

**ZICKLIN SCHOOL OF BUSINESS
RECOMMENDATION TO GRADUATE CURRICULUM COMMITTEE
Department of Management, October 26, 2009**

PART A: Academic Matters, Section AI: Changes in a Degree Program

**AI.10.1 Master of Business Administration in Management/Entrepreneurship (HEGIS: 0506.00; Program Code: 01922):
Change in courses in major**

FROM/TO: MBA in Management/Entrepreneurship

| <i>Required</i> | Credits |
|--|---------|
| MGT 9960 (formerly MGT 9860) Entrepreneurial Strategy and Cases | 3 |
| <i>Choose two courses from:</i> | |
| MGT 9962 (formerly MGT 9867) Managing the Family Business | 3 |
| MGT 9963 (formerly MGT 9865) Researching and Developing Entrepreneurial Ventures | 3 |
| MGT 9964 (formerly MGT 9861) Managing the Entrepreneurial Enterprise | 3 |
| <i>Choose one course from:</i> | |
| ACC 9804 Intermediate Financial Accounting | 4 |
| ACC 9806 Financial Statement Analysis and Reporting | 3 |
| CIS 9444 E-Business Principles and Technologies | 3 |
| FIN 9774 Venture Capital and Entrepreneurial Finance | 3 |
| FIN 9781 Managerial Finance | 3 |
| FIN 9783 Investment Analysis | 3 |
| LAW 9105 Law and Entrepreneurship | 3 |
| LAW 9109 Law and the Entertainment Business | 3 |
| LAW 9708 Law and E-Business | 3 |
| LAW 9800 Intensive Survey of Business Contracts and Law of Corporations | 4 |
| MGT 9400 Human Resource Management | 3 |
| MGT 9961 (formerly MGT 9862) Analysis of Entrepreneurial Experiences | 3 |

continued

PART A: Academic Matters, Section AI: Changes in a Degree Program

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Change in courses in major**

| | Credits |
|---|---------|
| MGT 9962 (formerly MGT 9867) Managing the Family Business | 3 |
| MGT 9963 (formerly MGT 9865) Research and Developing Entrepreneurial Ventures | 3 |
| MGT 9964 (formerly MGT 9861) Managing the Entrepreneurial Enterprise | 3 |
| MGT 9966 (formerly MGT 9866) (MKT 9781) Internet and Entrepreneurship | 3 |
| MGT 9967 Technology, Innovation, and Design in High-Growth Ventures | 3 |
| MGT 9968 (formerly MGT 9868) Entrepreneurial Communications: Selling and Negotiating | 3 |
| MGT 9969 Social Entrepreneurship Concepts and Cases | 3 |
| MGT 9970 Entrepreneurship and Community Development | 3 |
| MGT 9971 Women as Entrepreneurial Leaders: Gender Differences | 3 |
| MGT 9975 (formerly MGT 9875) (RES 9980) Real Estate Entrepreneurship | 3 |
| MGT 9979 (formerly MGT 9864) Seminar in Entrepreneurship | 3 |
| MKT 9701 Advertising and Marketing Communications | 3 |
| MKT 9702 Marketing Research | 3 |
| MKT 9716 Consumer Behavior | 3 |
| MKT 9750 Marketing Strategy | 3 |
| MKT 9764 Internet Marketing and Global Business | 3 |
| PAF 9130 Economic Analysis and Public Policy | 3 |
| PAF 9136 Urban Economic Development | 3 |
| PAF 9141 Community Development: History, Present, and Future | 3 |
| PAF 9143 "Greening" and Growing Cities: Sustainability and Public Policy Options | 3 |
| PAF 9150 Introduction to the Nonprofit Sector | 3 |
| PAF 9151 The Administration of Not-for-Profit and Voluntary Organizations | 3 |
| PAF 9152 Fund Raising and Grants Administration in Not-for-Profit and Voluntary Organizations | 3 |
| RES 9776 (FIN 9776) Real Estate Finance | 3 |
| RES 9800 Real Estate Valuation and Market Analysis | 3 |
| RES 9850 Real Estate Capital Markets | 3 |

continued

PART A: Academic Matters, Section AI: Changes in a Degree Program

**AI.10.1 Master of Business Administration in Management/Entrepreneurship (HEGIS: 0506.00; Program Code: 01922):
Change in courses in major**

EXPLANATION: Given our recent revisions to our MBA in Entrepreneurship, we overlooked two additional changes. First, we would like to make our beginning required course MGT 9960 (formerly MGT 9860) Entrepreneurial Strategies and Cases as the “pre- or co-requisite” for all other courses within the required section of major. All required courses except MGT 9962 Managing the Family Business have this currently while MGT 9962 currently has only a “prerequisite” of MGT 9960. Therefore, we would to add the “co-requisite” also.

Second, FIN 9783 Investment Analysis was previously chosen as an additional elective by the Entrepreneurship faculty but was omitted by error from the last template approved by the ZGCC.

Approved by the Department of Management Curriculum Committee, October 26, 2009.

