



# MAN 337 GLOBAL STRATEGY AND TRANSNATIONAL MANAGEMENT

SPRING 2009

<b>Professor</b>	Stephen E. Courter
<b>Class:</b>	TTH 9:30- 11:00 a.m
<b>Office</b>	UTC 1.118
<b>Office Hours</b>	Wednesday 2:30-4:30 PM and by Appointment
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## Course Objectives

The classic theories, models and tools of traditional, domestically oriented strategic management, must be amplified, adapted, accelerated and enhanced as the tide of globalization progresses. This course is designed to facilitate the students ability to critique, design, construct and implement business and corporate level strategies in this new arena; moreover, emerging theories and trends will be incorporated via current events and the study of new business ventures.

The impact of powerful variables such as culture, politics and regional economics on strategy formulation and implementation has aggrandized exponentially.

While post industrial revolution companies have been "international" for more than a century, few companies or organizations are maximizing their potential by mastering truly global strategies.

The course also centers on the implementation and control of various strategies through the study of evolving global and transnational management tools, practices and research. We build on your previous strategy courses.

*The case study method will be used in conjunction with an online global strategy simulation, augmented by a few well chose guest lecturers from academia and the field.*

My goal is to expand and leverage your existing knowledge of the tools and concepts associated with the strategic management process, in a global context, thereby facilitating your contribution to current and future organizations. You will learn how to conduct various levels of strategic analysis studies depending upon the intended use and audience. You will have a framework that will assist you in both accepting and implementing the strategies we will cover.

To address these questions, the course material includes market entry strategies, dynamic capabilities for change, strategic alliances, and market exit. The class sessions will include case analyses, student discussion, and lectures. Strong student involvement during the class sessions will be an integral part of the course.

The issues, concepts, and frameworks in the course should be helpful to anyone who deals with strategic issues. General managers, consultants, investment analysts, managers in high-technology companies, investment bankers, strategic planners, and brand managers all face strategic issues of the sort covered in this course.

### **Course Goals: (What is the point of taking this course?)**

1. Developing your capacity to think strategically about a company, its business position, how it can gain a competitive advantage, and how such strategy can be successfully implemented.

2. Building your skills in strategic analyses, and providing a stronger understanding of the competitive challenges of a global market environment.
3. Integrating the concepts, principles, skills and knowledge gained in earlier functional courses.
4. Developing and practicing written and oral communication skills
5. Learning how to function effectively in a team environment

## Leadership and this Course

### *General Philosophy*

*In teaching this class, which is one of my very favorites, I will take the approach of assuming that you may work for or with me someday or may work in a company in which I have an investment! Keeping this in mind will pay dividends!*

## Materials

### Required

Required Text: Transnational Management Fifth Edition Bartlett, Ghoshal and Beamish  
2008 McGraw-Hill

### Additional

You are encouraged to read business periodicals such as Business Week, The Wall Street Journal and the Financial Times. Keeping abreast of current business developments will facilitate your participation in class discussions.

I strongly recommend you read the following recent publications. You will find the first one listed especially useful in your other courses and throughout your business career.

Friedman, Thomas L.  
*The World is Flat*  
New York, NY; The Penguin Group 2006

Smick, David M.  
*The World is Curved*  
New York, NY; The Penguin Group 2008

Mahajan, Vijay  
*Africa Rising*  
Wharton School Publishing 2008

Garten, Jeffrey E.  
*World View, Global Strategies for the New Economy*  
Harvard Business Press 2008

Sirkin, Hemerling, Bhattacharya  
*Globality*  
*Competing with Everyone from Everywhere for Everything*  
Business Plus New York 2008

Carroll and Mui  
*Billion Dollar Lesson*  
 Portfolio New York 2008

Ghemawat, Pankaj  
 Redefining Global Strategy  
 Harvard Business School Press

### Course Requirements and Grading

Your grade in the course will be determined as follows:

	Points
Class Participation Midterm	100
Individual Research Project	80
Quizzes and Assignments	150
Midterm	150
Group/Individual Project and Presentation	200
Final	175
Class Participation Final	145
	1000

### Description of Requirements

You are expected to come to class fully prepared each week. Read each assigned chapter carefully along with the assigned case (see next section)..

