International Business
COURSE NUMBER: MGMT 491-452

Spring 2009
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Class Times: Distance Learning
Office Hours: Monday 3:00 to 5:30 p.m.
By appointment

Course Overview
International Business is an advanced level undergraduate course designed primarily for juniors and seniors majoring or minoring in business that have taken basic classes in economics and business. It thus assumes students understand basic business and economic principles. If you have not had such courses it is likely you will struggle. The 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 of materials 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. While we consider and read about many types of firms and organizations, the emphasis is on large companies in the so-called Triad countries of North America, Europe and Japan.

Case studies are used throughout the course to illustrate certain concepts and to 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 and national environments is not easy and will frequently have different impacts depending on the competitive context.

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

Course participation requires not just knowledge of the material and listening to the on-line 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.

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; Globalization

Interpersonal-Team Dynamics and The Cultural/Business Interface
INTERNATIONAL BUSINESS

THIS COURSE IS A DISTANCE LEARNING COURSE.

Be warned! Because this is both a distance learning course and designed for seniors majoring or minoring in business it assumes students understand basic business and economic principles and are prepared to do the self-study required in a distance learning context. Therefore if you have not had the necessary background courses and/or are not committed to keeping pace with the assignments, please take another section of 491.

The course will combine history, theory, and casework to provide an integrated perspective on the problems and opportunities of competing in the international business environment. Its 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 such 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 foreign firms 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, 4th Edition, 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.

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 effects. 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 in a timely way to the lectures for each chapter that are available on NJIT’s Distance Learning Server: http://cpe.njit.edu/dlvideos. These required course lectures are available through the indicated NJIT server and are not the same as the materials on the CD that comes with your textbook that is available for semester loan from the NJIT Library or for purchase at the bookstore or via Amazon.

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 and each team will be given a case to present using a PowerPoint presentation format.
and another case on which each team member must individually comment and ask questions. You are each individually responsible for contacting other team members as well as participation in your team assignments. Assignments are also posted in the class calendar.

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 presenters’ responses 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 individual comments will be tracked during the semester and will determine 5% of your grade. Check the class calendar on the class Webct website for the schedule of these assignments in addition to this syllabus.

Importantly, because this course is taught on a distance learning basis, it is really critical that teams keep to this 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 this be given to the instructor or e-mailed to rappw@adm.njit.edu within the first week of the course. If a student has questions and wishes to meet with the instructor, please come during regular office hours, Wednesdays 12:30-2:30PM and 5:00-6:00PM (3020 CAB) or e-mail 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 under Discussion. These presentations should fully explain 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 or before 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 or PDF 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 website, you should e-mail rappw@adm.njit.edu at 12:00PM and ask for a copy to be e-mailed back. The quizzes will cover materials from the text and from the Additional Text Readings’ section of the class website. 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 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 text or the Additional Text Readings 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 or the Additional Text Readings. Because you will have access to the text and the Additional Text Readings, 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 specifies its impact or relation to the specific 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. That is, the impact and perspective varies 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, team case presentation, team 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 a 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 in the Discussion section. (I will then move them to the Student Presentation section for easier reference too.) If you need to arrange a team meeting, you can also do this by e-mail. The members of the team commenting should post their individual questions and comments in the Discussion section 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 is on an asynchronous basis, additional class comments and questions on a lecture, case, or 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 this, note specific firm actions, and then note the actual results of those actions. The final will be a take home final and will be due Monday May 11th 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** by Charles Hill (CH), 4th edition (ISBN 0-07-319175-2). Be sure to get the 4th edition and not the new 6th Edition. Used copies are readily available at the NJIT bookstore, through Amazon as well as on semester loan from the NJIT Library. It comes with a text CD and material from this CD is part of the course assignments. The “text CD” video clips that are noted in this syllabus can be found in the CD’s Media folder. These will be supplemented by “Additional Text Readings,” “Other Required Readings” and “Video Clips” that are posted on the class webct 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 12:30-2:30PM and 5:00-6:00 PM, 3d floor of School of Management (Room 3020). You can also call for an appointment 973-596-6414 (office) or e-mail me at rappw@adm.njit.edu.

