

MGT 5547 International Strategy (2008 Fall Semester)

- **Classroom:** Bloch 2
- **Class Time:** Tue 7:00PM – 9:45PM
- **Class Web Site:** <http://blackboard.umkc.edu>

There is a course website at Blackboard, where the syllabus, lecture notes, and other class materials will be posted. Students are expected to visit the course web site to prepare for the next classes and catch up missed classes.

- **Professor:** Dr. Jae C. Jung
- **Office:** Bloch 208
- **Office Hours:** 3:30 PM – 4:30 PM on Thursdays, or by appointment
- **Phone:** 816-235-5161
- **Email:** Jungjc@umkc.edu

- **Textbook:**

1) **Required:** The course package (ebook) contains most required readings. It is available at the <http://ebooks.primisonline.com>.

2) **Supplementary:**

- Bartlett, C. A., Ghoshal, S., & Beamish, P. W. 2008. *Transnational management: Text, cases & readings in cross-border management* (5th ed.): McGraw-Hill/Irwin.
- Dess, G. G., Lumpkin, G.T., & Eisner, A. 2008. *Strategic management: Text and cases* (4th ed.): McGraw-Hill/Irwin.

1. OBJECTIVES

This course builds on the notion of corporate strategy provided in strategy and international management courses. It focused on entry strategies of firms, including exporting, licensing franchising, international joint venture (IJV), wholly-owned subsidiary (WOS) and merger & acquisition (M&A). For the formulation of entry strategies, accurate understanding of external and internal environments is necessary. To this end, we will study theories of industrial organization (IO) and resource-based view (RBV).

The key objectives of this course are:

- 1) To evaluate international business environments
- 2) To investigate resources and capabilities of a firm affecting its international strategy
- 3) To understand international entry strategies
- 4) To learn how to select appropriate international strategy of a firm considering its external/internal environments
- 5) To develop decision-making and problem-solving skills in relation to international strategy

2. TEACHING/LEARNING METHODS

A combination of pedagogical methods will be used in this course. Lectures will be presented by the professor on salient issues and concepts of international strategy. From the lectures, students will be able to review the lessons about external/internal environment of a firm and international entry strategies.

The case analysis is intended to facilitate application of concepts and theories to “real-business” situations. By building the strong linkage between theories and “real-business” issues, students can be more efficient and effective when they face international business problems in their professional career. The case analysis is a student-centered learning method. The instructor will facilitate students’ learning, yet the success of case-based classes will mainly depend on individual students.

Learning in the course will be achieved at three levels: 1) individual student, 2) group, and 3) entire class. In addition to their individual work, students are expected to actively interact with their group members, other classmates and the instructor. In doing so, students will take serious responsibility for each other’s learning.

3. EVALUATION

The final grade in the course will be based on the following components:

Component	Point
1) Individual contribution	
• Participation	45
2) Group project	
• Case writing	50
• Presentation	40
• Case analysis	35
3) Final exam (case analysis)	100
Total	270

3.1 Individual Class Contribution

Students should carefully read the assigned chapter, article or case before the class. Students are expected to be prepared and regularly contribute to the classroom discussion. However, students are not expected to have the right answers all the time. Nor are students expected to dominate the discussion in every class. Classroom participation should demonstrate: 1) evidence of careful preparation of the assigned readings; 2) clarity and conciseness of comments; and 3) strong and convincing analysis to support recommendations. The discussion contribution will be judged on both the quality and quantity of comments. The quality of the class discussion will depend on how well students have prepared and how willing they are to share their thoughts and ideas with

the class. It is not possible to get a high participation grade solely on the frequency of participation.

