



Course **Business Administration (BA) 4373**
GLOBAL STRATEGY (undergraduate)
Professor **Mike W. Peng** www.utdallas.edu/~mikepeng
 Provost’s Distinguished Professor of Global Strategy
Term Spring 2008
Meetings Thursday 7-945 PM, SOM Room 2.116

Professor’s Contact Information

Office Phone (972) 883-2714 (Peng)
Other Phone (972) 883-6268 (Erin Pleggenkuhle-Miles—TA)
Office Location SOM 4.404 (Prof) / SOM 4.205 (TA)
Email Address mikepeng@utdallas.edu / egpmiles@gmail.com
Office Hours Wednesday / Thursday 6-7 PM (Prof) / Wednesday 6-7 PM (TA)
Other Information Please check WebCT periodically.

General Course Information

Pre-requisites, Co-requisites, & other restrictions BA 4371 International Business

Course Description This course focuses on the strategic challenges confronting firms that compete in the global economy. A firm’s strategy is its “theory” of how to gain competitive advantage and compete successfully in the marketplace. Strategic management is the process that managers, especially executives, develop and implement a firm’s strategy. Our objective is to have an enhanced understanding of the most fundamental question in strategic management: ***What determines the international success and failure of companies?***

Learning Outcomes

- An enhanced understanding of what determines the international success and failure of companies around the globe.
- An awareness of and interest in how competition unfolds in and out of emerging economies
- An understanding of the “other side” of international business, namely, the strategies of local firms that often compete and/or collaborate with foreign entrants
- An opportunity to work on a meaningful, real-world international business project

Texts

- M. W. Peng (2006). *Global Strategy*. Thomson South-Western.
- Packet

Course Policies

Grading (credit) Criteria	Participation	40%
	<ul style="list-style-type: none"> • Two (2) one-page individual papers (20%) Two on debates/ethics OR one on a case (not assigned to your group) and one on a debate/ethics issue • Contributions to class discussions (20%) 	
	Team presentation on a debate based on a case	20%
	Term project: One (1) ten-page group case write-up	40%
	Total	100%

<p style="text-align: center;">Two Individual 1-Page Papers (both on debates/ethics OR one on a case and one on a debate/ethics issue)</p>	<p>Stylistic requirements are:</p> <ul style="list-style-type: none"> • Typed, and cannot exceed one page, with one inch margin on four sides of the paper. If you have performed extensive outside research (such as most recent Internet posting), you may attach one page as an appendix, which can only be a direct printout or a spreadsheet but cannot be your write-up; • You may present your paper in paragraph form, in which case <i>single space</i> is allowed, or in outline form as bullet points; • The font size cannot be smaller than 10 (I am using “times new roman” 10 point now); • Submit a hardcopy at the <i>beginning</i> of the class; • While you may form study groups to discuss these questions, the paper should be written strictly on an <i>individual</i> basis <p style="text-align: center;">* * *</p> <p>One-Page Paper(s) on Ethics and/or Debates: Most textbooks present knowledge “as is” and ignore the fact that the field has numerous inconclusive but important debates. <i>Every</i> chapter of the <i>Global Strategy</i> text—now a global market leader—has a section on “Debates and Extensions,” some of which have significant ethical dimensions (see also the critical discussion questions on ethics in <i>every</i> chapter). Pick any one debate/ethical dilemma to write one or two one-page papers (<i>single-spaced, no cover page please</i>).</p> <p>You need to both summarize the debate/ethical dilemma (less than ½ page), and answer the question: <i>How does the assigned chapter/reading help you understand and participate in the debate?</i> For example, between two contrasting positions A and B, you had always intuitively supported A (before taking the class). Now you find assigned readings to intellectually support your support for A. Or, despite your initial belief in A, through this course, you now support B. Tell us why.</p> <p>This assignment is to be done on an <i>individual</i> basis. A hardcopy is required at the beginning of the class when this debate is discussed.</p> <p>As an expert on certain debates, <i>please be prepared to participate in these debates in class</i>. Of course, I expect <i>everybody</i> to have read these debates and be able to participate. But I may call on the experts, those who write the papers on these debates, to add more to our discussion.</p> <p style="text-align: center;">* * *</p> <p>One-Page Paper(s) on a Case: Given the space constraints, you will be better served if you focus on one or two discussion questions in this paper. Please don’t attempt to answer all discussion questions in this 1-page paper.</p> <p>Please select a case <i>not</i> assigned to your group for presentation.</p>
<p style="text-align: center;">Team Presentation on a Debate based on a Case</p>	<p>I expect students to form groups of 2-3 students (maximum 4 students). As a group, you will present a debate based on a case. It will normally be presented after the lecture is over but before the class discussion begins. You will have 15 minutes and 6 slides. Slide 1 is the mandatory title slide, with all names and emails. So you really only have 5 slides. Use Slides 2 and 3 to summarize the case, and use Slides 4 and 5 to illustrate how the case illustrates a debate. It is not mandatory that all members of the group present the case.</p> <p>Please note that the key is <i>not</i> to be comprehensive. The case discussion, after your presentation involving the entire class, will be comprehensive.</p>