**ZICKLIN SCHOOL OF BUSINESS
RECOMMENDATION TO GRADUATE CURRICULUM COMMITTEE
Department of Management, October 26, 2009**

PART A: Academic Matters, Section AI: Changes in a Degree Program

AI.10.1 Master of Science in Entrepreneurship (HEGIS: 0506.00; Program Code: 32946): Change in courses in major

FROM/TO: MS in Entrepreneurship

| Required | Credits |
|--|----------------|
| MGT 9960 (formerly MGT 9860) Entrepreneurial Strategy and Cases | 3 |
| MGT 9961 (formerly MGT 9862) Analysis of Entrepreneurial Experiences | 3 |
| MGT 9962 (formerly MGT 9867) Managing the Family Business | 3 |
| MGT 9963 (formerly MGT 9865) Researching and Developing Entrepreneurial Ventures | 3 |
| MGT 9964 (formerly MGT 9861) Managing the Entrepreneurial Enterprise | 3 |
| | |
| Choose five courses from: | |
| CIS 9230 Globalization and Technology | 3 |
| <u>CIS 9444 E-Business Principles and Technologies</u> | <u>3</u> |
| FIN 9774 Venture Capital and Entrepreneurial Finance | 3 |
| FIN 9781 Managerial Finance | 3 |
| <u>FIN 9783 Investment Analysis</u> | <u>3</u> |
| LAW 9708 Law and E-Business | 3 |
| MGT 9400 Human Resources Management | 3 |
| MGT 9490 International Human Resources Management | 3 |
| MGT 9966 (formerly MGT 9866)/MKT 9781 Internet and Entrepreneurship | 3 |
| <u>MGT 9967 Technology, Innovation, and Design in High-Growth Ventures</u> | <u>3</u> |
| MGT 9968 (formerly MGT 9868) Entrepreneurial Communications: Selling and Negotiating | 3 |
| <u>MGT 9969 Social Entrepreneurship Concepts and Cases</u> | <u>3</u> |
| <u>MGT 9970 Entrepreneurship and Community Development</u> | <u>3</u> |
| <u>MGT 9971 Women as Entrepreneurial Leaders: Gender Differences</u> | <u>3</u> |
| MGT 9975 (formerly MGT 9875)/RES 9980 Real Estate Entrepreneurship | 3 |
| MGT 9979 (formerly MGT 9864) Seminar in Entrepreneurship | 3 |

continued

PART A: Academic Matters, Section AI: Changes in a Degree Program

AI.10.1 Master of Science in Entrepreneurship (HEGIS: 0506.00; Program Code: 32946): Change in courses in major

| | Credits |
|---|----------|
| MKT 9701 Advertising and Marketing Communications | 3 |
| MKT 9750 Marketing Strategy | 3 |
| MKT 9764 Internet Marketing and Global Business | 3 |
| <u>PAF 9141 Community Development: History, Present, and Future</u> | <u>3</u> |
| <u>PAF 9143 “Greening” and Growing Cities: Sustainability and Public Policy Options</u> | <u>3</u> |
| <u>PAF 9150 Introduction to the Nonprofit Sector</u> | <u>3</u> |
| <u>PAF 9151 The Administration of Not-for-Profit and Voluntary Organizations</u> | <u>3</u> |
| <u>RES 9776/FIN 9776 Real Estate Finance</u> | <u>3</u> |
| <u>RES 9800 Real Estate Valuation and Market Analysis</u> | <u>3</u> |
| <u>RES 9850 Real Estate Capital Markets</u> | <u>3</u> |

EXPLANATION: Given our recent revisions to our MBA in Entrepreneurship, we have continued to explore the possible expansion of the Elective List in our newly offered MS in Entrepreneurship. The reasons to add electives are two fold; that is, to allow flexibility for the student and to allow the student to build a depth of course work in a particular area such marketing, sustainability or more depth to entrepreneurship itself.

Thus, we have chosen 13 additional electives or a doubling of available elective courses to 26 in total. Even so, this expanded list is one third less than our Elective List for our currently MBA in Entrepreneurship and yet the MS student must take at least five electives out of these 26 choices.

In addition, we are assuming that entrepreneur seeking advance education via this MS or a prospective MS student with limited business background will have a more narrow interested in electives courses.

We have added one additional CIS and FIN elective as well as four new Entrepreneurship electives. In addition, we chose four PAF courses and three RES courses as electives and all of which are also listed on our MBA elective list. And the four PAF courses and three RES courses had been approved previously by SPA faculty and Real Estate Department for the elective courses list for the MBA in Entrepreneurship. The Department of Management will continue our faculty collaborations with both SPA and Real Estate.

Approved by the Department of Management, Department Curriculum Committee, October 26, 2009.