Students will receive points for class participation as follows (for 11 classes; no participation point will be awarded for their own presentation class, the first and consultation classes):

- Significant: 4
Contribution adds substantial value to the discussion, beyond case facts. There is evidence of analysis rather than just the expression of opinion. Comments are linked to those of others and facilitate the flow of the discussion. Students demonstrate willingness to take risks in attempting to answer difficult or unpopular questions. Students break new ground and raise the flow of discussion to a higher level, often by synthesizing materials and applying multiple lenses or techniques.
 - Good: 3
Contribution advances the flow of the discussion (including responses to questions from the presenter). Students demonstrate clear grasp of case material. Information presented is relevant to the discussion.
 - Minimum: 2
Participations making marginal values
 - No contribution (with attendance): 1
No value addition to the discussion
 - No contribution (with absence) or negative contribution: 0
Absence or comments destroying the flow of the discussion, e.g. comments out of nowhere
- * **Maximum: 45 points** (11 classes X 4 (maximum for each class) + 1 point)

3.2 Group Project

As a group, students will write, analyze and present a case about international strategy of a firm. The group size might vary, depending on the class size. Students will have the opportunity to form their groups in the first class. For those who cannot find their own group, the instructor will randomly assign them to groups.

 Issues:

Students are expected to include all the following issues in their case:

- Whether the firm should expand internationally?
- Where to expand?
- When to expand?
- How to enter a host country?

In some situation, students may choose to focus on fewer issues, yet only with the permission of the instructor.

✚ Target firm

Students can choose a firm having substantial involvement in international business, or strong potential. Generally, the more information about the firm is available, the easier for students to write the case. Exemplary firms, not exclusive, include:

- Garmin
- YRC Worldwide
- Harley-Davidson (Cullen, J. B. & Parboteeah, K. P., *Multinational management: A strategic approach*, 2008, pp. 247-257)
- 3M (Hill, C. W., *International Business*, 2007, pp. 512-518)

If students need to narrow down target regions for the firm to enter, Eastern Europe and South Asia (excl. China and India) are suggested considering their rapid development recent years.

✚ Data sources of company information

- UMKC database, incl. LexisNexis Academic, Mergent Online, World Development Indicators Online, and ABI/INFORM Proquest (you can also get help from Chris Le Beau, a librarian at UMKC specialized in business; Tel: 816/235-6371; Email: lebeauc@umkc.edu)
- Company website
- 10-K report
- Personal interview with managers
- www.goibird.com (website about international business, managed by Dr. Robertson at Bloch, UMKC)

3.2.1 Case writing

The group case should be composed of introduction, body and conclusion. The objective of the first part is to introduce the central issues to the readers. It will help readers put themselves in the shoes of the decision-maker(s). The body part of the case presents detailed information about external and internal environment of a firm and its strategy. The conclusion part draws the readers' attention to the central issues by rephrasing them with more nuanced information provided in the body part. Additional information about case writing can be found at

- Ivey publishing (e.g., <http://cases.ivey.uwo.ca/Cases/Pages/home.aspx?Mode=CaseWriting>)
- Websites of Harvard business school, INSEAD, IMD and University of Virginia

For the format, please use New Times Roman 12-point font, the 1.5 line space and the letter size paper; place page numbers in the upper right corner; and leave top and side margins of one inch. The case should be written in a formal, business tone (use the third person, business terms, etc.). The length should be maximum 25 pages including exhibits, tables and figures (students may submit additional supporting materials, only if necessary).

Evaluation will be based on how much in-depth and relevant information is provided and how well they are structured. Sufficient information should be presented in the case about the external and international environment of a firm and its international strategies.

*** Maximum: 50 points**

3.2.2 Case presentation

Each group will present their own case and analysis. The presentation itself (for the first six components) should last for 30 minutes and the Q&A session will follow for the next 30 minutes. A desirable flow of case discussion is:

1. Brief introduction of the case
2. Identification of the central issue(s)
3. Development of options for solving the problem(s)
4. Comparison of the options with their pros and cons
5. Recommendation of the most appropriate option
6. Q&As

Logic, clarity, structure are critical to addressing the above components. Relating the case to the lessons from the previous classes is strongly encouraged. Presentation should be conducted professionally, utilizing PowerPoint slides. Students can make their presentations more interesting, effective and useful by:

- Emphasizing the more important issues.
- Using the appropriate medium for their presentation.
- Making their presentation (oral or visual) clear and concise.

Presenters should submit their presentation slides to the instructor via email by 9 AM on the day of presentation. The slides will be posted at Blackboard after class so that other students can review them. For evaluation, components and their weights can be found at Appendix 1.