	<p>Do not attempt to summarize the entire case in Slides 2 and 3. Only summarize the relevant information. Please make your slides readable—you will lose points if classmates sitting in the back row cannot read the slides you present. Although case discussion questions are helpful, do not attempt to answer them all. The key here is to focus on one debate (as suggested).</p> <p>You choose the most effective format to present the debate. One possibility is to have team member 1 present side A, team member 2 present side B, and then team member 3 play the role of moderator/reconciler. Alternatively, the entire team can represent side A, and engage the rest of the class as side B.</p> <p>Please prepare one hardcopy handout (6 slides printed on 1 sheet) for the professor. Please do not email ahead of time—nobody has that kind of time to open, print, and bring your handout to class.</p>
<p style="text-align: center;">TERM PROJECT Ten-Page Case Write-Up</p>	<p>This is a group-based exercise (1) to write your own case study (6-8 pages) and (2) to write your own case analysis (2-4 pages)—for a combined total of 10 pages excluding the title page and any attachments, such as figures, tables, appendix, and references.</p> <p>Your guiding question is: "How to solve a strategic problem in global strategy?" The first part will be a case study focusing on a hard-to-tackle strategic problem. Examples include: (1) How to enter a new foreign market? (2) How to divorce from our JV partner while minimizing the damage to our interests and reputation? (3) How to govern a newly acquired foreign company? (4) How to deal with some ethical dilemmas? Make sure you use question marks (?).</p> <p>Try to follow the format of the cases that we study during the term, give enough details on the background of the firm, and focus on a difficult decision. This part should take approximately 6-8 pages. The second part will be your analysis and recommendations to these managers in terms of how to proceed, which should take about 2-4 pages (similar to your case analysis mentioned earlier)—at least 1 page should be devoted to recommendations. All together, the ideal length is 10 pages, excluding attachments such as figures and tables. In terms of the attachments, please be reasonable. Under no circumstances can the total report (all inclusive) exceed 20 pages—I will stop reading after p. 20.</p> <p>The best papers will show evidence of some investigative efforts—digging for more information, interviews/phone calls/emails with managers—and of synthesis and careful editing. They will also be insightful, going beyond the most obvious lessons to draw out the story behind the story.</p> <p>The quality will be evaluated along content and process dimensions (60% and 40%, respectively). Careful editing is expected. Simply “cut and paste” sections written by different coauthors will result in a very poor grade. Appendix 1 gives a complete list of the grading criteria—pay attention!</p> <p>Outside research is expected. Please properly document your sources either in footnotes/endnotes or in (author name, year) format with a reference list attached at the end of your work—Please see the section on “Scholarly Professionalism and Citizenship” for more information.</p> <ul style="list-style-type: none"> • One inch margins should be left on four sides of the paper, and the font size cannot be smaller than 10 (I am using “times new roman” 10 point now); • On the title page, everybody’s email is required; • Also on the title page, include a 1-paragraph, double-spaced executive summary (less than 100 words);

