.

\*\* Do not chose the United States for this projec**t**

**Business Cases:**

We will have group discussions in class on several of the cases included in your text. They are listed

in the course schedule above.

Additionally, there will be detailed business cases assigned as individual assignments that will be graded. These write-ups will involve a 3-5 page memo (typed, double-spaced, font no smaller than 11 pt., 1-inch margins all around); Acceptable fonts are Times New Roman, and Arial). You need to address each question thoroughly. In addition, focus on the following three factors: (1) statement of the problem(s) or decision(s) to be made; (2) description of your decisions or recommendations; (3) supporting logic and analyses. The questions associated with each case should help you focus your analyses. These questions appear at the end of each case. You will submit each memo responding to the assignment in Moodle.

Each written memo will be evaluated using the following criteria:

1. Quality and relevance of the information included.
2. Was the analysis thorough given the page limit? How practical are the recommendations? Were all the questions answered properly?
3. Grammar, spelling, and readability.

*Note on Case Analysis*

Cases are not like exams. You must apply information from many sources (text, lecture notes, the case itself, and outside references) to develop a recommendation that is both conceptually appropriate and managerially feasible. Make sure that you address all the questions in your analysis. You should answer each question individually as well as the analysis discussed above. Approach the case as an outside consultant brought in by a senior manager or executive.

Pay particular attention to the who, when, how, and where, dimensions of the recommendations, as well as the what. Do not dump the problem back in your client’s lap with a recommendation like “You must develop a new mission statement to better define strategic opportunities.” Give them a sample mission statement so they can see what you are recommending. Present evidence supporting the recommended course of action. Your opinions do not constitute evidence; information does. Information consists of more than simply restating case exhibit data. For example, rework case data into ratios or indexes that capture a trend. Do not just report isolated numbers, “Dunfey Hotel’s first quarter market share dropped from 27% to 23%, while Sheraton’s share improved from 39% to 44% in the same period.”

To communicate effectively remember your goal is to persuade a senior manager to implement your recommendation. Get to the point, write sparingly and convey as much relevant supporting information as possible. Avoid flowery language, slang, and colloquialisms.