

IB 395 (#04205)
GLOBAL STRATEGY AND MARKETING
FALL 2004

Class Time: TTH 4:00-6:00
Place: UTC 1.116
Professor: Dr. Kate Gillespie
Office Hours: By appointment—usually within 24 hours. If an emergency, come by my office at any time. I will be most available afternoons through mid-evening on non-teaching days, e.g., MWF. However, I do attend internal meetings, make external presentations, and take coffee breaks, so an e-mail to set a specific time will prove most efficient. My office address is 7.258.
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E-Mail: barrios@mail.utexas.edu

Required Text/Readings

1. Yip, George S., *Total Global Strategy II*
2. Reading packet at UT Coop—an asterisk (*) following a reading or case designates this package
3. Reading links from course site on Blackboard

THIS IS A NEW ATTEMPT TO SAVE YOU LOTS OF MONEY. The University already pays for access to certain article data bases. By connecting you to these sites from your course site on Blackboard (go to External Links), we are attempting to allow you to (legally!!) avoid hefty copyright payments incurred when duplicating these articles in readings packets.

Course Objectives

This course is designed to present an overview of strategy and international marketing in an increasingly global marketplace. It provides frameworks for

- understanding the globalization potential of different industries
- assessing the desirability of specific foreign markets
- globalizing the marketing mix
- determining strategic actions relative to both global and local firms
- organizing transnational firms to better implement global strategies

The course also provides frameworks for analyzing culture and cultural differences as well as assessing national political behaviors that may affect global marketers.

Grading

Midterm I: 35%
Midterm II: 40%
Class Participation: 25%

Grade Computation

A ≥ 90
90 > B ≥ 82
82 > C ≥ 72
72 > D ≥ 64
F < 64

Class Participation/attendance

Students should be prepared to discuss readings and/or case *for the date assigned*. Discussion questions should be addressed. Daily participation grades will be given. Students are expected to participate daily (unless there is a really good reason) and to courteously engage other students in public discussion. If not prepared, please let me know at the beginning of class so I (hopefully) don't keep calling on you! ***Students wishing to receive participation credit on case days when they are absent or not prepared must submit a 400-500 word case write-up addressing the discussion questions for the case.*** If you wish to discuss your participation, please make an appointment to come in and see me.

Suggestions for How to Get an "A" in Case Discussions:

- *Prepare well.* Read and analyze the case. Take notes. Differentiate fact from opinion. Push numbers where appropriate. Identify contradictions and issues that need to be resolved. Determine the *why* behind the *what*. Use the discussion questions as a guide but also identify other questions that you think are important. Look at the exhibits at the end of the case and identify the value-added they supply. Be ready not only to analyze the situation but to offer thoughtful solutions to the problem or problems posed in the case. Identify different options and weigh the pros and cons of each. Be ready for each case to say what you would do and why? *Integrate the readings for the day into your analysis.*
- *Be an active and courteous participant.* Be prepared to volunteer. Be prepared to be called upon. *Listen to what other students say* and be ready to respond to their comments. Feel free to challenge ideas while respecting the different viewpoints of others. Do not look to the professor to reject or confirm what you or others say. I will intervene at times to move the discussion on, to ask for clarification, or to play devil's advocate. But a good case discussion belongs to the whole class.
- *If you stumble, get up.* If I call on you in class one day and you judge your performance to be less than stellar, try to be very active and insightful in the next case discussion.

Mid-term Exams

Midterms are take-home cases. Exams must be individual efforts. Students will be evaluated on (1) case analysis and (2) clear application of course frameworks and concepts from readings, lectures, and prior case lessons. ***The latter will significantly affect your exam grade.***

WEB-BASED CLASS SITES

Class Website

Web-based, password-protected class sites are available for students enrolled in accredited courses taught at the University. Go to <http://courses.utexas.edu/> Syllabi, handouts, assignments and other resources are types of information that may be available on these sites. Class e-mail rosters will be a component of these sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: <http://www.utexas.edu/student/registrar/catalogs/gi00-01/app/appc09.html>

Please check regularly the Blackboard site for this class for any new announcements. Please be sure your correct e-mail address is registered with Blackboard. Only you can change this address.