**ZICKLIN SCHOOL OF BUSINESS
RECOMMENDATION TO GRADUATE CURRICULUM COMMITTEE
Department of Management, October 26, 2009**

PART A: Routine Academic Matters, Section AIV: Changes in Course Number, Title, Description, Credits, Hours, Pre- or Co-requisites

AIV.10.1 Change in Pre- or Co-requisite

FROM/TO: MGT 9962 (formerly MGT 9867) Managing the Family Business

This course is designed to introduce students to the major concepts, models, theories, and research in the field of family business. The course offers students the opportunity to explore family business topics such as business formation, growth and expansion, strategic management, professionalization, succession, location choices, and family dynamics, conflicts, and relationships relative to the business. An overview of families who own businesses and the profiles of their businesses will be presented along with the examination of the course topics relative to the various stages of business activity, including feasibility, startup, ongoing maintenance, expansion or redirection, and exit or transfer. The course also provides an introduction to research on family businesses by surveying the conceptual issues and methodological approaches related to the study of family business. The content of the course will include lectures, case studies, group discussion, and presentations. 3 hours; 3 credits. Pre- or co-requisite: MGT 9960 (formerly MGT 9860).

EXPLANATION: Given our recent revisions to our MBA in Entrepreneurship, we overlooked two additional changes. First, we would like to make our beginning required course MGT 9960 (formerly MGT 9860) Entrepreneurial Strategies and Cases as the “pre- or co-requisite” for all other courses within the required section of major. All required courses except MGT 9962 Managing the Family Business have this currently while MGT 9962 currently has only a “prerequisite” of MGT 9960. Therefore, we would to add the “co-requisite” also.

Approved by the Department of Management Curriculum Committee, October 26, 2009.

ZICKLIN SCHOOL OF BUSINESS
RECOMMENDATION TO GRADUATE CURRICULUM COMMITTEE
Department of Marketing and International Business May 15th, 2009

PART A: Academic Matters, Section AII: New Courses

New course to be offered by the Department of Marketing and International Business

AII.10.1 IBS 9761: Emerging Markets and the International Business Environment

The rise of emerging markets is changing the world of international business and raises distinctive challenges and opportunities for companies. This course addresses these changes from the perspective of foreign firms entering emerging markets, therefore examining the distinctive business environments of emerging markets and analyzing the strategic options for responding to these effectively. Also, this course considers firms originating in emerging markets, examining their nature, impact on the international business environment and on international competition. Differences between emerging markets are explored, with an emphasis on understanding how political systems, market size and resource availability influence the types of opportunities available.

EXPLANATION: The size and influence of emerging markets is rapidly changing the field of international business. This course permits students to study this topic in depth, and helps students understand the strategic implications for both developed world and emerging market firms. The course will be offered at least once a year, and is expected to enroll approximately 40 students.

Approved by the International Business Program Committee, May 11, 2009. Syllabus attached.

Emerging Markets and the International Business Environment

Course Information

Course Code: IBS9761,
Semester: Spring 2010
Time: TBA
Location: TBA

Instructor: Professor Lilach Nachum
Tel. 646 312 3303
E-mail: Lilach_Nachum@baruch.cuny.edu
Office: VC 11 276

Office hours: TBA. I encourage you to get in touch outside class, so that we can work together to ensure that you get the most out of this course and reach your highest possible potential. I will be happy to assist you with any course- and career-related issues.

Course Overview and Learning Objectives

The rise of emerging markets is seen by many as the most important business development of our era. This development is changing the world of international business and raises distinctive challenges and opportunities for companies competing internationally, as well as for domestic companies confronting new competitors at home. This course equips you with tools to better understand these challenges and opportunities.

We will tackle this issue from two perspectives:

1. The distinctive challenges and opportunities that activity in emerging markets represent. We will address these issues from the point of view of US companies investing in emerging markets. This section of the course is structured around two themes:
 - a. General areas in which emerging markets have distinctive attributes, those that require responses that differ from those that are appropriate elsewhere. This part of the course is structured around the various stakeholders of emerging markets and addresses in relation to each of them their distinctive nature and the specific challenges of extracting value from them.
 - b. Different categories of emerging markets – distinguished by the type of business opportunities they present, as it hinges on their political systems, size, and resources. The ‘emerging markets’ category comprises a diverse group of countries that differ in their histories, political systems and culture of consumption and doing business. We will seek to get some sense of these differences as they affect the challenges and opportunities confronted by Western investors in each particular region.

2. The distinctive nature of emerging market companies expanding internationally, and the challenges that they pose to US companies – at home and overseas. We will focus on the distinctive attributes of emerging market MNEs, and the differences between them and developed market firms. We will be particularly interested in understanding how their internationalization is affecting developed-country companies and the dynamics of international business. This part of the course is designed to enhance the understanding of these MNEs, with the belief that such an understanding can assist managers of developed country MNEs respond more effectively to the rise of emerging market MNEs.

Throughout, the focus is on those areas in which our existing managerial tools might be inadequate for operating in the contexts of emerging markets. These are the areas in which business operations require new thinking and fundamentally different approaches, the areas that require the development of new business models and ways to create value that may differ fundamentally from those that are adequate in developed-country contexts. It is also in these areas where emerging markets represent the greatest opportunities.

By the end of the course, you can expect to:

- Have a better understanding of a range of opportunities available for companies to create value in emerging markets, as well as the complexities associated with managing operations in these markets
- Understand the different nature of emerging market multinationals and the distinctive challenges of competing with them.