	<ul style="list-style-type: none"> • Double space your main text (references and tables can use single space) • There is no length limitation about attachments (e.g., graphs, tables, and references). But be professional and reasonable. <p>Each group will give a presentation to the rest of the class on Wednesday, April 23, 2008, with no more than 12 slides (slide 1 will be a required title page with names and emails). In addition to the presentation, the following items are required for submission on April 23:</p> <ul style="list-style-type: none"> • Hardcopies of (1) the paper and (2) the slides to give to the professor • Softcopies of Word and PowerPoint files submitted to Blackboard??? <p>Normally, everybody in the group gets the same grade. However, if there is any significant free rider, please file a complaint against this individual—the form is posted on WebCT. Your complaint will be stronger if there are other members in your group who also file their complaints. I will investigate and talk to that individual. Therefore, anonymous complaint cannot be entertained. You will have to report your name, and your name will be revealed to the person who you complain about. Please note this complaint mechanism is totally optional, and I hope none will need to use it.</p>
Class Participation	<p>Since the course is built almost exclusively around the case method, attendance and participation are very important and required of each student. As in the real world, the cases are rich in detail, yet open-ended and incomplete at the same time. Therefore, do not approach a case as you would a book chapter or a magazine article. In order to derive maximum benefit from the case method, it is essential that you mentally "get inside" the case.</p> <p>Class participation will be graded based on the subjective assessment of the professor for each class. <i>Given the extensive group-based work and the high-caliber of the students, my previous experience suggested that this is likely to be a key area of differentiation in your final grade.</i> Obviously, you cannot participate if you miss the class. However, please note that you will not earn full mark for "class participation" if you simply show up.</p> <p><u>"Dos" for Case Discussions</u></p> <ul style="list-style-type: none"> • Keep an open mind • Relate outside experience • Be provocative and constructive <p><u>"Don'ts" for Case Discussions</u></p> <ul style="list-style-type: none"> • Do not make sudden topic changes; recognize the flow of discussion • Do not repeat yourself and others • Do not "cut" others to "score points" <p>Remember it is the quality of your participation, not the quantity (or "air time"), that will lead to good performance in class discussion. The following criteria are employed:</p> <ul style="list-style-type: none"> • Excellent class participation: The student consistently attends class, consistently contributes to case discussions, and consistently demonstrates superior understanding and insights • Good class participation: The student consistently attends class, consistently contributes to case discussions, and occasionally demonstrates superior understanding and insights • Mediocre class participation: The student inconsistently attends class, inconsistently contributes to case discussions, and rarely demonstrates superior understanding and insights.

University of Texas at Dallas / BA 4373 Global Strategy
Prof. Mike Peng (Spring 2008—Thursday)

Make-up Exams	No
Extra Credit	No
Late Work	Late written assignment will be downgraded by 10% every business day
Special Assignments	No
Academic Professionalism and Citizenship	<p>You are expected to exhibit the <i>highest</i> level of professionalism and courtesy in and out of class. Minimum behavioral expectations include:</p> <ul style="list-style-type: none"> • Turn off cell phones, beepers, and pagers while in class • Arrive punctually to class (if you have to be late in arrival or to depart early, please find a seat closer to the door in a non-disruptive manner) <p>More seriously, please be aware that anyone who commits an act of <i>scholastic dishonesty</i> is subject to disciplinary actions. Given that this course is writing-intensive, the primary concern is <i>plagiarism</i>—defined as not giving credit to others’ work and representing such work as one’s own. Operationally, if words are copied verbatim, they must be placed in quotation marks and properly documented – either in footnotes or in (name, year) format (such as [Peng, 2006] for my book) with a reference list at the end of your work. Direct quotes should also provide a page number. Quotation marks and page numbers are not necessary when you paraphrase someone else’s work using your own words. Nevertheless, you should still give credit to the origin of these ideas. Failure to do so consists of plagiarism. For an example of adequate documentation of sources, see end-of-chapter Notes sections after each chapter in my book. See also http://www.utdallas.edu/student/slife/dishonesty.html</p>
<u>NOTES from the Bureaucracy</u>	Your mastery of the following notes will be tested during a pop quiz— <i>just kidding!</i>
Student Conduct and Discipline	<p>The UT System and UTD have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, <i>A to Z Guide</i>, which is provided to all registered students each academic year.</p> <p>UTD administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the <i>Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3</i>, and in Title V, Rules on Student Services and Activities of the university’s <i>Handbook of Operating Procedures</i>. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (972/883-6391).</p> <p>A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.</p>
Academic Integrity	<p>The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.</p> <p>Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one’s own work or material that is not one’s own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or</p>

University of Texas at Dallas / BA 4373 Global Strategy
Prof. Mike Peng (Spring 2008—Thursday)

	<p>falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.</p> <p>Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.</p>
Email Use	<p>UTD recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's UTD email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at UTD provides a method for students to have their UTD mail forwarded to other accounts.</p>
Withdrawal from Class	<p>The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.</p>
Student Grievance Procedures	<p>Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's <i>Handbook of Operating Procedures</i>.</p> <p>In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.</p> <p>Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.</p>
Incomplete Grades	<p>As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of F.</p>
Disability Services	<p>The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30</p>