*** Maximum: 40 points**

3.2.3 Case analysis report

Student will prepare an analysis report of their own case. The report should contain answers to the second-fifth components of the case presentation (i.e., 2) identification of the central issue(s) – 5) recommendation). Students should follow the same style guidelines as those for the case writing. It should be no more than 15 pages long. The maximum points for the executive summary report are 35. The report will be graded in two aspects: 1) contents (30 points) and 2) structure, writing and grammar (5 points). Evaluation criteria will be similar to those for the case presentation.

*** Maximum: 35 points**

3.2.4 Peer evaluation

At the end of the semester, each student will evaluate the individual contribution of their group members in the group project (see Appendix 2). Based on the evaluation results, the grade of

individual students will be adjusted. These adjustments can cause a difference of as much as \pm 15% from the numerical grade assigned to the team. When there is a substantial disagreement among group members, the instructor will use his own evaluation of the individuals' contribution.

3.3 Final Exam

This will be a take-home exam. Students will be asked to analyze a case, which is similar to those cases that students will study over the semester, and to write a case report (maximum seven pages long).

* **Maximum: 100 points**

4. GRADING POLICY

- Grade A: 90-100 % (243-270 points)
- Grade B: 80-89 % (216-242 points)
- Grade C: 70-79 % (189-215 points)
- Grade D: 60-69 % (162-188 points)
- Grade F: Lower than 60 % (<162 points)

The grades will *not* display '+' and '-'. The scale may be slightly lower, but not higher, based on the distribution of final points. No grade will be assigned to a student who is not officially enrolled in the class. It is the student's responsibility to make sure he/she is enrolled in this class. Grades are non-negotiable. No extra credit or extra work will be given to any individual student, for any reason. Regarding these issues, the instructor will not respond to students' emails.

5. POSTING/OBTAINING GRADES

Final grades will **NOT** be posted. Course grades at the end of the semester can be obtained online through UMKC Pathway using the same account name and password used to register for classes.

6. POTENTIAL MODIFICATION OF THE COURSE SYLLABUS

Time and schedule considerations may prompt modifications of this syllabus (deletion or addition of assignments/topics, modification of examination dates, etc.). The instructor will explain any changes during a regularly scheduled class; however, it is the student's responsibility to keep up with any modifications that are made throughout the semester.

7. LATE WORK, MISSED EXAM AND ACADEMIC HONESTY

All course assignments listed in the syllabus will be collected at the beginning of class on the due date. Late submission of any course assignment or exam will not be accepted. Only in exceptional circumstances, submissions will be accepted based on instructor's discretion yet with penalties, such as 10 percent deduction of points.

Students enrolling in any UMKC course are expected to exhibit high standards of academic

honesty. In the case of academic misconduct, the instructor will assess the affected work and report the incident to Bloch School administration according to the guidelines printed in the University catalog. See student conduct policies at:

<http://www.umkc.edu/umkc/catalog/html/append/policy/0020.html>.

Cheating and plagiarism will not be tolerated. Students cheating on tests will receive a grade of zero for the exam. Similarly, plagiarism of assignments, projects, and papers is unacceptable, and a grade of zero will be assigned on any such item where plagiarism has been detected.

8. INCLEMENT WEATHER POLICY

Cancellation of classes because of inclement weather is determined by UMKC central administration. Students should consult the UMKC website when threatening weather conditions exist.

9. COURSE WITHDRAWAL

All course withdrawals must be initiated in the Bloch School Student Services Office, room 115, and completed through the Registration Center in the UMKC Administrative Center. Students intending to withdraw from the course after the eighth week of class (fourth week in the summer session) are required to obtain a signature of both the instructor and an academic advisor before the course withdrawal is official. *Telling the instructor that you intend to withdraw from the course or ceasing to attend class does not constitute an official withdrawal.* The academic calendar in the class schedule/registration guide lists the official withdrawal dates.

10. AVAILABLE SUPPORT SERVICES

The University and the Bloch School offer several support services. These include the Bloch School Computer Lab, the UMKC Writing Lab, and the Office of Disabled Student Services.

