International Business
COURSE NUMBER: MGMT 491-452

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Spring 2005
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Class Times: Distance Learning
Office Hours: Wednesday 3:30-5:30 p.m.
By appointment

Course Overview
International Business is an advanced level undergraduate course designed primarily for juniors and seniors that have taken basic classes in economics and business. This course introduces students to the international aspects of various business concepts such as accounting, marketing and strategy in an integrated manner. That is it shows the international or global dimensions presented in other functional courses. The course also takes the perspective of managers facing international issues and evaluates some analytic approaches they can use to make decisions for their companies in a global context as well as to assess the impact of international events such as shifts in foreign exchange rates. While we consider and read about many types of firms and organizations, the emphasis is on large companies in the so-call Triad countries of North America, Europe and Japan.

Case studies are used throughout the course to illustrate certain concepts and reflect the integration in a global context of various managerial principles and functional disciplines. The cases require students to examine diverse situations across a variety of firms by industry, size and geography with various outcomes in terms of business success. That is, students will see that making business decisions in different cultural, national and economic environments is not easy and will frequently have different impacts depending on the competitive context.

Because the class is taught on a distance-learning basis, it requires students to keep pace with the assignments and necessitates that students spend several hours outside of class to complete it.

Course participation requires not just knowledge of the material and listening to the CD lectures, but also critical and creative thought regarding applying this knowledge within specific situations and then discussing and explaining this with other students on-line through the course website.

Outcomes: Upon completion of this course students should have advanced and integrated their skills in several important management areas listed at the end of this syllabus and covering:

Analysis and Communication

Interpersonal-Team Dynamics and The Cultural/Business Interface

Globalization
SYLLABUS
MGT 491-452
Spring 2005
(Bill Rapp)

Optional Face-to-Face meetings are as scheduled in SOM’s H. J. Leir Conference Room on the 3d Floor of CAB

INTERNATIONAL BUSINESS

**THIS COURSE IS A DISTANCE LEARNING COURSE.**

The class will combine history, theory, and casework to provide an integrated perspective related to the problems and opportunities of competing in the international business environment. The focus is on the enormous and continuing changes in international business over the past fifty years and their impact on companies and countries. To highlight these changes in addition to the general readings on international business, money markets, and trade; various countries and geographic regions will be examined.

Time will be spent assessing the development of alternative models to Western corporate organization in terms of firm structure, managerial behavior, and competitive strategies to show the importance of understanding and analyzing the international competitive environment from a flexible as well as a global perspective. This is because in many industries it will be seen Western firms’ options are now constrained by foreign competition and that in many industries foreign firms now often set the worldwide competitive agenda. This is a significant change since the 1950s and 60s when US multinationals dominated global business.

Topics covered:

1. Beginning with the observable facts of globalization, international brands, and cultural differences, the class will examine how and why the same product may be sold differently in one national or regional environment than another and how this affects firm organization.

2. Still, to provide a common framework and basis for analyzing competitive advantage in these different situations, the theory of trade and its relationship to foreign direct investment (FDI) will be assessed. Beginning with a relatively simple case, the analysis will become more complex and dynamic as the course evolves and cases of international sourcing and marketing are addressed. **This section will include homework Problem Set #1 that poses these issues in concrete terms.**

3. This analysis leads naturally to an examination of how changes in the competitiveness of countries, industries, and companies occur and the relationship between such competitive shifts and the success or failure of specific firm policies and strategies. This analysis includes examining different patterns of international corporate evolution and competition such as Michael Porter’s Diamond or Raymond Vernon’s International Product Cycle.

4. Because multinationals are the major actors and instruments of many of these changes in the international business environment, most of the cases studied will be based on their experiences, though we shall see that smaller firms also are involved in and impacted by
international business. Indeed our text, *Global Business Today*, has several such examples. In certain situations foreign economic actors such as governments, corporations and markets as well as particular events can impact even domestic business and vice versa. Therefore, all businesses must take into account changes in the global environment and their direct and indirect impacts on competition and competitiveness.