*University of Texas at Dallas / BA 4373 Global Strategy
Prof. Mike Peng (Spring 2008—Thursday)*

	<p>a.m. to 5:30 p.m. Please contact: UTD Office of Disability Services, SU 22 PO Box 830688, Richardson, Texas 75083-0688 (972) 883-2098 (voice or TTY)</p> <p>Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.</p> <p>It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.</p>
<p style="text-align: center;">Religious Holy Days</p>	<p>UTD will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.</p> <p>The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.</p> <p>If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.</p>
<p style="text-align: center;">Off-Campus Instruction and Course Activities</p>	<p>Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm. Additional information is available from the office of the school dean.</p>

Academic Calendar

Date	Cases	Chapters /activities	Industry	Home country	Host country
1/10	How this book entered China Which country made your book?	Introduction	Publishing	USA	China
1/17	Guns of August (packet)	Ch 1: Strategizing globally	Military	France Germany	Germany France
1/24	Japanese book selling industry (book)	Ch 2: Industry competition	Book store	Japan	Japan
1/31	ZARA (packet)	Ch 3: Resources and capabilities	Clothing	Spain	Worldwide
2/7	Private military companies (packet)	Ch 4: Cultures, institutions, and ethics	Private military	USA/UK	Worldwide
2/14	Sunflower (book)	Ch 5: Growing the entrepreneurial firm	Trading	Lithuania	Lithuania
2/21	(1) Brown Lumber (book) (2) Pearl River Piano (book)	Ch 6: Entering foreign markets	(1) Lumber (2) Piano	USA China	Worldwide USA
2/28	Elli Lilly in India (packet)	Ch 7: Strategic alliances	Pharma	USA	India
3/6	(1) Lev Leviev fights De Beers (book) (2) De Beers (book)	Ch 8: Competitive dynamics	Diamond	Israel S Africa	Worldwide
3/20	Cardinal Health (book)	Ch 9: Diversifying, acquiring, restructuring (Part I)	Health care	USA	Worldwide
3/27	DHL Bangladesh (packet)	Ch 10: Structuring, learning, and innovating	Express delivery	Germany	Bangladesh
4/3	The private equity challenge (packet)	Ch 11: Governing the corporation	Finance	Triad	Worldwide
4/10	Have you offset your carbon emission? (packet)	Ch 12: Strategizing with corporate social responsibility	Environmenta l	Triad	Worldwide
4/17	Wrap up/preparation for project				
4/24	Presentations / projects due				

Class Schedule¹

1/10 Introduction

Live case study: How this book entered China

Case: Which country made your book? (HANDOUT)

1/17 Ch 1: Strategizing around the globe

Case: *The Guns of August, 1914* (PACKET)

1. What exactly is strategy? Can you offer a comprehensive definition with 100 words or less.
2. What were the main characteristics of the French and German strategies in 1914?

¹ Minor changes may be made in the course content as the semester progresses

3. What were the strong points in these strategies? The weak points? What should have been done differently? Why?
4. What principles of strategy do the success and failure of each side suggest?

1/24 Ch 2: Managing industry competition

Case: *Bookoff, Amazon Japan, and the Japanese bookselling industry* (p. 158)

1. Why is the profitability of large Japanese retail booksellers relatively poor and their scale relatively small?
2. The *Saihan* system serves as a price-fixing cartel to deter entry. This practice, often labeled as “collusive” and “anticompetitive,” would be illegal in many other countries such as the United States. What are the benefits for individual companies and the industry to participate in this system? What are the costs? (You may want to consult Chapter 8)
3. Draw on the industry-, resource-, and institution-based views to explain the success of Bookoff and the more mediocre performance of Amazon Japan. What is going to happen to them if the *Saihan* system dissolves?
4. If you were a board member of Barnes & Noble or Borders, would you approve a proposal to open a series of bookstores in Japan now? Would you change your mind if the *Saihan* system dissolves?

DEBATE to be presented (if this case is presented): Industry rivalry vs. strategic groups

1/31 Ch 3: Leveraging resources and capabilities

PRESENTATION Case: *ZARA (PACKET)*

1. What are ZARA’s resources and capabilities?
2. How valuable, rare, hard-to-imitate, and organizationally embedded are they?