Learning goals:

This course will address the graduate core learning goals in the following ways:

- a. Teamwork and Leadership – group projects
- b. Ethical Awareness – class discussions; reading material; group projects
- c. Communication – class discussions; group presentation.
- d. Quantitative Analysis – group projects
- e. Knowledge Integration – class discussions; group projects
- f. Global awareness – class discussions; reading material; group projects

Course Organization

The learning process in this course takes place through discussions, debates and exchange of views. For such learning to be effective, you need to take active part in the discussions. I would like you to see this as a commitment, not an option, and be active during our discussions. Do not hesitate to ask questions and raise issues for debate. All constructive efforts to contribute to our discussions are welcome and will be viewed favorably. These discussions also assist you to familiarize yourself with technical terms and jargon of our field. The business world has its own ‘language’. Familiarity with this language is important for your credibility.

In these class discussions, I seek to rely on your professional and personal background to the extent possible. I encourage you to share any such information that you deem relevant for our discussion with the rest of the class, to enrich our discussions.

Prerequisites

There are no formal prerequisites for this course.

Course Materials

There is no textbook for this course.

The reading material will be posted on Blackboard before the classes in which they are due (under 'assignments').

You have to purchase several cases (details below). **All cases can be purchased on-line from <http://hbsp.harvard.edu/product/cases>.** Discussion questions for the cases appear on the last pages of the syllabus. Please use them to direct your reading. We will use these same questions to guide our class discussions.

Class overheads are posted on Blackboard prior to each class (under 'course documents').

A copy of this syllabus is also available on Blackboard (under 'course information').

Course Expectations and Performance Evaluation

- Class participation: 50%. This part of the grade will reflect your contributions to our class discussions. It will largely be based on the knowledge and understanding of the course material that you will display during these discussions and your ability to apply it meaningfully to contribute to our class discussions.
- 2 group assignments: 50% (25% each), corresponding to the two parts of the course, based on the frameworks introduced in class (detailed instructions will be distributed):
 - Developed country MNEs in emerging markets: Analysis of investment opportunities in different emerging markets regions with reference to a developed country company of your choice
 - Emerging market firms investing overseas: Select an industry and analyze the competitive situation between emerging and developed country firms – in emerging markets and globally.

Academic Integrity

Remember! Plagiarism is not tolerated and our school has a very strict policy for such behavior, which I fully endorse (Baruch College's policy on Academic Honesty and the punishment of such behavior is outlined in

http://www.baruch.cuny.edu/academic/academic_honesty.html).

I trust there will be no need for such actions in our class.

Course Schedule

| <u>Class/Date</u> | <u>Class contents</u> | <u>Required readings</u> | <u>Cases¹ and assignments</u> |
|---|--|--|---|
| 1 | <p><i>Emerging Markets: Definitions and General Overview</i></p> <ul style="list-style-type: none"> - Magnitude and importance of emerging markets in the world economy and the rationale for the course - Various definitions of emerging markets and resulting classifications - Video: the reality of doing business in emerging markets - Overview of the course | | |
| 2 | <p><i>The Institutional Environment in Emerging Markets</i></p> <ul style="list-style-type: none"> - What is different about the business context of emerging markets - Market failures and its strategic consequences - Business relationships | <p>Khanna, T., K. G. Palepu, and J. Sinha. Strategies that fit emerging markets. <i>Harvard Business Review</i> June 2005 (extracts); I. Yeung, and R.L. Tung, Achieving Business Success in Confucian Societies: The Importance of Guanxi (Connections). <i>Organizational Dynamics</i> 1996 25(2) (extracts)</p> | |
| <i>Part I: Investing in Emerging Markets</i> | | | |
| 3 | <p><i>Emerging markets as investment destination – General overview; Emerging Markets as</i></p> | | <p>Case: SAP: Establishing a Research Centre in China. University of Hong Kong case #HKU817-PDF-ENG, 2009</p> |

¹ Discussion-questions for the cases covered in the course are given in the following pages. Use them to guide your thinking on the cases. We will use these same questions as a guide for our class discussions.

