

MOR 542: STRATEGIC ISSUES FOR GLOBAL BUSINESS Fall 2016

Instructor:	Bob Zukis
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Class Hours	Tuesday and Thursday 5:00 – 6:30pm
Classroom	JKP 202 (Popovitch Hall)
Instructors Office Hours:	Tuesday & Thursday 11:00 am – 11:45 am and 4:00 pm — 4:45 pm
Prerequisites:	Completion of GSBA 540 & 515 or GSBA 519a&b or GSBA 529

COURSE DESCRIPTION

The global forces impacting business have never been more acute. Whether crossing national borders operationally or facing new global competitors, the business issues and interdependencies that arise across borders present a unique and rapidly changing set of challenges to any company. Understanding the strategic, management, marketing, financial, and operational challenges associated with global business activity, and developing skills in these areas, have become essential requirements for success.

The global strategy course is designed to provide students with the skills, knowledge, and sensitivity required to create, maintain, and renew sustainable competitive advantage within a global environment.

Global Strategy is an advanced strategy elective. As such it approaches the subject of global business from a strategic perspective, it will explore international business issues from an integrated firm-level perspective, and it will assume earning sustained above-normal returns is the goal. The course will adopt a strategic perspective and will highlight the following topics from this perspective: the analysis of industry and environmental forces, the competitive context in which companies operate in global industries, creating and sustaining global competitive advantage, the characteristics of global, multi-domestic and transnational strategies, international entry strategies, global strategic alliances, the role of global organizational structures, and the importance of global strategic control.

Case studies used in this course will help you develop your analytical and decision-making skills and also highlight the challenges influencing decision making in the global context. Cases also seek to develop your capacity to identify issues, to reason carefully through various options and improve your ability to manage the organizational process through insightful decision-making.

In addition to case analyses we will also read and discuss additional articles on strategic issues relevant to operating in a global context. Thus, students will develop both, historical and current, and theoretical and practical, perspectives on operating in a global context.

This course has two broad objectives and will be taught simultaneously at two levels. First, this course is designed to teach students *“about”* international business issues. That is, the course intends to help students understand how business practices vary widely across regions and countries. Secondly, this course is designed to teach students *“how to”* formulate and evaluate winning global strategies.

By the end of the course, students should be able to: perform country, region, industry and firm analyses in an international setting, evaluate the effectiveness and sustainability of international and global corporate strategies, analyze the benefits and shortcomings of various multinational organizational structures, compare the relative merits of different modes of global market entry, and understand the underlying conditions of the international economy that influence global competitive behavior.

ABOUT YOUR INSTRUCTOR

Bob Zukis is an Adjunct Professor of Strategy (Clinical) in the Management and Organization Department. He received his MBA from The University of Chicago and his undergraduate degree from Texas Tech University. He is a former PwC Advisory Partner and as a management consultant he has lived and worked on 4 continents across 20 countries where he advised the global F1000 on a wide range of strategic and operational issues related to global business.

He has lived in China, Japan, England and Saudi Arabia in addition to the United States. He has built and led businesses in multiple markets around the world and has managed multi-country P&L's up to \$125M. A true global practitioner his clients have included multi-national firms in technology, life sciences, financial services, consumer and industrial products and other sectors.

He has recently held executive roles, including CEO, for several early to mid-stage VC and PE backed enterprise technology companies. Roles have focused on turnaround and growth, market entry and new product go-to market channel strategy and development.

He is Author of the book *Social Inc.*, holds the title of Senior Fellow Governance Center for The Conference Board, is a SoCal NACD Board Member and Growth Advisory Board Member for Firemon. He is an advocate and advisor on leading practices in IT and cybersecurity governance and business disruption being driven by new technologies. Bob is frequently published and regularly speaks at industry events.