**Class Participation:** For class participation, quality is preferred over quantity as you will not be graded on “air time”. I will base your grade on perceived preparation, participation in discussions, ability to answer posed questions and peer ratings in conjunction with the midterm paper. Chip shots not encouraged, Pit Diving is great but doesn’t help grade. A midterm grade will be given to help judge your progress

**Individual Research Project:** A 4-5 page paper detailing a mistake in formulation or implementation of a global strategy in the past two year..guidance and template provided on Blackboard

**Group Project::** You will form groups of 3-5 individuals and work on case presentation towards the end of the class

### Cases From the Text

For each class session, you should familiarize yourself with the topics covered in the assigned chapter of the textbook and the case for that week. I’ve provided preparatory questions that I will be asking in class to generate discussion. I will select individuals at random to start the discussions, but I expect others to join in and apply course material to the case. Naturally, the cases are initially meant to reinforce the material from the text for that given week.

### Emerging Global Trends and Specific Implications

Here is where we teach each other. There is a plethora of emerging global trends and developments; moreover,

these are being amplified and accelerated by the internet. They can be political (Russia's new attitude) economic (just read the papers) or cultural (aging populations in selected regions). Each class period, I will ask a few of you to identify and analyze a trend or development AND give a specific implication of it. This will be oral, we will document in class.

For example:

**Trend or Development:** Recession spreads to Western Europe

**Implication:** French Labor unions losing status and power

**Effect of companies:** Class discussion

You'll most likely get these from periodicals. Your efforts will be reflected in class participation grades.

**Blackboard:**

Blackboard will be used extensively for this course as I plan to be as "paperless" as practical. I will post assignments, messages, articles to read, Discussion boards for FAQ's and course logistics and provides you access to your grades.

You will be responsible for checking the Blackboard course site regularly for class work and announcements. As with all computer systems, there are occasional scheduled downtimes as well as unanticipated disruptions. Notification of these disruptions will be posted on the Blackboard login page. Scheduled downtimes are not an excuse for late work. However, if there is an unscheduled downtime for a significant period of time, I will make an adjustment if it occurs close to the due date.

Blackboard is available at <http://courses.utexas.edu>. Support is provided by the ITS Help Desk at 475-9400 Monday through Friday 8 am to 6 pm, so plan accordingly.

**Schedule**

Week of 20 Jan	Introduction
<b>Learning Objectives</b>	<b>Expanding Abroad:</b> <i>Motivation, Means and Mentalities</i>
	<b>Course Overview and Introduction</b> <b>The Business Strategy Simulation</b>
<b>Book: Chapter 1</b>	
<b>Case # 1-1</b>	<b>Cameron Auto Parts</b>
<b>Preparatory Questions</b>	Should Cameron have licensed McTaggart or continued to export? Was McTaggart a good choice for a licensee? Was the royalty rate reasonable?
Week of 27 Jan	
<b>Learning Objectives</b>	<b>Expanding Abroad: Motivation, Means and Mentalities</b>

**Business Strategy Game First Practice Round**

**Book: Chapter 1 Continued**

**Case #1-2** **Jollibee Foods Corporation**

**Preparatory Questions** How was Jollibee able to build its dominant position in Philippines  
 Evaluate Tony Kitchners effectiveness  
 How would you deal with the three options at the end of the case? pg 38

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Week of 3 February

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**Learning Objectives** **Responding to Conflicting Environmental Forces**  
*Understanding the Global Context*

**Business Strategy Game First Practice Round**

**Book Chapter 2**

**Case #2-2** **Global Wine Wars: New World Challenges**

**Preparatory Questions** How did the French become dominant? What sources of competitive advantage?  
 What caused French and other legacy producers to lose market share?  
 What advice would you offer to the French Minister of Agriculture? Australian?