| | | | |
|---|---|---|---|
| | <p><i>Production Locations (I)</i></p> <ul style="list-style-type: none"> - The labor market – skilled and unskilled labor - Emerging markets as part of an internationally-integrated production chain | | |
| 4 | <p><i>Emerging Markets as Production Locations (II)</i></p> <ul style="list-style-type: none"> - Transferability of best practices: labor, environment - Ethical standards in dealing with local stakeholders - dealing with local governments | <p><u>P. Shethi, <i>Setting Global standards</i>, John Wiley & Sons 2003, chapter 1.</u></p> | |
| 5 | <p><i>Emerging Markets as Markets(I)</i></p> <ul style="list-style-type: none"> - Local adaptation: the 4Ps - Where are emerging market consumers? Serving the Diasporas | | <p>Case: Orange Cameroon, A Global Telecommunications Company in Africa. Babson College case # BAB136-PDF-ENG, 2009</p> |
| 6 | <p><i>Emerging Markets as Markets(II)</i></p> <ul style="list-style-type: none"> - Distinctive characteristics of emerging market consumers: challenges and opportunities | <p>C.K. Prahalad and A. Hammond, <i>Serving the world's poor, profitably. Harvard Business Review</i> 2002, 80(9) 48-57 (extracts); Vijay Mahajan, <i>The 86% Solution: How to Succeed in the Biggest Marketing Opportunity of the 21st Century</i> Wharton School Publishing 2006 (chapter 1, extract)</p> | |
| 7 | <p><i>Emerging Markets as Reservoirs of Natural Resources - I</i></p> <ul style="list-style-type: none"> - World's natural resources and emerging markets | | <p>Case: BP in Russia: Settling the Joint Venture Dispute. Harvard Business School case # 9-908-M99, 2008</p> |

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| | - Environmental standards | | |
| 8 | <i>Emerging Markets as Reservoirs of Natural Resources - II</i> - Dealing with national governments | <u>United Nations, World Investment Report 2007: Transnational Corporations, Extractive Industries and Development, Geneva (extracts)</u> | |
| 9 | <i>Strategies for Emerging Markets</i> – First mover advantage? - Strategies for hyper-growth markets - Performance indicators for emerging markets - Strategies to protect IPR - Impact of colonial ties | | Case: Eli Lilly in India. Ivey School of Business case # 9-904M16, 2008 1st group project assigned |
| 10 | Guest speaker: Investing in emerging markets (representative of a US company investing in emerging markets) | | |
| 11 | <i>Classifying Emerging Markets</i> - Video: Emerging markets are not alike - Bases for classification: advantages and disadvantages | | |
| 12 | <u>Prep 1st group assignment</u> <u>Overview – emerging market regions</u> | | |
| 13 | <u>Prep 1st group assignment</u> | | |
| 14 | <u>Foreign Investment Challenges and</u> | | 1st group project due |

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|---|--|--|---|
| | <u>Opportunities in Different Emerging Regions</u> Comparative discussion of group projects | | |
| Part II: Emerging Markets Multinationals | | | |
| 15 | <u>Why Study Emerging Market Multinationals?</u> - The distinctive strength and weaknesses of emerging market firms - Business groups as a response to emerging markets conditions | R. Ramamurti and H. Singh (eds.) <i>Emerging Multinationals from Emerging Markets</i> . Cambridge University Press, 2009 (chapter 1, extracts); A. Amsden and T. Hikino, <u>Project execution capabilities organization know-how and conglomerate corporate growth in late industrialization</u> . <i>Industrial and Corporate Change</i> 1994, 3(1) (extracts); Ghemawat P. and Kahanna T. 1998. <u>The nature of diversified business groups: A research design and two case studies</u> . <i>J of Industrial Economics</i> 46(1) (extracts) | |
| 16 | <u>Ownership and governance of Emerging Market Firms - I</u> - Family, State and Private ownership and entrepreneurship | D. Miller and I. Breton-Miller. <i>Managing for the Long Run: Lessons in Competitive Advantage from Great Family Businesses</i> . Harvard Business School Press 2005 (chapter 1, extracts); P.Z. Poutziouris, K.X. Smyrniotis, S.B. Klein (eds.), <i>Handbook on Family Ownership</i> , Edward Elgar 2006 (extracts) | |
| 17 | <u>Ownership and governance of Emerging Market Firms - II</u> - <u>Consequences for firms' international activity</u> | FDI by Sovereign Wealth Funds (SWF), UNCTAD <i>World Investment Report 2008</i> , United Nations, Geneva (extracts) | Case: Arcor Argentina: The Challenge of Becoming a Global Competitor. Stanford Graduate School of Business IB66-PDF-ENG, 2006 |
| 18 | <u>Emerging Market Firms go International</u> - <u>What is different about emerging market MNEs</u> | R. Ramamurti and H. Singh (eds.) <i>Emerging Multinationals from Emerging Markets</i> . Cambridge University Press, 2009 (chapter 13, extracts); M. F. Guillen and E. Garcia-Canal, <u>The American model of the multinational firms and the 'new' multinationals from emerging economies</u> . <i>Academy of Management Perspectives</i> , 2009 23(2) | |