DEBATE to be presented (pick one or both): Static resources vs. dynamic capabilities, domestic resources vs. international capabilities

2/7 Ch 4: Emphasizing institutions, cultures, and ethics

PRESENTATION Case: *Private military companies (PACKET)*

1. From an institution-based view, explain what is behind the rise of this industry.
2. From a resource-based standpoint, explain why certain PMCs outperform others.
3. Why are industry associations such as the IPOA and BAPSC so interested in self-regulation?
4. As an investor, would you consider buying stock of a PMC such as DynCorp? Why or why not? Do you have any *ethical* reservations?

DEBATE to be presented: Bad apples vs. bad barrels

2/14 Ch 5: Growing and internationalizing the entrepreneurial firm

PRESENTATION Case: *Sunflower Company* (p. 171)

1. Why has Sunflower been successful even though it has frequently changed its product line and strategy? Would this strategy work in established markets
2. What are the advantages and drawbacks for Sunflower to continue having divergent business lines?
3. How should Sunflower take advantage of Lithuania’s EU membership?

DEBATE to be presented: Traits vs. institutions

2/21 **Ch 6: Entering foreign markets**

PRESENTATION Case 1: Brown Lumber: Choosing the optimal export strategy (p. 339)

1. What were Brown's primary motivations to focus on export as opposed to domestic markets?
2. Thus far, what was Brown's strategy to overcome its liability of foreignness in export markets?
3. Brown can export directly or indirectly (through export intermediaries). What are their pros and cons? Why did Brown always use export intermediaries?
4. Of the three strategic choices Brown was contemplating, which one would you recommend?

DEBATE to be presented: High control vs. low control

PRESENTATION Case: Pearl River Piano Group's international strategy (p. 334)

1. Drawing on industry-, resource-, and institution-based views, explain how PRPG, from its humble roots, managed to become China's largest and the world's second largest piano producer.
2. Why did Tong believe that PRPG must engage in significant internationalization (other than the current direct export strategy) at this point?
3. If you were one of those professors who visited Tong in March 2000, how can you brief him on the various pros and cons of various foreign market entry options?
4. Again, if you were one of those professors, how would you specifically point out a direction to tackle the US market for PRPG?

DEBATE to be presented (pick one or both): Developed vs emerging economies (p. 238), alliances vs. acquisitions (p. 279)

2/28 **Ch 7: Making strategic alliances and networks work**

Reading: M. W. Peng & O. Shenkar, 2002, Joint venture dissolution as corporate divorce, *Academy of Management Executive* (**PACKET**)

PRESENTATION Case: Eli Lilly in India: Rethinking the joint venture strategy (Ivey, 8B04M16, **PACKET**)

1. Did Eli Lilly pursue the right strategy to enter the Indian market?
2. Carefully consider the evolution of the JV. Evaluate the three successive JV leaders. Identify the unique challenges faced by each.
3. How would you assess the overall performance of the JV? What did the partners learn from this JV?
4. From Eli Lilly's or Ranbaxy's perspective, what action would you recommend regarding the JV? What are the implications of your recommendation? How would you implement this?

DEBATE to be presented (pick one or both): Learning race vs. cooperative specialization, majority vs. minority JVs

3/6 **Ch 8: Managing competitive dynamics**

Reading: Lev Leviev fights De Beers (p. 327)

PRESENTATION Case: Are diamonds forever? Behind the longevity of the De Beer cartel (p. 352)

1. Most cartels fail within a short period of time due to organizational and incentive problems. Why is the diamond cartel so long lasting (spanning the entire 20th century and still going, despite some loss of power)?
2. Drawing on industry-, resource-, and institution-based views, explain why De Beers has been phenomenally successful
3. Given the multidimensional current challenges, what are the opportunities for De Beers? What are the threats? What strengths and weaknesses does De Beers have when dealing with these challenges?
4. Discuss the future rivalry between De Beers and Leviev, especially in the new arena of retail competition with branded jewelry. How does the future hold for both firms?

DEBATE to be presented: Strategy vs. IO economics and antitrust policy—should De Beers be prosecuted by the US and South African antitrust authorities

3/13 **SPRING BREAK**

3/20 **Ch 9: Diversifying, acquiring, and restructuring**

Additional: M. W. Peng, 2006, Making M&A fly in China, *Harvard Business Review* (**PACKET**)

PRESENTATION Case: Corporate strategy at Cardinal Health (p. 521)

1. What are the benefits and costs of Cardinal Health's product related diversification strategy?
2. What has made Cardinal Health the biggest player in the US health care industry in general and the undisputed profitability leader in the drug distribution business in general?
3. To focus more on international activities, what are the main opportunities and obstacles?
4. Does Cardinal Health need to adjust its organizational structure (currently represented by the four US-focused product divisions) to create a better fit with its more internationally oriented strategy?