- Bloch School Computer Lab: The Bloch School Computer Lab is available for your use. It is located in Bloch 110; the lab's website is: <http://www.umkc.edu/is/oa/IS-Lab-Brochure.pdf>.
- UMKC Writing Lab: Students who desire assistance in written assignments may contact the UMKC Writing Lab at 816-235-1146. The Lab is located at 5201 Rockhill Road.
- Office of Disabled Student Services: If you have any questions about a disability or desire accommodation under the Americans with Disability Act, please contact the Office of Disabled Student Services at 816-235-5696. The Office's website can be accessed at: <http://www.umkc.edu/disability>.

11. SCHEDULE

Week 1 (Aug 19): Overview of the Course

1. Introduction
2. Case analysis (lecture & short case analysis)
3. Group project
4. Group formation: Culture exercise

Week 2 (Aug 26): External Analysis (I)

DEADLINE: Individual short bio (Use the student information form at Blackboard.)

1. Lecture of external analysis
 - PEST
 - Industry analysis
2. Case analysis 1: MacTara Limited
 - ✚ Case questions:
 - 1) Conduct external analysis
 - 2) What are the strategic options available to the company in the short- and long-term?
 - 3) What recommendations would you make to the strategic planning committee?
 - ❖ Assigned reading:
 - Analyzing the external environment of the firm, ebook, pp. 2-38
 - Ghemawat, P. 2001. Distance still matters: The hard reality of global expansion. *Harvard Business Review*, 79(8): 137-147. (to be posted at blackboard; skim this article)
 - Case: MacTara Limited and the Wood Products Industry in Nova Scotia, ebook, pp. 40-51

Week 3 (Sep 2): External Analysis (II)

DEADLINE: Company choice for the group project (1-page description)

1. Group project preparation
2. Case analysis 2: American Fast Food in Korea
 - ✚ Case questions:
 - 1) Compared to other East Asian countries, is Korea an ideal market?
 - 2) Evaluate the Korean fast food industry, applying Porter's Five Forces Model (Use the worksheets posted at blackboard.)
 - 3) What are the Korean specific factors? And how do they affect your analysis?
 - 4) If you were Matthew Wolfe, would you recommend his company pursue the Korean market at the present time?
 - ❖ Assigned reading:
 - Case: American Fast Food in Korea, ebook, pp. 52-65

Week 4 (Sep 9): Internal Analysis (I)

1. Lecture of internal analysis

2. Case analysis 3: Sun Life Financial: Entering China

✚ Case questions:

- 1) Is it a good time for Sun Life Financial to pursue the Chinese market?
- 2) If you were Ohannessian, what city would you choose and why?

❖ Assigned reading:

- Assessing the internal environment of the firm, ebook, pp. 65-101
- Case: Sun Life Financial: Entering China, ebook, pp. 102-122

Week 5 (Sep 16): Internal Analysis (II)

1. Case analysis 4: Monarchia Matt International (MMI)

✚ Case questions:

- 1) How would you describe the U.S. wine industry? Start with the U.S. consumer. Next, go through the industry with a special focus on wine wholesalers in the U.S.
- 2) How well positioned is MMI?
- 3) Do Hungarian wines give MMI a sustainable competitive advantage? If so, why?

2. Group project preparation

❖ Assigned reading:

- Case: Strategizing at Monarchia Matt International (MMI), ebook, pp. 123-146

Week 6 (Sep 23): Entry Strategy (I)

1. Lecture of entry strategy: Exporting, Licensing, Franchising, JV, WOS, M&A

2. Case analysis 5: Cameron (A)

✚ Case questions:

- 1) Should Cameron have licensed McTaggart or continued to export?
- 2) Was McTaggart a good choice for licensee?
- 3) Was the royalty rate reasonable?

❖ Assigned reading:

- International strategy, ebook, pp. 148-184
- Case: Cameron Auto Parts (A) - Revised, ebook, pp. 186-198

Week 7 (Sep 30): Entry Strategy (II)

1. Case analysis 6: Cameron (B)

✚ Questions to be distributed in class

2. Group project preparation

❖ Assigned reading:

- Case: Cameron Auto Parts (B) – Revised, ebook, pp. 199-209

Week 8 (Oct 7): Consultation with the Professor (Optional) - No Class

Have a meeting with the professor or continue to work on your group project.