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|----|--|--|---|
| 19 | <u>Emerging Market Firms go International</u> <u>- The home-image challenge</u> | | Case: Acer, Inc.: Taiwan's Rampaging Dragon. Harvard Business School case # 399 010, 2001 |
| 20 | <u>Challenges of Global Expansion of Emerging Market MNEs</u> <u>- Late internationalization</u> <u>- The managerial challenge and entry mode choice</u> | C. A. Bartlett and S. Ghoshal. Going Global: Lessons from Late Movers, <i>Harvard Business Review</i> , March–April 2000. N. Kumar, How emerging giants are rewriting the rules of M&A. <i>Harvard Business Review</i> May 2009, 115-121 (extracts) | |
| 21 | <u>Competing with Emerging Market MNEs</u> | | Case: House of Tata: Acquiring a global footprint, Harvard Business School case #9-708-446, 2008. |
| 22 | <u>Competing with Emerging Market MNEs</u> <u>– in emerging markets</u> | <u>A. Bhattacharya and D. Michael, How local companies keep multinationals at bay. <i>Harvard Business Review</i>, March 2008; T. Khanna and K.G. Palepu, Emerging giants: Building world-class companies in developing countries. <i>Harvard Business Review</i>, October 2006 (extracts)</u> | |
| 23 | <u>Competing with Emerging Market MNEs</u> <u>– in emerging markets</u> | | <u>Huwai: Cisco's Chinese challenge. University of Hong Kong case # HKU 599</u> |
| 24 | <u>Competing with Emerging Market MNEs</u> <u>– in the global market</u> | <u>Huwai Technologies: A Chinese Trail Blazer in Africa. Knowledge@Wharton April 20, 2009</u> | Case: Haier: Taking a Chinese company global. Harvard Business School case #9-706-401, 2007 2nd group project assigned |
| 25 | <u>Panel discussion: Infosys (India) in NY</u> | | |
| 26 | <u>Discussion of Group Work</u> | | |

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|----|---|---|---------------------------------------|
| | Emerging market vs. developed market MNEs | | |
| 27 | <u>Summary Group Work</u> – Comparisons and conclusions | | <u>Take away exercise distributed</u> |
| 28 | <u>Closure and Take Away</u> - What's ahead for emerging markets? Some tentative suggestions | <u>P. Ghemawat and T. Hout, Tomorrow's global giants: Not the usual suspects. Harvard Business Review, November 2008, 80-88</u> | |

Discussion Questions for the Cases

Part I:

SAP

- Which aspects of the business environment should affect SAP's decision to establish an R&D center in an emerging market? Refer to the variety of local stakeholders that might influence SAP's operations.
- What are the advantages and limitations of emerging markets as locations for the generation of new knowledge and creation of innovation compared to developed countries?
- In light of this comparison, do you feel that SAP's decision to open up an R&S center in China makes sense? Explain.
- How do your answers to the questions above differ in relation to a manufacturing company?
- In which markets do MNEs producing in emerging markets compete? What is the nature of these markets?
- Based on the lessons of Sethi's article (reading package for this class), how should SAP design its strategies for China to ensure socially responsible operations and secure the benefits of the local stakeholders with whom they interact in China?

Orange

- What are the major challenges and opportunities that Orange faces when trying to sell in Africa? In light of this evaluation, does this operation make sense?
- With the affluent segments of the population already served and with almost 44% of the population under the lower poverty line, what were Orange's avenues for growth in Cameroon? Think about this question with reference to Prahalad's article.
- What competitive advantage could Orange rely upon if it decides to serve the poor in Cameroon? What, if any, new capabilities would it need to develop or acquire in order to do so successfully?
- What would be the likely impact of introducing cell phones to poor customers in urban and rural areas on the competitive position of Orange outside Cameroon? Distinguish between other emerging markets and developed markets.
- In its competition with MTN in Cameroon why was Orange, one of the world's largest mobile phone operators, out-competed by MTN?

BP

- What is the attraction of Russia for BP?
- Why did BP invest in Russia? Refer to the four investment motivations described in the reading, and to the vertically integrated nature of oil companies, described in the case. With hindsight, was the entry to Russia the right strategy for BP?
- Describe the balance of power between BP and the Russian government. What are the sources of strength and weaknesses of each?
- Which ownership advantages can BP rely on as it invests in Russia? Do they differ from those it can exploit in developed countries?
- How does government ownership of natural resources affect BP's international expansion options?

- How does government ownership affect the competitive dynamics in the oil industry and the competitive position of BP relative to its major competitors? Distinguish between privately- and state-owned competitors.

Eli Lilly

- Has the entry to India via J.V. with Ranbaxy fostered or hindered the achievement of Eli Lilly's investment objectives in India? Think about this question in light of the characteristics of emerging markets described by Khanna, Palepu and Sinha (reading package for class 6), and specifically the notion of 'institutional void'.
- Do you believe that Eli Lilly's operations in India have been successful? Refer to Exhibits 5 and 6 in the case, which describe the financial performance of Eli Lilly in India and globally respectively. What is an appropriate measure of 'success' in the context of India? Do emerging markets require different performance criteria to those used in developed markets?
- Eli Lilly was among the first foreign multinationals to enter India. Evaluate the advantages and disadvantages of this early entry. Does Eli Lilly enjoy any first mover advantages in India?
- IPR protection is a major issue for a pharmaceutical company in India. What did Eli Lilly do right and wrong to protect its IP? Was the J.V. with Ranbaxy a blessing or a liability in achieving this goal?
- In light of the changes taking place in the Indian business environment since Eli Lilly's entry, should Eli Lilly maintain the J.V.? Or would it be better off going on its own?
- British companies may have an advantage in India over MNEs of other nationalities due to historical colonial ties between the UK and India. How do these influences affect Eli Lilly's competitive position in relation to other foreign MNEs in India?