For example, rising US auto imports and the decline in the North American auto industry during the early 1980s affected shops in towns where plants were closed. This development then impacted companies that supplied those shops as well as local financial institutions. More directly, US liberalization of telecommunications has led to decontrol in other markets that when combined with major technological changes and the Internet has completely redefined the industry and helped globalize competition as described in the text’s 1st Chapter.

5. These situations often involve regions as well as countries. So regional issues and themes will be addressed too, such as the EU, Eastern Europe, APEC, NAFTA, and ASEAN.

6. As cost and price are closely intertwined with competitiveness, international money and financial markets are also a key aspect of international business due to foreign exchange impacts. It is therefore important that students gain some understanding of global capital movements, money market fluctuations, derivatives, hedging and speculation. **Homework Problem Set #2 will help to give more reality to some of these concepts.**

7. Naturally, governments play a critical role in international business through a variety of policies and actions that directly and indirectly define and effect the international business environment and global finance. Thus, time will be spent examining such policies and actions in a variety of countries and business contexts to gain a fuller appreciation of why such policies are taken and their likely influence on business in different situations. How a businessperson can respond to or influence such actions or events will be addressed as well.

While this is a large class, discussion is important in that students are expected to have done the readings and to have prepared and posted comments and questions on the class website based on various course materials. **You also need to listen to the lectures for each chapter that are on your class CD.**

**These required course lecture CD’s are available at the NJIT bookstore.**

Further though the student presentations and the text’s case studies will cover some of the same material, they will do so from different perspectives to convey alternative analyses and interpretations. Therefore the lectures, PowerPoint slides and discussion are supplementary to the readings and not a substitute. To promote class interaction, the class will be divided into teams of about three people and each team will be given a case to present as a group using a PowerPoint presentation format and another case on which each individual team member must comment and ask questions. **You are each individually responsible for contacting other team members and participation in your team assignments. Assignments are posted in the class calendar part of the class website too.**

The student team case presentations in PowerPoint format should be posted on the class website by 12:00PM (noon) every Friday and the comments should be posted by 12:00PM (noon) the following Monday with the case presenters’ responding to those
questions by 6:00PM the next day (Tuesday). This means discussion depends on having comments contributed on line to the class website “Discussion” section. These comments will be tracked as the semester proceeds and will be used to determine 5% of your grade. The semester schedule for these assignments can be found in this Syllabus and the “Calendar” section of the class Webct website. So please check both regularly.

Importantly, because this course is taught on a distance learning basis, it is really critical teams keep to the class schedule! Thus your grade will be affected if you do not.

Further to manage the course efficiently, it is imperative each student has a njit e-mail address and that this address be e-mailed to rappw@adm.njit.edu within the first week of the course or sent via webct mail. Also to facilitate the course’s operation, there will be an optional face-to-face meeting starting at 6:00PM to 7:00PM on Thursday, January 27th. This one hour session is designed to answer questions or handle registration and webct issues.

The meeting is strictly optional and attendance will not be taken. After this if a student wishes to meet with the instructor, please come during regular office hours, Wednesday 3:30-5:30PM (3020 CAB) or e-mail me for an appointment.

There is no teaching assistant for the course. Case presenters should therefore contact the instructor regarding putting their detailed PowerPoint presentations on the class website. These presentations should fully explain and give background on all the key points in each case.

Since doing the readings and on-line class attendance are critical to effective class interaction, it is important everyone is prepared to participate. Also, to insure students are keeping up, there will be an identification quiz approximately every other week. The quiz questions will be alphabetically posted on the class website at 12:00PM (noon) on certain Fridays as stated in this Syllabus in “pdf” format. You will have until 11:55PM that day (Friday) to return your answer in Microsoft Word to rappw@adm.njit.edu or to post it as an e-mail attachment using the class site’s webct e-mail function. If for some reason you cannot access the class site, you should e-mail rappw@adm.njit.edu at 12:00PM and ask for a copy to be e-mailed back. Also, please note the webct “Calendar” does not allow me to put just one time for when assignments are due. Therefore, I indicate a five-minute window after the time due that is specified above. Please download and read the Syllabus carefully and note these times!

