Course Objectives:

1. To identify and assess major formal and informal institutional features of the international business environment;
2. To consider how the formal and informal institutions affect the international business environment;
3. To explore the strategic issues facing international business managers.

Readings:
There is a required textbook: Michael Peng, *Global Business*, Third Edition, South-Western Cengage Learning, 2014. The textbook should be available in the bookstore. In addition, there are articles and videos that are available at the URLs shown on the course outline.

Assessment:
Grade assessments will be accomplished through three in class presentations, one written paper which is a take-home final exam and class participation. The topics and dates for the presentations are provided at the end of the syllabus, as is the topic for the final exam, which should be emailed to me by 5:00 pm on Thursday, June 9\textsuperscript{th}.

Grading:

1. Each presentation 20%
2. Final Paper 40%
3. Class participation* 20%

*Class participation is a function of both the frequency and the quality of a student’s contributions to class discussion. It would help in this regard if students read a business periodical or newspaper on a regular basis.
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<thead>
<tr>
<th>Date</th>
<th>Topic and Readings</th>
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<td>Week 1: March 29, 31</td>
<td>Introduction to the Global Business Environment</td>
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<td>Peng: chapters 1, 8</td>
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<td>Friedman: The World is Flat 3.0 (video)</td>
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<td>Ghemawat: Actually the World isn’t Flat (video)</td>
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<td>Jullens: The Flat World Debate Revisited</td>
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<td>Week 2: April 5, 7</td>
<td>Factors Shaping the Global Environment: Formal Institutions</td>
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<td>Peng: chapter 2</td>
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<td>Carpenter and Dunung: Political and Legal Factors that Impact International Trade</td>
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<td>Globerman and Shapiro: Governance Infrastructure and U.S. Foreign Direct Investment</td>
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<td>Li: A Tale of Two Political Systems (video)</td>
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<td>Week 3: April 12, 14</td>
<td>Factors Shaping the Global Environment: Informal Institutions</td>
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<td>Peng: chapter 3</td>
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<td>Hofstede: Dimensionalizing Cultures: The Hofstede Model in Context</td>
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<td>Jones: Hofstede – Culturally Questionable?</td>
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<td>Wursten and Fadrhonc: International Marketing and Culture</td>
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<td>Trompenaars: Riding the Waves of Culture (video)</td>
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<td>Week 4: Apr 19, 21</td>
<td>Presentations</td>
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<td>Week 5: Apr 26, 28</td>
<td>Trade and Foreign Direct Investment</td>
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<td>Week 6: May 3, 5</td>
<td>Exchange Rates</td>
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<td>Week 8: May 17, 19</td>
<td>Presentations</td>
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**Week 9: May 24**  
*Competition Dynamics*  
Peng: chapter 11

**May 26**  
*Alliances and Acquisitions*  
Peng: chapter 12  
Kale and Singh: *Managing Strategic Alliances: What Do We Know Now, and Where Do We Go From Here?*  
Rottig: *Successfully Managing International Mergers and Acquisitions*

**Week 10: May 31, June 2**  
*Global Strategy and Organization*  
Peng: chapter 13  
Yip: *Global Strategy in the Internet Era*  
Maljers: *Inside Unilever: The Evolving Transnational Company*

**Discussion Articles**

Week 1  
“A Troubling Trajectory”

Week 2  
“U.S. Banks Cut Off Mexican Clients”

Week 3  
“Uber Collides with France”

Week 5  
“Search for Ever Cheaper Garment Factories Leads to Africa”  
“Taking Aim at Boeing: Airbus Opens First U.S. Plant”

Week 6  
“Weaker Rupee Sparks Debt Worry”

Week 7  
“Scotch, Not So Neat”
"The Grocers Great Trek"

Week 9 (May 24)  "An Indian Tractor Maker Tries to Run Like a Deere"

(May 26)  "Miller Coors Caught in a Downdraft"

Week 10  "Chevy's Road map for 140 Countries"

Presentation Topics

1. **Group Presentation #1**: Choose a real world company. It would probably be best to choose a publicly traded company that produces publicly available annual reports, 10Ks and other statements. Identify at least two major foreign markets (countries) in which the company markets its products.
   
   a. Discuss the cultural differences between the two foreign markets identified above and the company’s home market.
   
   b. Explain why you chose to measure cultural differences in the manner chosen.
   
   c. What implications for marketing your company’s products do you draw from the cultural differences you identified? Be as specific as possible.

2. **Group Presentation #2**: For your real world company, identify a country or region where, as far as you can determine the company is either not marketing its products or carrying on any production activity.
   
   a. Would you recommend that the company diversify into that country or region? Be specific as to the value chain activity/activities you think should be the focus of the diversification.
   
   b. What mode of business should the company use if it chose to diversify into the country/region identified in your answer to Part A?
   
   c. Would you recommend that the company enter the market in question relatively quickly? Should it also expand relatively quickly? Give reasons for your answer.
Final Exam Paper

Question #1: For your real world company, identify the company’s focal currency.
   a. Then identify a foreign currency whose changes in value relative to the focal currency is likely to have a significant impact on the company’s financial performance.
   b. Discuss (in general terms) how a depreciation of the foreign currency would likely affect the company’s financial performance.
   c. Provide a one and two year forecast of the value of the foreign currency in question relative to the focal currency.
   d. What, if anything, would you recommend the company do in light of the forecasts you provide in your answer to Part C?

Question #2: For your company, identify the main foreign markets in which it is currently marketing products and/or producing output. If possible, provide data or information on the relative importance of the foreign markets identified.
   a. How would you characterize the company’s strategy for carrying out its international business activities using Peng’s four strategic choice options, i.e. home replication, multi-domestic, global or transnational?*
   b. How would you characterize the company’s organizational structure using Peng’s four types of organizational structure, i.e. international diversion, geographic area, global product division, global matrix?
   c. Would you recommend that the company modify its strategy? In particular, should it emphasize more “localization” or standardization for its marketing or production activities in the main foreign markets identified?
   d. Would you recommend that the company change its organizational structure? Why or why not?

*Note: If your company doesn’t fit squarely into a strategic category, explain why.