He has been quoted in:

The Financial Times and FT.com - Digital Business	The Atlantic's Quartz
Wired.com	WSJ Digits and WSJ MarketWatch
Forbes.com	Success Stories Japan
Risk Professional	CIO Update
Computerworld	Info World
CIO Magazine	Computer News
CA Magazine.com	TheSmartVan.com

His academic interests are around the impact of disruptive technology on competitive advantage and technology's role in the creation of new and efficient markets for goods, services and products.

He's a supporter of the no-kill animal welfare movement, plays basketball and is global sports junkie whose favorite sporting events are the World Cup, NCAA tournament and the Super Bowl. Bob and his wife Kimberly have been married for 33 years and live in Manhattan Beach.

COURSE EVALUATION

Course grades will be determined by students' relative performance on the following course components:

Individual Course Contribution (Individual Participation, Attendance and Quizzes)	10%
Current Issues Presentations Individual or Team	5%
Global Business Idea and Pitch	5%
Mid-term Exam	45%
Global Business Consulting Project (Team Grade)	35%
Total	100%

In order to successfully pass this course, a passing grade (> 50%) must be achieved in each individual course component. Missed mid-term and/or assignments severely reduce a student's grade. Plus and minus shades will be assigned to those immediately above or below grade cutoff points. The distribution of grades will closely follow the guidelines of the Marshall School of Business (an average class GPA of 3.5).

ATTENDANCE POLICY

Business is a team activity, as such class attendance is essential. All missed classes will be noted. The policy on missed classes is to allow each student **three** (3) absences, no questions asked, no penalty. All further absences over the limit will reduce the student's participation grade, no questions asked, no excuses of any kind expected or accepted. Students with an excessive number of absences are at risk of failing the course. Only Official University engagements, such as scheduled case competition events, sports events, are excepted from this policy. Job interviews, etc., are not excused, so choose your absences carefully. Habitual lateness (and leaving class early), for whatever reason, will be noted as evidence of low course commitment, and penalized. **Simply put, you cannot learn from our class discussions, and your classmates cannot learn from you, if you are not present.**

COURSE CONTRIBUTION

Since this course is principally a case and seminar class, your overall commitment and attitude toward this course, and your daily active *verbal* participation (speaking and listening) in classroom discussions, will be closely monitored. In grading class participation, we will look at both the quantity and quality of your class contributions/interventions. Class participation is obviously a function of preparation, skills, attitude, and a willingness to actively commit yourself in front of your instructor and colleagues. A classroom is a cost-free environment for experimenting and learning and developing critical thinking skills.

With regard to quality, the dimensions that we look for include:

- *Relevance* -- does the comment bear on the subject at hand? Comments that do not link up with what the discussion is focusing on can actually detract from the learning experience.
- *Causal Linkage* -- are the logical antecedents or consequences of a particular argument traced out? Comments that push the implications of a fact or idea as far as possible are generally superior.
- *Responsiveness* -- does the comment react in an important way to what someone else has said? *Analysis* -- is the reasoning employed consistent and logical?
- *Evidence* -- have data from the case, from personal experience, from general knowledge been employed to support the assertions made?
- *Importance* -- does the contribution further our understanding of the issues at hand? Is a connection made with other cases we have analyzed?
- *Clarity* -- is the comment succinct and understandable? Does it stick to the subject or does it wander?

All students will be formally called on, *at random*, to take the lead in various aspects of class discussions at least once or twice during the semester. If the student called upon is not present, is late, or is not sufficiently prepared to make a substantial contribution to the class discussion, he/she will lose points for class contribution. If the student makes helpful comments, he/she will accumulate points for class contribution. Since it is unlikely that there will be enough opportunities to call on each student more than once or twice, be warned that failure to be thoroughly prepared, on all occasions, can be detrimental to your overall grade.

Each student will receive a score for participation at the end of each lecture/discussion and case discussion session.