IB 395
Global Strategy and Marketing
Course Outline-Fall 2004
(Subject to Moderate Change)

Session 1, August 26
Class Introduction

Session 2, August 31
Diagnosing Industry Globalization Potential

Reading:

- (1) Yip, Chapters 1 and 2

Session 3, September 2 **STUDENT INFO SHEETS DUE**
Case: Medtronic, Inc.*

Discussion Questions:

- (1) Evaluate the globalization drivers for this industry.
- (2) Evaluate Medtronic's history and its international expansion.
- (3) Does Medtronic have a global strategy? Should it? Explain your answers.
- (4) What suggestions would you offer the company?

Session 4, September 7
Global Market Participation

Readings:

- (1) Yip, Chapter 3
- (2) Taking the High Road When Going International
- (3) The Global Logic of Strategic Alliances
- (4) Global Start-Ups: Entrepreneurs on a Worldwide Stage

Discussion Question:

- (1) Based on today's readings, would you change in any way your evaluation of Medtronic's internationalization?

Session 5, September 9
Developed Versus Developing Markets

Case: Mary-Kay Cosmetics: Asian Market Entry*

Discussion Questions:

- (1) How do the globalization drivers affect this industry? (By the way, how do you define this industry?)
- (2) Which drivers (if any) are important to market participation in this case?
- (3) Which market should receive priority – China or Japan? How would you enter each of these markets – exports, local production, etc.? Why?

Session 6, September 14

Culture Shock

Readings:

- (1) National Culture and Management*
- (2) National Values of Hofstede's Cultural Dimensions*

Discussion Questions:

- (1) *What cultural shocks have you experienced?*
- (2) *Can these shocks be explained in terms of concepts presented in the readings for today?*

Session 7, September 16

Culture and Marketing

Readings:

- (1) Values in Tension: Ethics Away From Home

Case: Sealed Air Taiwan (A)*

Discussion Questions:

- (1) *What factors discourage an easy transfer of Sealed Air's sales model to Taiwan?*
- (2) *Is Sealed Air too ethnocentric?*
- (3) *Was Paul Huang the right choice for the sales manager position?*

Session 8, September 21

Global Marketing—Standardize, Adapt or Globalize?

Readings:

- (1) Yip, Chapters 4 and 6
- (1) The Lure of Global Branding
- (2) Pricing for Global Markets*

Discussion Question

- (1) *Of marketing's four P's—product, price, promotion and place (distribution)-- which lend themselves most easily to total or quasi-standardization?*
- (2) *Of the four P's, which are the most important for global headquarters to dictate? Which should fall more under the control of national subsidiaries?*
- (3) *Which of the globalization drivers would be useful in answering the questions above for any particular industry?*

Session 9, September 23

Global Marketing (continued)

Case: Henkel KGaA: Detergents Division*

Discussion Questions:

- (1) Why are Unilever and P&G harmonizing their brand portfolios internationally? What benefits are they aiming to achieve?*
- (2) Is it a strategic necessity for Henkel to follow suit—are they in the same situation as their competitors?*
- (3) What brand strategy should Henkel follow in Italy and Spain? Specifically, what are the potential losses and gains from introducing the Persil brand in these markets?*

Session 10, September 28

Political Risk: Shifting Paradigms

Reading:

- (1) Note on Political Risk Analysis*

Discussion Questions:

- (1) What factors would make a country politically risky for Procter and Gamble? (2) What factors would make a country politically risky for Schlumberger (Halliburton's France-based global rival)?*

Session 11, September 30

Megamarketing

Reading:

- (1) Megamarketing

Case: Chiquita Brands International (A)*

Discussion Questions:

- (1) Evaluate the globalization drivers for bananas.*
- (2) Identify the various governments' point-of-views.*
- (3) How well is Chiquita handling megamarketing?*
- (4) What suggestions would you offer the company?*

Mid-term questions will be distributed in class.

Sessions 12-13, Week of October 4

Take home exam in progress. Class does not meet, but exams are due by 1:00 on Friday, October 8 at CBA 7.202 (Marketing Department Office).