In the identification quiz, you will be asked to identify an item or concept found in the Global Business Today text for the currently assigned Readings and to briefly note its relation to or effect on international business from the perspective of a business manager working in a specific firm or industry discussed in the text. Because you will have access to the text, the latter part the question, that is your ability to understand a concept or case’s application to a specific business situation, will primarily determine your grade. These quizzes will be added together at the end of the term with the lowest grade eliminated in computing your average. However, there will be no further allowance since students should be able to organize their schedules to be available on-line at the pre-scheduled times. These 5 quizzes will count for 15% of your grade.
A good ID answer is one clearly identifying the principle aspects and importance of the concept, person or entity and then specifying its impact or relation to the particular firm and/or industry and its competitive situation. For example, if Honda were the entity to be identified, a good answer would state that Honda is a large Japanese corporation that is the world's largest manufacturer of motorcycles and a leading producer of high quality automobiles that are produced and sold worldwide. It would then go on to specify what the impact of Honda was on you as a manager of a specific firm such as Harley-Davidson, Ford Motor Company or Honda parts supplier as posed in the quiz question. The impact and perspective will vary depending on the company, industry, and relationship to Honda.

There will be one take-home midterm and one take-home final exam in addition to the biweekly ID tests, group team case presentation and analysis, team-member case comment, first problem set and second problem set as noted above.

In addition, students should try to gain some knowledge of the major institutions, political issues, and financial risks of international business by reading major business magazines such as Fortune or Business Week or business related articles in major newspapers. The student team case presentations and comments should be analytical rather than merely descriptive in content and approach. Generally, in preparing team presentations it is best to consider answering questions such as why, how, and what happened with respect to the specific and relatively narrowly defined business situation that the case is addressing.

As already noted above on-line presentations should be posted in the “Discussion Section” of the Class website by 12:00PM (noon) on the Friday for which the presentation is due. This can also be checked in the “Calendar Section” of the class webct website. You can check with me by e-mail if you have problems posting them. (I will then move them to the “Student Presentation” section for easier reference as well.) If you need to arrange a team meeting, you can also do this by e-mail. The team whose members are commenting should post questions and comments by 12:00PM the following Monday with responses from the presenters due by 6:00 PM the next day (Tuesday). As this on-line class will operate on an asynchronous basis, additional class comments and questions on the lecture, cases, and commentary can be covered until the following Thursday.

One question on the final exam will ask you to select two companies covered in the course from a list of five or six and to then briefly explain the specific types of international strategic problems or issues each company has faced as outlined in the text and how each has addressed these situations. One idea in writing your response to this question is that you may want to pretend you are writing a memo for the EVP of international operations of the firm. The memo will brief that person on the situation or problem. It would explain the business context, recommend specific firm actions, and then note the actual results of those actions. The final will be a take home final and will be due Tuesday May 10th at 5:00PM.

Grades are composed of the ID Quizzes (15%), team case presentation (15%), case team and other discussion comments (5%), midterm exam (20%), problem sets (10%: 5% each) and final exam (35%). A D is 59.5-69.4; C is 69.5-77.4; C+ is 77.5-79.4; B is 79.5-87.4, B+ is 87.5-89.4; A is 89.5 or over. The text for the course is Global Business Today by Charles Hill (CH), 3d edition (ISBN 0-07-253789-2). Be sure to get the new 3d edition as it has been substantially revised and updated compared to the 2d. It comes with a text CD and
material from this CD is part of the course assignments. The “text CD” video clips noted in this syllabus can be found in the “comment” folder. These will be supplemented by “Other Required Readings” and “Video Clips” that are posted on the class website.

With respect to your answers on the ID quizzes, the midterm and the final, no common or group answers will be accepted to any question. Further, any material from the text should not be “quoted” but must be paraphrased in your own words!

If you have questions, my office hours are Wednesdays 3:30-5:30 PM, 3d floor of School of Management (Room 3020). You can also call for an appointment 973-596-6414 (office), e-mail me via webct or e-mail me at rappw@adm.njit.edu.

Students should read CH Chapters 1 and 2 before the second week!