No Credit	Students, though present, who make no contributions, will receive no credit.
Participation Credit	The simple recitation of facts from the case will receive some credit toward the student's class contribution score
Contribution Credit	Comments that <u>do more</u> than simply recite case facts will receive significantly greater credit towards a student's class contribution score. For example, comments that provide synthesis or raise counterintuitive points, will add much more to a student's class contribution score.
Value-Addition Credit	Students who substantially advance the learning of the whole class by providing non-intuitive analyses, profound insights, or "over the top" quantitative analyses, will receive maximum credit.
Negative Credit	Comments that contain factual misstatements, demonstrate lack of adequate preparation, or are distracting because they come too late in the discussion, will be penalized. Attempts to dominate class discussion rarely result in consistent and significant contributions.

Announced and Unannounced Quizzes: Short unannounced quizzes may be given at any time during the course to test the level of student preparation for lecture and case discussions. Multiple choice and short answer questions may be given at the beginning of classes where a case is assigned for class discussion. No make-up opportunities will be given to students who are absent or late. Student performance on these pop-quizzes will be used to determine a student's participation grade.

CURRENT ISSUES IN GLOBAL BUSINESS PRESENTATIONS

Group Presentations and Critiques: On days when textbook chapters/additional articles have been assigned groups will be given the opportunity of presenting a review and critique of the assigned material. Groups should creatively think of ways to help the other students in class learn the assigned materials.

Current Issues/Events Articles: Students are encouraged to read widely about the topic of global business, globalization, global trade, global strategy, and global management. Course contribution credit will be given to students who, individually or in small groups, contribute to class learning by bringing to our attention current and relevant articles in from the business press. These could be articles on class topics, concepts, current international business issues or information companies studies we have studied in class. Short one paragraph précis (short to-the-point summaries) should be prepared/ included with any article posted or distributed. We will try to begin each class with 10 minutes of discussion/debate on current issues.

This will constitute 5 percent of your grade. When presented as a group, the number of people in your group will divide your score.

GLOBAL BUSINESS IDEAS AND PITCH

Each student is to create a new innovative global business idea for an existing firm, or for a new entrepreneurial firm. The global business idea will reflect the concepts discussed in class to analyze a global or cross-border opportunity for sustained competitive advantage and above normal returns. Students will be given 6 minutes to "pitch" their ideas and convince their classmates of the value and global logic of their idea.

Style of the "pitch" is at your discretion and can be supported by any presentation tool of your choosing e.g., PowerPoint, Prezi, etc. Your grade on this component of the course will be determined by peer review. This will constitute 5 percent of your course grade.

MID-TERM EXAM

A mid-term exam is scheduled for this course. This exam will cover all the assigned readings, course lectures, and case studies in the modules preceding the mid-term. The mid-term exam will consist of multiple choice questions, short answer and short essay questions on all assigned readings and cases. Students who miss mid-term without prior arrangement will receive a grade of zero. See Course Schedule for the date of the mid-term exam.

GLOBAL BUSINESS CONSULTING PROJECT

The major assignment in this course is a global business research/consulting project for a company or organization that is interested in supporting the USC learning experience around strategic issues for the global business. This assignment is designed to give you practical experience in applying the concepts of the course (and the concepts and skills you have learned in your MBA program) and exposure to contemporary, real-world issues and organizations.

This assignment may include regional travel to meet with your client, and to deliver your report, TBD.

In a group of five or six, you will work as a team to complete a consulting assignment and present your final deliverables to the supporting company or organization. Groups will be organized in Week 1.

Further details on the specific assignment will be given in class along with the companies participating, in Week 3.

The consulting report and presentation is worth 35 percent of the course grade. Points will be assigned for your project memorandum of understanding, your report to your client, and your client presentation with feedback from the client factored in.

COURSE MATERIAL

Course Reader: A series of cases and readings have been assigned for this course. They are available in your coursepack (CP) or on Blackboard. When necessary, I will place additional materials on Blackboard as needed.

Textbook: Jain, Vinod K. Global Strategy – Competing in the Connected Economy (Routledge, 2017)
ISBN: 978-1-138-84424-7 (paperback); ISBN: 978-1-315-73054-7 (ebook)

COURSE COMMUNICATION: BLACKBOARD

An “Electronic Folder” has been created for this course in BLACKBOARD. You should begin the habit of checking the BLACKBOARD folder on a very regular basis. The course syllabus, case discussion and assignment information have been posted to the MOR 542 folder. Additional course lecture notes/materials, further details on assigned cases and the group projects, and general course announcements, will be posted to the folder throughout the semester.