Week of 10 February

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**Learning Objectives** **Developing Transnational Strategies**  
*Building Layers of Competitive Advantage*

**Business Strategy Game Begins**

**Book Chapter 3**

**Case #3-2** **Globalization of Cemex**

**Preparatory Questions** What benefits have Cemex and other global competitors in cement derived from globalization?  
 How specifically has Cemex managed to outperform leading competitors such as Holderbank?  
 What accounts for the sequence in which Cemex enters markets?  
 What recommendations would you make to Cemex in its "go forward"  
 Global strategy

Week of 17 February

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**Learning Objectives** **Developing Transnational Strategies**  
*Building Layers of Competitive Advantage*

**Book Chapter 3 continued**

**Case #3-4** **General Electric Medical Systems**

**Preparatory Questions** What is the underlying logic behind the Global Product Company?  
 Should GPC be altered to meet needs of Chinese Markets

Should GEMS be pursuing genomics and IT opportunities in addition to, or instead of, Chinese opportunity?

Week of 24 February

**Learning Objectives**      **Developing a Transnational Organization:**  
*Managing Integration, Responsiveness and Flexibility*

**Book** Chapter 4

**Case #4-3**      **Bombardier Transpiration and the Adtranz Acquisition**

**Preparatory Questions**      Why was Adtranz an attractive acquisition? Pros and cons?  
How do you make money in the rail equipment industry?  
What should he with the entity? Implementation?

Week of 3 March

**Learning Objectives**      **Creating Worldwide Innovation and Learning**  
*Exploiting Cross-Border Knowledge Management*

**Book** Chapter 5

**Case #5-2**      **P&G Japan: The SK-II Globalization Project**

**Preparatory Questions**      Why was SK-II so successful in Japan? How is it creating value and what is the  
business model?  
How transferable is this model and what are barriers?

Week of 10 March

**Learning Objectives**      **Engaging in Cross-Border Collaboration**  
*Managing across Corporate Boundaries*

**Book** Chapter 6

**MIDTERM 12 March**

Week of 24 March

**Learning Objectives**      **Engaging in Cross-Border Collaboration**  
*Managing across Corporate Boundaries*

**Book** Chapter 6 continued

**Case #6-3**      **Eli Lilly in India” Rethinking the Joint Venture Strategy**

**Preparatory Questions**      Did Eli Lilly pursue the right strategy to enter the Indian Market?  
Describe a typical evolution of an IJV..Identify 3 current IJV and what challenges do  
they face?  
Was this JV successful and what did execs learn?

Week of 31 March

**Learning Objectives**

**Implementing Strategy**

*Building Multidimensional Capabilities*

**Book Chapter 7**

**Case #7-1**

**Larson in Nigeria**

**Preparatory Questions**

What are the three major issues (in order) confronting Larson?  
 How would you recommend each be handled?  
 How do the roles of a subsidiary GM differ in a wholly owned subsidiary versus a JV in a developing country?

**Guest Lecturer:**

Professor Vijay Mahajan

Week of 7 April

**Learning Objectives**

**Implementing Strategy**

*Building Multidimensional Capabilities*

**Book Chapter 7 continued**

**Case #7-4**

**“Taming the Dragon” Cummins in China**

**Preparatory Questions**

The case highlights Cummins’ strategic goals for China and three specific issues facing the senior management..for each, identify the underlying problems and your recommendations.  
 What do you see as major opportunities in China? Given that, are Cummins’ goals realistic?  
 What advice/guidance would you give Steve Chapman?

Week of 14 April

**Learning Objectives**

**The Future of the Transnational:**

*An Evolving Global Role*

**Book Chapter 8**

**Case #8-2**

**Genzyme’s Gaucher Initiative: Global Risk and Responsibility**

**Preparatory Questions**

How has Genzyme been able to emerge from its marginal position in the high-risk biotech business to become a strong global player?  
 What do you think of H Termeer’s “universal provision” and universal “pricing” policies? Sustainable? Socially responsible?  
 How can the company reconcile the tension between the Gaucher Initiative’s humanitarian commitments and Genzyme’s commercial imperatives?

Week of 21 April

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Presentations

Week of 28 April

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Presentations

Week of 5 May

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Presentations and Final

## McCombs Classroom Professionalism Policy

The highest professional standards are expected of all members of the McCombs community. The collective class reputation and the value of the Texas MBA experience hinges on this.

Faculty are expected to be professional and prepared to deliver value for each and every class session. Students are expected to be professional in all respects.