Part II:

Arcor

- Family-owned companies, like Argentina candy producer Arcor, are very common in emerging markets. How does family ownership affect the way Arcor operates – in Argentina and when it expands internationally?
- Is Arcor's family-ownership an asset or a liability for its international expansion? Refer to its moderate rate of international expansion, country selection and mode of operation outside Argentina.
- Is Arcor's family-centered organizational structure suitable for international expansion? If not, what advice would you give Arcor regarding its future ownership and organization? Consider various degrees of family involvement and ownership.

ACER

- What were the distinctive challenges that ACER experienced in its international expansion that can be directly related to its origin in an emerging economy?

- How does the Taiwanese origin of Acer shape its international expansion path? Refer to the timing of its internationalization, the countries to which it expended, the entry mode it selected in different periods.
- Acer's development is closely tied to that of the Taiwanese economy (see Appendix to the reading material). As it increases its international activities, to what extent would the situation in Taiwan support Acer's international expansion?

Additional material on the international expansion of ACER is provided as part of the reading package for this class. Please rely on this material as well as you prepare yourself for class discussion of this case.

Tata

- What specific challenges and opportunities late comers have?
- What means do they have to overcome the challenges and exploit the opportunities?
- In light of these distinctive challenges and opportunities, is Tata Ratan's vision of building Tata into a global company the right one for Tata? Think also on Tata's strong position in India coupled with the difficulties it is likely to experience in its international expansion as an emerging market company (refer specifically to the class discussions of the ACER case).
- In light of these distinctive challenges that Tata experiences as it expands internationally, do you justify Tata's strategy of expansion via acquisition? What are the advantages and disadvantages of this strategy for Tata relative to the alternatives (e.g., greenfield expansion, equity and non-equity collaborations)?
- Tata has operations in 7 different industrial areas (See Exhibit 3 in the case). Should it apply its global vision across the board to all of them? If you believe a more differentiating approach is appropriate, what criteria should guide Tata when selecting the appropriate industrial segments and companies for global expansion?

Haier

- Who are Haier major competitors? Distinguish between Chinese and foreign-owned competitors, and between the competition in China, in the US and elsewhere.
- In relation to these varying competitors, what are Haier's major strength and weaknesses?
- Can Haier become a major player overseas? In the US? In emerging markets? Explain.

Instructions for 1st group project:

Form groups of 4-5.

Select a company that meets the following two criteria:

1. It is headquartered in a developed country, as we defined these countries in class (see class 1).
2. It has operations in at least on country in four of the following emerging market regions: Latin America & the Caribbean, South-East Asia, Asia & Eastern Europe, Africa, the Middle East.

Compare and contrast the activities of your company in various emerging market regions. Summarize your analyses in the following table:

| | Nature of investment (value-added activities) * | Year of entry (1st country) | Sales [Employment] ** |
|---------------------------|---|--------------------------------|--------------------------|
| Latin America & Caribbean | | | |
| South-East Asia | | | |
| Asia & Eastern Europe | | | |
| Africa | | | |
| Middle East | | | |

* Refer to the three major investment types discussed in class – markets, production, and if applicable resources. When appropriate, make reference to specific countries within the region.

** Sales figures must be reported in the same currency to enable meaningful comparisons across regions. Use US\$ to the extent possible. If sales figures are not available, use employment data instead.

Submit the table as a PowerPoint overhead as an e-mail attachment, no later than noon on ??.

Be prepared to discuss in class the following questions:

- Explain the reasons for variations of your company’s activity across the regions. Based on this analysis, draw general conclusions regarding the specific challenges and opportunities that each region represents for your company.
- If your company is not present in all emerging market regions, why? Would you recommend your company to enter the other region(s)? Explain. Make specific references to each region in which your company does not have operations yet.
- Do you believe your company utilizes effectively the investment opportunities offered by emerging markets? If so, explain. If not, what would you do to enhance the benefits of these operations?

Recommended annotated readings:

Mahajan V., *The 86% Solution: How to Succeed in the Biggest Marketing Opportunity of the 21st Century*, Wharton School Publishing 2006

A close look at how companies can reach the vast majority of the population in countries with a per capita gross national product of less than \$10,000. Specific focus on selling to the poor and the challenges of distribution and marketing in emerging markets.

Mahajan V., *Africa Rising: How 900 Million Consumers Offer More than You Think*, Wharton School Publishing, 2009

Another excellent book by the same author. It is similar in its spirit to the previous one, with a specific focus on Africa.

Anil K. Gupta and Haiyan Wang, *Getting China and India Right: Strategies for Leveraging the World's Fastest Growing Economies for Global Advantage*. John Wiley & Sons, 2009.

Assist Western managers in developing robust strategies for operation in these two markets; stress the challenges as well as the opportunities that the unique characteristics of these markets create. Refer to China and India as markets and as production location for manufacturing and R&D.

Alon I. and W. Zhang (Eds.), *Biographical Directory of New Chinese Entrepreneurs and Business Leaders*. Edward Elgar, 2009.