-----PLUS BREAK-----

Session 14, October 26

Where in the World?: Locating Global Activities

Reading:

- (1) Yip, Chapter 5
- (2) Clusters and the New Economics of Competition
- (3) Unleash Innovation in Foreign Subsidiaries
- (4) Perspective on Global Outsourcing and the Changing Nature of Work

Discussion Questions:

- (1) Are there industry clusters for the industries you have worked in? If so, how and where did they develop?*
- (2) Who are the winners and losers as far as outsourcing is concerned?*
- (3) How threatened is your own career by outsourcing?*

Session 15, October 28

Locating Global Activities (continued)

Reading:

- (1) Making the Most of Foreign Factories

Case: Palliser Furniture, Ltd.*

Discussion Questions

- (1) Evaluate the globalization drivers for this industry.*
- (2) What factors should influence where Palliser locates each activity – R&D through marketing?*
- (3) Evaluate the Chinese and Mexican investment options particularly in light of your discussion of question 2.*
- (4) What strategic role should a production site in Mexico play? A production site in China? (See reading for today.)*

Session 16, November 2

Competing for Global Markets

Readings:

- (1) Yip, Chapter 7
- (2) Germany's Midsized Giants
- (3) Asia's New Competitive Game

Discussion Questions:

- (1) What are the attitudes toward competition in your country? What are the generally accepted rules of what is acceptable competitive behavior?*
- (2) What actions do you think are acceptable for home governments to do to help enhance their national firms?*

Session 17, November 4

Global Competitive Moves

Case: Otis Pacific Organization (A): National Challenges*

Discussion Questions

- (1) Evaluate the globalization drivers for this industry. What implications do they have for market participation, location of activities, and global marketing?*
- (2) Who are the main competitors? What and where are their strengths and weaknesses?*
- (3) Prepare a Business-Growth/Competitive Strength Matrix for Otis. What actions does it suggest?*
- (4) What actions would you suggest for Hong Kong, Malaysia, India and Japan? To what degree should competitive moves influence decisions concerning these markets?*

Session 18, November 9

Competing with Giants

Reading:

- (1) Competing With Giants

Case: SADAFCO*

Discussion Questions:

- (1) What are the strengths and weaknesses of SADAFCO?*
- (2) At what stage of development is the Saudi Arabian ice cream market? How will the entry of the multinationals influence the development of the market?*
- (3) What should be SADAFCO's response to the intensified competition in the ice cream market? Can it survive?*

Session 19, November 11

Global Organization

Readings:

- (1) Yip, Chapters 8 and 9

Case: Bausch and Lomb: Regional Organization*

Discussion Questions:

- (1) Why did Bausch and Lomb change its organization structure from worldwide product divisions to the international division in 1984?*
- (2) Why is Gill considering a change to a regional organizational structure?*
- (3) What organizational structure should Bausch and Lomb adopt?*

Session 20, November 16

Organizing for Global Strategy

Reading:

(1) Global Managers: Developing a Mindset for Global Competitiveness

Discussion Question:

(1) What qualities should the ideal global manager possess?

Session 21, November 18

Implementing Global Strategy within the Transnational Firm

Case: Silvio Napoli in Schindler India*

Discussion Questions:

(1) Was Silvio the right choice for general manager of Schindler's India operations?

(2) As Luc Bonnard how would you evaluate Silvio's first seven months as general manager of the Indian company? What advice would you offer?

(3) What advice would you give to Silvio regarding his decision on the nonstandard glass wall elevator that has been ordered?

(4) How should he deal with the challenges he is facing over transfer prices and limited technical cooperation from the European plants?

(5) Should he change the strategy for Schindler India that he developed when he was in the company's headquarters?

Session 22, November 23

Global Strategy: Looking Ahead

Readings:

(1) Perspectives on Globalization*

(2) The Global Baby Bust

Discussion Questions:

(1) What is the future of globalization? Can it survive politically?

(2) What are the implications to international marketers of a possible decrease in the world's population in your lifetime?

(3) What do you personally think the greatest future challenge may be to global markets as we know them today?

-----**THANKSGIVING**-----

Sessions 23-24, Week of November 30

Take-home exam in progress. Class does not meet, but exams are due by 1:00 PM Friday December 2 at CBA 7.202 (Marketing Department Office).