STUDENT REPRESENTATIVE

You will be asked to elect a Section Representative during our first session. The selected student representative will act as a liaison between the section and the instructor to provide informal feedback and communication, particularly on issues that individual students may not wish to raise personally with the instructor.

OFFICE HOURS AND APPOINTMENTS

As noted above during these office hours and I am accessible via e-mail and cell phone (email is quicker).

ACADEMIC INTEGRITY

The following information on academic integrity, dishonesty, and the grading standard are placed here at the recommendation of the School of Business Administration Faculty and are taken from the [Faculty Handbook](#).

“The University, as an instrument of learning, is predicated on the existence of an environment of integrity. As members of the academic community, faculty, students, and administrative officials share the responsibility for maintaining this environment. Faculty have the primary responsibility for establishing and maintaining an atmosphere and attitude of academic integrity such that the enterprise may flourish in an open and honest way. Students share this responsibility for maintaining standards of academic performance and classroom behavior conducive to the learning process. Administrative officials are responsible for the establishment and maintenance of procedures to support and enforce those academic standards. Thus, the entire University community bears the responsibility for maintaining an environment of integrity and for taking appropriate action to sanction individuals involved in any violation. When there is a clear indication that such individuals are unwilling or unable to support these standards, they should not be allowed to remain in the University.” ([Faculty Handbook](#), 1994: 20)

Academic dishonesty includes: ([Faculty Handbook](#), 1994: 21-22)

1. Examination behavior - any use of external assistance during an examination shall be considered academically dishonest unless expressly permitted by the teacher.
2. Fabrication - any intentional falsification or invention of data or citation in an academic exercise will be considered a violation of academic integrity.

3. Plagiarism - the appropriation and subsequent passing off of another's ideas or words as one's own. If the words or ideas of another are used, acknowledgment of the original source must be made through recognized referencing practices.
4. Other Types of Academic Dishonesty - submitting a paper written by or obtained from another, using a paper or essay in more than one class without the teacher's express permission, obtaining a copy of an examination in advance without the knowledge and consent of the teacher, changing academic records outside of normal procedures and/or petitions, using another person to complete homework assignments or take-home exams without the knowledge or consent of the teacher.

The use of unauthorized material, communication with fellow students for course assignments, or during a mid-term examination, attempting to benefit from work of another student, past or present, and similar behavior that defeats the intent of an assignment or mid-term examination is unacceptable to the University. It is often difficult to distinguish between a culpable act and inadvertent behavior resulting from the nervous tensions accompanying examinations. Where a clear violation has occurred, however, the instructor may disqualify the student's work as unacceptable and assign a failing mark on the paper.

STUDENTS WITH DISABILITIES

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. Your letter must be specific as to the nature of any accommodations granted. DSP is located in STU 301 and is open 8:30 am to 5:00 pm, Monday through Friday. The telephone number for DSP is (213) 740-0776.

RETURNED COURSEWORK

Returned paperwork, unclaimed by a student, will be discarded after 4 weeks and hence, will not be available should a grade appeal be pursued following receipt of his/her grade.

TENTATIVE COURSE SCHEDULE

Please note: Several Invitations are outstanding to executives with extensive global strategy and management experience to come to our classroom. If, and when, these executives confirm their availability, I will adjust our course schedule. I have a strong preference for "live cases" and will substitute these opportunities for "passive cases" when appropriate.

The purpose and nature of electives is to explore advanced topics in greater breadth and in deeper detail. As a consequence it is likely that we may need to change the intended course schedule, either to slow down to investigate topics in more detail, address a current development, or to add new topics to our agenda. Please use this syllabus schedule as a guide, *only*.