Week 9 (Oct 14): Entry Strategy (III)

DEADLINE: Case part of the group project (Also make copies for each student of other groups.)

1. Case analysis 7: KTM: Quest for Growth
 - ✚ Case questions:
 - 1) What issues does Knunz need to consider under each alternative?
 - 2) If KTM chooses to go into ATVs through buying or allying with a competitor, who should they choose? Why?
 - 3) How would you recommend KTM go into the ATV business?
2. Group project preparation
 - ❖ Assigned reading:
 - Case: KTM: Quest for Growth, ebook, pp. 210-228

Week 10 (Oct 21): Discussion of the Case Part of Group Project (I)

We will discuss what the strengths and weaknesses of each case and provide constructive feedback to each group.

- ❖ Assigned reading: Cases of group 1 & 2

Week 11 (Oct 28): Discussion of the Case Part of Group Project (II)

We will discuss what the strengths and weaknesses of each case and provide constructive feedback to each group.

- ❖ Assigned reading: Cases of group 3 & 4

Week 12 (Nov 4): Consultation with the Professor (Optional) - No Class

Have a meeting with the professor or continue to work on your group project.

Week 13 (Nov 11): Group Presentation (I) – Analysis Part of the Group Project

1. Presentations of group 1 & 2
2. Group project preparation
- ❖ Assigned reading: The cases of group 1 & 2

Week 14 (Nov 18): Group Presentation (II) – Analysis Part of the Group Project

1. Presentations of group 3 & 4
2. Group project preparation
- ❖ Assigned reading: The cases of group 3 & 4

Week 15 (Nov 25): Thanksgiving Holydays - No Class

Week 16 (Dec 2): Course Wrap-up

DEADLINE: Group project

1. Course wrap-up

♣ Final take-home exam

Due at 12 PM, Dec 10; submit your case report by email to the instructor.

Important Dates

Aug 26: Submission of individual short bio

Sep 2: Submission of company choice for the group project

Oct 14: Submission of case part of the group project

Nov 11-18: Group presentation

Dec 2: Group project submission

Dec 10: Submission of final exam

Appendix 1. Case Presentation Evaluation

Case title: _____

Student name				
Student #				

Presentation (35 points)

Components	Maximum	Assigned
Introduction of the case	5	
Identification of the central decision(s)/issue(s)	5	
Development of options for solving the problem(s)	5	
Comparison of the options with their pros and cons	5	
Recommendation of the most appropriate option	5	
Q&As	5	
Presentation slides	5	
Presentation skills	5	
Total	40	

Appendix 2. Peer Evaluation Form
International Management

The peer evaluation is extremely important in determining course grades. Please reflect on these issues in a professional manner. Please submit a completed form via email to the professor (jungjc@umkc.edu) with your final exam report.

I. Please fill in the two columns below for every member of your team.

- First Column – Ranking: In the first column rank each person on your team including yourself (ties are not permitted).
- Second Column – the Bonus Amount: Suppose you had a "bonus" compensation pool equal to \$10,000 times the number of people (including yourself) on the team. The bonuses are a reflection of the relative contribution to the efforts of the team (including you). You are to allocate the entire amount to individuals on the team (including yourself). (Do not include students that have withdrawn from the course and are no longer on your team.) You should take into account the quality of the work products, contribution to effectiveness of the team, willingness to subordinate personal agendas for the good of the team, effectiveness of communicating with team members, willingness to accept responsibility as well as criticism, interest and enthusiasm level, willingness and ability to assist others, punctuality, adequacy of preparation, sensitivity to feelings of teammates, etc. Please indicate the bonus amounts in the column below.

<u>Ranking</u>	<u>Name</u>	<u>Bonus Amount</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____

II. On a separate sheet(s) provide written comments related to your rankings and ratings above. These will be treated in confidentiality.

Name _____ Date _____