Week 1/18/05 Introduction and overview of the course with review of the Syllabus. The globalization of the business environment.

CH Chapter 1 plus posted articles on Hyundai and Daewoo and video on Korea (“hardtimes”) on text CD plus video on American Presidents’ Line

Week 1/24 Politics, institutions and International Business. What determines firm advantage in a market? Optional face-to-face meeting (6-7:00PM – Thursday 1/27) to discuss webct and class mechanics only.

Reading: CH Chapters 1 &2

Reading: Posted articles on Citibank in China plus Citi and Banamex. Also see website for optional Citibank case. See text CD video on China and video on Piracy posted on class website. Team assignments posted class website by Wednesday the 26th.

First ID Test!! (Posted website 12:00PM on Friday 1/28)

On Thursday the 27th optional face-to-face meeting between 6 and 7PM in SOM Leir conference room on 3d floor of CAB building to discuss course mechanics or other class related issues such as accessing class website.

Week 1/31 Culture, Ethics, Religion: their effects on consumption patterns, employment and legal regimes; Government and strategic responses of international business; Protectionism and culture.

Reading: CH Chapter 3.

First Case Presentation on Disney in France. Should be posted by Team #1 by noon on Friday the 4th. Look at video clip on Disney posted on class website.

1st Problem set posted on class website and is due back Friday 2/18.

Week 2/7 The theory of trade and the Ricardian Model; Distributive effects of trade and consequent politics. Forms of government intervention: tariffs, quotas, and other devices. What determines national or corporate competitive advantage? The clustering of businesses; Rise and fall of various industries, firms, and economies.

2d ID Test (posted 12:00PM [noon] on Friday the 11th).

Reading: CH Chapter 4.
2d Case Presentation on Indian Software Industry should be posted by Team #2 by noon on Friday the 11th. Read Economist article plus Chapter 6 of OECD study (posted on class website). Look at video on India that came on your textbook CD.


1st Problem set is due on Friday 2/18 (February 18th) by e-mail/webct mail attachment or fax 973-596-3074 (This is correct # even if you see another one.)

Readings: CH Chapter 5 and NY Times articles posted on class website including Indonesian protests against a Japanese food additive.

3d Case: Trade in Hormone-Treated Beef due on Friday the 18th of October at noon.

Week 2/21 Growth and Competition, Foreign Direct Investment (FDI) as another form of global competition; Strategic Expansion of MNCs. Patterns of internationalization such as International Product Cycle, Politics of FDI.

3d ID Test in Friday the 25th (posted 12:00 noon)

Reading: CH Chapter 6 and description of Honda vs. Tohatsu and Yamaha in motorcycles posted on website.

4th Case Presentation on Friday the 25th: Starbucks. Video clips on Honda in North America and Mercedes/Chrysler merger (textbook CD)

Week 2/28 Mid-term Exam - Tests will be posted on class website at 12:00PM (noon) on Friday the 4th. It must be returned in Word by 12:00PM (noon) on the following Monday the 7th.

No common or group answers accepted to any question and material from text should be paraphrased in your own words!

2d Problem set posted on class website 3/4; due back Friday April 1st.

Week 3/7 Regionalization, Sourcing, International Marketing.

Reading: CH Chapter 7. Website posted video on “Summit of Americas” (NAFTA); textbook CD video clip on launching of the Euro

5th Case Presentation: European Insurance Industry due noon Friday the 11th

Week 3/14 Semester Break March 14 to 20.


4th ID Test (posted 12:00PM Thursday 3/24 due Saturday 3/26 because of Good Friday holiday); 6th Case Presentation on Thailand and Asian Financial Crisis due noon Saturday 3/26
Reading: CH Chapter 8 and chapters from Kindleberger’s *Manias, Panics and Crashes* posted on class website, also posted NY Times article on current situation. Look at text CD videos on Russian and Latin American Crises as well as Korean crisis.


Reading: CH Chapter 9 plus posted case readings on Komatsu and Caterpillar.

2d Problem set due at 11:55PM on Friday April 1st by e-mail or webct mail attachment in Word or send by fax to SOM at 973-596-3074.