Important: I may also post a Course Discussion Outline (also posted to Blackboard) which will contain questions that you should use as you prepare for the course case discussions.

Session	Date	Case / Topic
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1	8/23	Individual Introductions, Course Introduction and Group Instruction/Selection <i>Lecture/Discussion</i>
		Read: PwC's 19 th Annual Global CEO Survey http://www.pwc.com/gx/en/ceo-agenda/ceosurvey/2016.html
		Video: Thinking Outside the Can - Campbell's CEO PwC Global Survey CEO Soundbytes 100 People

I. (GLOBAL) STRATEGIC CONCEPTS & ORGANIZING FRAMEWORKS

2 8/25 WBMH: Conceptual Framework

Lecture/Discussion

Read: #1 TEXTBOOK Jain, Chapter 1: Introduction (12 pages)
Jain, Chapter 2: Globalization Yesterday-Today-Tomorrow (15 pages)
#2 BCG, Saving Globalization and Technology from Themselves
<https://www.bcgperspectives.com/content/articles/strategy-globalization-saving-globalization-technology-from-themselves/>

II. CREATING GLOBAL COMPETITIVE ADVANTAGES

3 8/30 Adaptation/Aggregation/Arbitrage - Global Strategies

Lecture/Discussion/Video/Group Project Introductions and Scope

Read: Ghemawat, Managing Differences: The Central Challenge of Global Strategy (CP)

Video: Le Royal

Case: BURGER KING FRANCE: ACQUIRING THE QUICK CHAIN (CP)

4 9/1 Global Strategies

Lecture/Discussion/Group Project Q&A

Case: GLOBALIZATION: A CAUTIONARY TALE (CP)

Case: SALESFORCE AND SIEBEL (CP)

9/6 LABOR DAY HOLIDAY

5 9/8 Globalization of Industries and Firms

Lecture/Discussion

Read: TEXTBOOK Jain, Chapter 3: Globalization of Industries and Firms (25 pages)

Case: DISRUPTION IN DETROIT: FORD: SILICON VALLEY AND BEYOND (CP)

6 9/13 Global Strategies – Entering Markets

Lecture/Discussion/Group Project Update

Read: TEXTBOOK Jain, Chapter 4: How to Enter Foreign Markets (31 pages)

Case: UBER AND THE SHARING ECONOMY: GLOBAL MARKET EXPANSION AND RECEPTION (CP)

7 9/15 Learning from Global Executives – Risk in Emerging Markets

Guest Executive: Dean Yoost, Director MUFG Union Bank, Pacific Life, Former Senior Partner
PwC USA, China and Japan and PwC Global Oversight Board, Author, Speaker,
Lakers fan
TBD, Former McKinsey APAC Partner

Read: Yoost, Board Oversight of Risks in Emerging Markets (5 pages) (BB)

8 9/20 Global Strategies – Competing in Foreign Markets

Lecture/Discussion

Read: TEXTBOOK Jain, Chapter 5: How to Compete in Foreign Markets (26 pages)

Case: UNILEVER'S NEW RECIPE FOR GROWTH (CP)

9 9/22 Global Business Consulting Project Update Presentations to the Entire Class

- 10 9/27 **Global Strategy – Growth**
Lecture/Discussion
- Read:* TBD
Case: NETFLIX: INTERNATIONAL EXPANSION (CP)

III. COUNTRY ANALYSIS: IDENTIFYING AND PROJECTING GLOBAL OPPORTUNITIES

- 11 9/29 **Country Analysis**
Lecture/Discussion
- Case:* APPLE IN CHINA (CP)
Read: TEXTBOOK: Jain, Chapter 6: How to Grow in Foreign Markets (29 pages)
- 12 10/4 **Learning from Global Executives – Global M&A The Good, The Bad, and The Real Ugly**
Guest Executive: Gregg Nahass, Partner PwC M&A Integration Global Leader