Comprehensive coverage of 200 major players in the Chinese economy since reforms begun in 1978. For each individual – a summary of his life and career, with a specific focus on the role it has played in China's economy.

H. W. Yeung (Ed.), *Handbook of Research on Asian Business*. Edward Elgar 2007.

A collection of papers on various aspects of doing business in Asia. Broken by different business functions: strategy, marketing, relationships with local governments. Some of the chapters written by the leading scholars in their respective fields.

You may find much useful data and information on emerging markets in ISI Emerging Market, compiled by Euromoney Institutional Investor company – to which the Newman Library subscribes (look under 'databases').

A. Rawi, K. Ayesha, K. Tarun, Where oil-rich nations are placing their bets. *Harvard Business Review*, 2008, 86(9)

Instructions for 2nd group project:

Select an industry in which there are major global players from emerging and developed countries. In relation to this industry:

- Analyze the competitive advantages and disadvantages of the two groups of firms. Do they differ? If so, in which ways? What specific characteristics of the home origins of these companies explain the differences?
- Describe the competitive situation between the two groups in emerging markets and in developed markets. Distinguish between firms' home markets and other markets.
- What in your view is the major competitive treat of emerging market firms in this industry? How is it likely to play out in different markets?
- How should developed country firms respond? Outline specific strategic responses, referring to the following:
 - o Choice of countries
 - o The choice between export and FDI
 - o The choice between investing overseas via collaboration agreements or on their own
 - o Response to the local adaptation issue, particularly in emerging markets.

Submit your work as a written article of up to 5 single-spaced pages.

Recommended annotated readings:

R. Ramamurti and H. Singh (Eds.), *Emerging Multinationals from Emerging Markets*, Cambridge University Press, 2009

Country studies on MNEs from China, India, Russia, Brazil, South-Africa, Thailand and Israel

L. Casanova, *Global Latinas: Latin America's Emerging Multinationals*. Palgrave Macmillan, 2009. The historical development, current activities and notable attributes of Latin America's leading MNEs.

N Kumar, PK. Mohapatra, and S Chandrasekhar. *India's Global Powerhouses: How They Are Taking On the World*. HBS Press 2009

Series of case studies on the internationalization of nine leading Indian MNEs: ArcelorMittal, Infosys, Bharat Forge, Essel Propack, Hindalco, Mahindra\$Mahindra, Hidesign, Suzlon, Tata Group. Excellent introduction and conclusion presenting and discussing the general characteristics of Indian MNEs and the salient nature of their international expansion.

M. Zeng and P. Willismson, *Dragons at Your Door: How Chinese Cost Innovation Is Disrupting Global Competition*. Harvard Business School Press, 2007

How Chinese MNEs are challenging the established rules of international competition, using cost-innovation to bring high-technology solutions to price sensitive consumers. What this entails for developed-country firms and how they are ought to respond.

Casanova L. *Global Latinas: Latin America's Emerging Multinationals*. Palgrave, 2009.

Explaining the rise of MNEs from Latin America, its timing and the facilitating characteristics in the economies of Latin America and the world. Detailed analysis of the internationalization of some of the leading MNEs from the region.

Industrial and Corporate Change, 2009 Vol. 18(2): The Internationalization of Chinese and Indian firms, Special Issue

Trends, motivations and strategies of Indian and Chinese MNEs as they expand overseas; comparative analyses; individual studies of the pharmaceutical, software, steel industries. A chapter on the internationalization of Haier.

As we start the semester I will be most interested in getting to know you. Please e-mail me (or bring a hard copy to class) a short BIO of yourself, stating your academic and professional qualifications, as well as any other information you wish to share with me. I am particularly interested in your career plans and the ways by which you believe this course can advance them. I would also like to know what you expect to get out of this course. Please also include a picture of yourself.

I begin by briefly introducing myself.

About the Instructor

I hold a BA and an MBA from Tel-Aviv University, Israel (both completed with distinction), and a PhD from Copenhagen Business School, Denmark. My major professional interests and expertise are in issues related to international business and Multinational Corporations, topics I have been teaching, consulting and publishing on intensively.

Prior to joining Baruch College in 2002, I was a Senior Research Fellow at Cambridge University, UK, where I was involved in a number of research projects on the activities of foreign firms in London. Earlier, I held a Senior Member position in the Research Division on Foreign Investment and Transnational Corporations at the United Nations in Geneva, Switzerland.

In conjunction with these positions, I have been acting as consultant to a number of national and international organizations - including the United Nations, the World Bank, the European Union, London's Westminster City Council - on issues related to Multinational Corporations and international competitiveness. I have been holding visiting research and teaching positions at universities in Austria, China, Israel, Italy, Poland, Sweden, Switzerland, and the UK, and have been teaching on Baruch College's Executive Education programs in New-York, Taiwan, Singapore and Hong-Kong. I am listed in the *Marquis Who's Who in the World* and the *Marquis Who's Who in America*. Prior to joining academia, I held managerial positions in a number of companies in Israel.