The Texas MBA classroom experience is enhanced when:

- **Students arrive on time.** On time arrival ensures that classes are able to start and finish at the scheduled time. On time arrival shows respect for both fellow students and faculty and it enhances learning by reducing avoidable distractions.
- **Students display their name cards.** This permits fellow students and faculty to learn names, enhancing opportunities for community building and evaluation of in-class contributions.
- **Students minimize unscheduled personal breaks.** The learning environment improves when disruptions are limited.
- **Students are fully prepared for each class.** Much of the learning in the Texas MBA program takes place during classroom discussions. When students are not prepared they cannot contribute to the overall learning process. This affects not only the individual, but their peers who count on them, as well.
- **Students attend the class section to which they are registered.** Learning is enhanced when class sizes are optimized. Limits are set to ensure a quality experience. When section hopping takes place some classes become too large and it becomes difficult to contribute. When they are too small, the breadth of experience and opinion suffers.
- **Students respect the views and opinions of their colleagues.** Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- **Laptops are closed and put away.** When students are surfing the web, responding to e-mail, instant messaging each other, and otherwise not devoting their full attention to the topic at hand they are doing themselves and their peers a major disservice. Those around them face additional distraction. Fellow students cannot benefit from the insights of the students who are not engaged. Faculty office hours are spent going over class material with students who chose not to pay attention, rather than truly adding value by helping students who want a better understanding of the material or want to explore the issues in more depth. Students with real needs may not be able to obtain adequate help if faculty time is spent repeating what was said in class. There are often cases where learning is enhanced by the use of laptops in class. Faculty will let you know when it is appropriate to use them. In such cases, professional behavior is exhibited when misuse does not take place.

- **Phones and wireless devices are turned off.** We've all heard the annoying ringing in the middle of a meeting. Not only is it not professional, it cuts off the flow of discussion when the search for the offender begins. When a true need to communicate with someone outside of class exists (e.g., for some medical need) please inform the professor prior to class.

Remember, you are competing for the best faculty McCombs has to offer. Your professionalism and activity in class contributes to your success in attracting the best faculty to this program.

## Academic Dishonesty

I have no tolerance for acts of academic dishonesty. Such acts damage the reputation of the school and the degree and demean the honest efforts of the majority of students. The minimum penalty for an act of academic dishonesty will be a zero for that assignment or exam.

The responsibilities for both students and faculty with regard to the Honor System are described on <http://mba.mcombs.utexas.edu/students/academics/honor/index.asp> and on the final pages of this syllabus. As the instructor for this course, I agree to observe all the faculty responsibilities described therein. During Orientation, you signed the Honor Code Pledge. In doing so, you agreed to observe all of the student responsibilities of the Honor Code. If the application of the Honor System to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification.

As specific guidance for this course, you should consider the *writing* of all examinations to be an individual effort. Group *preparation* for examinations is acceptable and encouraged. Homework assignments are to be turned in individually but I encourage you to work together in answering the questions. You should, however, develop your own answer and not cut and paste the work of others.

## Students with Disabilities

Upon request, the University of Texas at Austin provides appropriate academic accommodations for qualified students with disabilities. Services for Students with Disabilities (SSD) is housed in the Office of the Dean of Students, located on the fourth floor of the Student Services Building. Information on how to register, downloadable forms, including guidelines for documentation, accommodation request letters, and releases of information are available online at <http://deanofstudents.utexas.edu/ssd/index.php>. Please do not hesitate to contact SSD at (512) 471-6259, VP: (512) 232-2937 or via e-mail if you have any questions.

## Honor Code Purpose

Academic honor, trust and integrity are fundamental to The University of Texas at Austin McCombs School of Business community. They contribute directly to the quality of your education and reach far beyond the campus to your overall standing within the business community. The University of Texas at Austin McCombs School of Business Honor System promotes academic honor, trust and integrity throughout the Graduate School of Business. The Honor System relies upon The University of Texas Student Standards of Conduct (Chapter 11 of the Institutional Rules on Student Service and Activities) for enforcement, but promotes ideals that are higher than merely enforceable standards. Every student is responsible for understanding and abiding by the provisions of the Honor System and the University of Texas Student Standards of Conduct. The University expects all students to obey the law, show respect for other members of the university community, perform contractual obligations, maintain absolute integrity and the highest standard of individual honor in scholastic work, and observe the highest standards of conduct. Ignorance of the Honor System or The University of Texas Student Standards of Conduct is not an acceptable excuse for violations under any circumstances.