13 10/6 MID-TERM EXAM

IV. GLOBAL TRADE: WTO, FREE TRADE AGREEMENTS AND NATIONAL AGENDAS

- 14 10/11 **World Trade Organization (WTO): Purpose, Progress and Controversy**
Lecture/Discussion
- Read:* BCG, What You Need to Know About Globalization's Radical New Phase
<https://www.bcgperspectives.com/content/articles/globalization-growth-what-need-know-globalization-radical-new-phase/>
Case: THE TRANS-PACIFIC PARTNERSHIP AND THE MANAGEMENT OF GLOBALIZATION (CP)
Case: THE US CHINA WIND POWER DISPUTE (CP)
- 15 10/13 **Practical Challenges of Global Business**
Lecture/Discussion
- Read:* Marshall MBA ABAC Research Reports (BB)
Case: NIKE VERSUS NEW BALANCE: TRADE POLICY IN A WORLD OF GLOBAL VALUE CHAINS

15 10/18 Global Business Idea Pitch Group #1

16 10/20 Global Business Idea Pitch Group #2

V. GLOBAL MANAGEMENT AND ORGANIZATION

- 18 10/25 **Global Organizational Design**
Lecture/Discussion
- Read:* TEXTBOOK: Jain, Chapter 7 Organizational Design for Global Operations (22 pages)
Case: INFOSYS CONSULTING IN THE US – WHAT TO DO NOW (CP)
- 19 10/27 **Global Learning, Capability Building and the MNE**
Lecture/Discussion
- Read:* TEXTBOOK: Jain, Chapter 8 Global Learning, Capability Building and the MNE (25 pages)
Case: WALTON: BUILDING A GLOBAL BRAND THROUGH INTERNATIONALIZATION (CP)

- 20 11/1 **Innovation and the MNE**
Lecture/Discussion

Read: TEXTBOOK: Jain, Chapter 9 Innovation and the MNE (33 pages)
Case: PAYPAL IN 2015: RESHAPING THE FINANCIAL SERVICES LANDSCAPE (CP)
- 21 11/3 **Learning from Global Executives – Global Innovation and The Competitor You Didn’t See Coming**
Guest Executive: TBD
Read: TBD

V.5 FINALIZING GLOBAL BUSINESS CONSULTING PROJECTS

- 22 11/8 No Class – Teams Meet and Finalize Presentation on Global Client Consulting Project
- 23 11/10 No Class – Teams Meet and Finalize Presentation on Global Client Consulting Project

VI. FOCUS ON EMERGING ECONOMIES

- 24 11/15 **Focus on Emerging Economies**
Lecture/Discussion

Read: TBD
Case: AMAZON IN EMERGING MARKETS (CP)
- 25 11/17 **Focus on Emerging Economies**
Lecture/Discussion

Read: IESE Article: Five Pillars for Doing Business in Africa: A Roadmap to Opportunities
Case: AFRICA STRATEGY OF CHINA NONFERROUS METAL GROUP (CP)
- 26 11/22 **Focus on Emerging Economies**
Lecture/Discussion

Read: #1 AT Kearney “2020-7” Growth Economies
<https://shar.es/1ZSpOn>

#2 GBCP 2015-2020
<https://www.atkearney.com/documents/10192/5498252/Global+Economic+Outlook+2015-2020--Beyond+the+New+Mediocre.pdf/5c5c8945-00cc-4a4f-a04f-ade094e90b8>

Case: NESTLE IN CUBA (CP)

VII. GLOBAL CITIZENSHIP, CORPORATE RESPONSIBILITY

- 27 11/24 **Global Corporate Responsibility and Connectivity**
Lecture/Discussion

Read: TEXTBOOK: Jain, Chapter 9 Leveraging Opportunities in the Connected Economy (11 pages)
Case: CORPORATE SOCIAL RESPONSIBILITY AND EUROPE VOLUNTEERISM: WHAT DO THE BEST COMPANIES DO? (CP)
Additional articles will be posted to Blackboard
- 28 11/28 **Final Global Team Project Presentations**
- 29 12/1 **Final Global Team Project Presentations**

(CP) – Coursepack, (BB) - Blackboard