7th Case Presentation on Caterpillar and Plaza Accord Case due noon Friday the 1st


Reading: CH Chapter 10; look at MTV video on text CD

8th Case Presentation on MTV’s internationalization due noon Friday the 8th

**Week 4/11** Entering Foreign Markets. Using trade, investment, finance, strategic alliances, acquisitions, joint ventures, sourcing, political economy, human resources, and technology to achieve a competitive advantage globally.

Reading: CH Chapter 11.

9th Case Presentation on Merrill Lynch in Japan due noon Friday the 15th

**Week 4/18** International Business Strategies: Global Marketing and Product Development

6th ID Test (posted noon) on Friday the 22nd

Reading: CH Chapters 12 (pp. 420-434) & 13 (pp. 444-476); posted P&G in Japan case

10th Case Presentation on P&G’s multi-nationalization and Japan entry Friday 4/22

**Week 4/25** Operational Management and Staffing to Achieve Strategic Objectives

Reading: CH Chapters 14 (pp 483-504) & 15 (pp 511-525); Airwalk & Nike text CD videos;

Take-home final posted class website Wednesday April 27th – IT IS DUE by 5:00 PM Tuesday May 10th in Word as webct mail attachment, e-mail attachment (rappw@adm.njit.edu) or fax (973-596-3074)

Weeks 5/2-9 Take-home final due by 5:00 PM Tuesday May 10th
## MGMT 491-452 NJIT School of Management Learning Outcomes

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<th>Analytical</th>
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<td>To advance critical thinking skills using theory, concepts and precepts</td>
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<td>To develop the ability to identify and formulate business problems</td>
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<td>To develop skills to critically analyze business problems</td>
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<td>To develop analytical skills to solve business problems</td>
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<td>To develop the ability to use and find information</td>
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<th>Communication</th>
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<td>To advance skills that enable effective business writing</td>
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<td>To develop ability to make effective presentations on-line</td>
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<td>To develop the ability to effectively communicate your position in a</td>
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<td>rational and convincing manner</td>
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<tr>
<td>To enhance the ability to communicate with a diverse group of people</td>
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<th>Interpersonal and Team Dynamics</th>
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<tr>
<td>To demonstrate mastering of skills to work in teams and achieve common goals</td>
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<tr>
<td>To develop management and leadership skills</td>
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<td>To understand team roles and relationships that foster cooperation toward goals</td>
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<td>To build capabilities to structure team milestones and deliverables</td>
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<td>To learn how to manage expectations and deadlines</td>
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<th>Ethics</th>
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<td>To develop a schema to think about ethical implications of decision-making</td>
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<td>To develop a sense of ethical and professional behavior</td>
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<td>To be aware of ethical issues that many tend to emerge in organizations, and appropriate treatment of them</td>
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<td>To understand the roles, rights, and responsibilities of the business organization</td>
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<th>Technology: Business/Technology Interface</th>
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<td>To understand the varied use of technology within the business context</td>
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<td>To develop the ability to identify and analyze technology needs in business</td>
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<td>To understand how to apply technology solutions in the business context</td>
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<td>To understand how IT fits into the broader business context</td>
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<td>To understand how the organization’s structure, strategy, and practices change with technology</td>
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<th>Technology: Skills</th>
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<td>To develop familiarity and competence with business software packages</td>
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<td>To learn how to transfer knowledge of specific applications across technologies and Platforms</td>
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<td>To recognize and define technology requirements and the role of emerging technologies</td>
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### Globalization

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<th>Objective</th>
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<tr>
<td>To understand the impact of globalization and the complexity it brings</td>
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<td>To evaluate the benefits and concerns associated with globalization</td>
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<td>To comprehend the cultural, social, legal and ethical aspects of the globalization of business</td>
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<td>To understand how management varies across cultures</td>
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<td>To assess the needs or standardization versus local adaptation (products, practices, systems)</td>
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<td>To recognize the benefits of being a good global corporate citizen</td>
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<tr>
<td>To understand business strategies in a global context</td>
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