DEBATE to be presented (pick one or both): product relatedness, acquisitions vs. alliances (why didn't Cardinal use alliances?)

3/27 **Ch 10: Structuring, learning, and innovating**

PRESENTATION Case: DHL Bangladesh (**PACKET**)

1. What advantages and disadvantages associated with a matrix structure does this case reveal?
2. For Nurul, identify the advantages and disadvantages for the three options: (1) proceeding with DHL Pakistan's HRIS, (2) proceedings with a local Bangladesh vendor, and (3) negotiating with regional HQ.
3. Rank order the factors in #2 above, in terms of their (1) potential for solving DHLB's problems and (2) political importance from the viewpoint of DHLB and regional HQ. For a more detailed analysis, include the following stakeholders: (1) Nurul Rahman, (2) DHLB's HR department, (3) Saha, and (4) DHL Pakistan.
4. If you were Nurul Rahman, what would you recommend?

DEBATE to be presented: Centralization vs decentralization (see section on "Corporate controls vs subsidiary initiatives, p. 426)

4/3 **Ch 11: Governing the corporation around the world**

PRESENTATION Case: The private equity challenge (**PACKET**)

1. If you were a private equity specialist, what kind of target firms would you look for?

2. If you were CEO of a publicly traded firm and were approached by a private equity firm for a possible LBO, how would you proceed with the negotiation?
3. As a regular in South Korea, how concerned should you be when US equity firms arrive?
4. How does the private equity challenge affect the governance, popularity, and cachet of publicly traded firms? In other words, as a successful entrepreneur, would an IPO be the final destiny, as a corporate entity, for your company?

DEBATE to be presented: Opportunistic agents vs managerial stewards

4/10 **Ch 12: Strategizing with corporate social responsibility**

PRESENTATION Case: *Have you offset your carbon emission? (PACKET)*

1. From an institution-based view, explain why some firms in countries such as the United States whose governments did *not* ratify Kyoto are interested in participating carbon offsets?
2. From a resource-based view, identify potential first mover advantages in carbon offsets.
3. As CEO of a coal-fired utility in Canada, how can your firm reduce greenhouse gas emission? As CEO of a similar utility in China, what are your options?

DEBATE to be presented: Domestic vs overseas social responsibility—is it ethical for a US firm to lay off employees

4/17 **Wrap up / preparation for project**

4/24 **Project presentations—please bring a USB and don't store on email (that'll save time)**

REQUIRED:

- Submit hardcopies of your 10-page case and your slides (6 slides on 1 sheet please) to the professor before you start to present—p. 1 of the paper and slide 1 of the PowerPoint should have names (in alphabetical order please) and emails of everyone
- Email your softcopies (both Word and PowerPoint) to the TA no later than 12 midnight, April 23.

Appendix 1: Grading Criteria for Your Term Project

- I. Content Issues (60%)
 - (a) Clarity of the story line (10%)
 - (b) *Use of concepts and theories* applied to the case (20%)
 - (b) Reasonableness of analysis (10%)
 - (c) Appropriateness of *recommendations/conclusions* (20%)

- II. Process Issues (40%)*
 - (a) Effectiveness of presentation (20%)
(including speech posture, maintaining eye contact with the audience instead of reading off the script, use of visual aids, timing, and answer of questions)
 - (b) Effectiveness of written reports (20%)
(including readability, flow, logic, and organization; writing mechanics, such as free of grammatical and spelling errors, use of sections and headings, and page numbering; use of literature; and attachments such as graphs, tables, and calculations, whenever applicable)

Appendix 2: Table of Contents for the Course Packet

1. CASE: Guns of August 1914 (B. Tuchman)
2. CASE: ZARA (M. Peng)
3. CASE: Private military companies (M. Peng)
4. Reading: Joint venture dissolution as corporate divorce (M. Peng and O. Shenkar)
5. CASE: Eli Lilly in India (C. Dhanaraj—Ivey case 8B04M16)
6. Reading: Making M&A fly in China (M. Peng)
7. CASE: DHL Bangladesh (H. Merchant)
8. CASE: The private equity challenge (M. Peng)
9. CASE: Have you offset your carbon emission? (M. Peng)