The effectiveness of the Honor System results solely from the wholehearted and uncompromising support of each member of the Graduate School of Business community. Each member must abide by the Honor System and must be intolerant of any violations. The system is only as effective as you make it.

## Faculty Involvement in the Honor System

The University of Texas at Austin McCombs School of Business Faculty's commitment to the Honor System is critical to its success. It is imperative that faculty make their expectations clear to all students. They must also respond to accusations of cheating or other misconduct by students in a timely, discrete and fair manner. We urge faculty members to promote awareness of the importance of integrity through in-class discussions and assignments throughout the semester.

## Expectations Under the Honor System

### Standards

If a student is uncertain about the standards of conduct in a particular setting, he or she should ask the relevant faculty member for clarification to ensure his or her conduct falls within the expected scope of honor, trust and integrity as promoted by the Honor System. This applies to all tests, papers and group and individual work. Questions about appropriate behavior during the job search should be addressed to a professional member of the Career Services Office. Below are some of the specific examples of violations of the Honor System.

### Lying

Lying is any deliberate attempt to deceive another by stating an untruth, or by any direct form of communication to include the telling of a partial truth. Lying includes the use or omission of any information with the intent to deceive or mislead. Examples of lying include, but are not limited to, providing a false excuse for why a test was missed or presenting false information to a recruiter.

### Stealing

Stealing is wrongfully taking, obtaining, withholding, defacing or destroying any person's money, personal property, article or service, under any circumstances. Examples of stealing include, but are not limited to, removing course material from the library or hiding it from others, removing material from another person's mail folder, securing for one's self unattended items such as calculators, books, book bags or other personal property. Another form of stealing is the duplication of copyrighted material beyond the reasonable bounds of "fair use." Defacing (e.g., "marking up" or highlighting) library books is also considered stealing, because, through a willful act, the value of another's property is decreased. (See the appendix for a detailed explanation of "fair use.")

### Cheating

Cheating is wrongfully and unfairly acting out of self-interest for personal gain by seeking or accepting an unauthorized advantage over one's peers. Examples include, but are not limited to, obtaining questions or answers to tests or quizzes, and getting assistance on case write-ups or other projects beyond what is authorized by the assigning instructor. It is also cheating to accept the benefit(s) of another person's theft(s) even if not actively sought. For instance, if one continues to be attentive to an overhead conversation about a test or case write-up even if initial exposure to such information was accidental and beyond the control of the student in question, one is also cheating. If a student overhears a conversation or any information that any faculty member might reasonably wish to withhold from the student, the student should inform the faculty member(s) of the information and circumstance under which it was overheard.

## Actions Required for Responding to Suspected and Known Violations

As stated, everyone must abide by the Honor System and be intolerant of violations. If you suspect a violation has occurred, you should first speak to the suspected violator in an attempt to determine if an infraction has taken place. If, after doing so,

you still believe that a violation has occurred, you must tell the suspected violator that he or she must report himself or herself to the course professor or Associate Dean of the Graduate School of Business. If the individual fails to report himself or herself within 48 hours, it then becomes your obligation to report the infraction to the course professor or the Associate Dean of the Graduate School of Business. Remember that although you are not required by regulation to take any action, our Honor System is only as effective as you make it. If you remain silent when you suspect or know of a violation, you are approving of such dishonorable conduct as the community standard. You are thereby precipitating a repetition of such violations.

### **The Honor Pledge**

The University of Texas at Austin McCombs School of Business requires each enrolled student to adopt the Honor System. The Honor Pledge best describes the conduct promoted by the Honor System. It is as follows:

"I affirm that I belong to the honorable community of The University of Texas at Austin Graduate School of Business. I will not lie, cheat or steal, nor will I tolerate those who do."

"I pledge my full support to the Honor System. I agree to be bound at all times by the Honor System and understand that any violation may result in my dismissal from the Graduate School of Business."