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

Week 1/20/08 *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 posted videos on Korea (“hardtimes”) and American Presidents’ Line

Week 1/26 *Politics, institutions and International Business. What determines firm advantage in a market?*

Reading: CH Chapters 1 & 2 plus Additional Text readings on Microsoft in China and GE in Hungary

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

**First ID Test!!** (Posted website 12:00PM on Friday 1/30)

Week 2/2 *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 and Starbucks video on text CD plus Additional Text Reading and posted video on Disney in Europe. *1st Problem set is posted on class website 2/6 and is due back Friday 2/22.*

**First Case** Presentation on Starbuck’s globalization. Should be posted by Team #1 by noon on Friday the 6th.

Week 2/9 *Ethics and IB. The theory of trade and the Ricardian Model; Distributive effects trade and the 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 13th).**

Reading: CH Chapters 4-5; Additional Text Reading and posted video on McDonald’s.

**2d Case Presentation** on McDonald’s in China and India - Team #2 should post this noon on Friday the 13th. Look at video on India that came with your textbook CD.


**1st Problem set is due on Friday 2/20 by e-mail attachment or fax to 973-596-3074**

Readings: CH Chapter 6 and **NY Times** articles posted on class website including Indonesian protests against a Japanese food additive.

**3d Case (Team 3’s Presentation):** Evolutionary Development of Nokia’s Global Advantage due Friday February 20th.

**Week 2/23** 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 27th (posted 12:00 noon)**

Reading: CH Chapter 7 and description of Honda vs. Tohatsu and Yamaha in motorcycles posted on website.

**4th Case Presentation on Friday the 27th:** Trade in Hormone-Treated Beef due on Friday the 13th of October at noon. Look at posted video clips on EU Beef and Honda in North America plus the one on Mercedes/Chrysler merger in the textbook CD.

**Week 3/2** Mid-term Exam - Tests posted on class website at 12:00PM (noon) on Friday the 6th. Must be returned in Word or PDF by noon following Monday the 9th.

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 3/6; due back Monday April 6th.**

**Week 3/9** Regionalization, Sourcing, International Marketing.

Reading: CH Chapter 8 plus Additional Text Reading on Toyota. Website posted video “Summit of Americas” (NAFTA); textbook CD video clip on launching of the Euro

**5th Case Presentation:** Toyota’s FDI Strategy due noon Friday the 13th

**Week 3/16** Spring Break

6th Case Presentation on Volkswagon’s FX Debacle due noon Friday 3/27

Reading: CH 9 plus Additional Text Reading on JAL and chapters Kindleberger’s Manias, Panics and Crashes posted on class website, also posted NY Times article. Look at text CD videos on the IMF and the Euro.


Reading: CH Chapter 10 plus Additional Text Reading on Thai Baht and posted case readings on Asian Financial Crisis; Look at text CD video on Latin American Crisis and one posted on Ruble crisis.

2d Problem set due at 11:55PM on Monday the 6th by e-mail attachment in Word or send a fax to SOM at 973-596-3074.

7th Case Presentation on Korea and Asian Financial Crisis due noon Friday the 3rd

Week 4/6 International Business Strategies: Core Competencies, Organizational Structures and Global Expansion. 5th ID Test (posted noon) Friday 4/10.

Reading: CH Chapter 11; look at MTV video on text CD

8th Case Presentation on MTV’s internationalization due noon Friday the 10th

Week 4/13 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 12 plus Additional Text Readings on GM.

9th Case Presentation on Merrill Lynch in Japan due noon Friday the 17th

Take home final posted on class website on Friday April 17th – IT IS DUE in Word as e-mail attachment (rappw@adm.njit.edu) by 5:00 PM Monday May 11th or by fax (973-596-3074)

Week 4/20 International Business Strategies: Global Marketing and Product Development

6th ID Test (posted noon) on Friday the 24th

Reading: CH Chapters 13 (pp. 445-461) & 15; posted P&G in Japan case

10th Case Presentation on P&G’s multi-nationalization and Japan entry Friday 4/24
Week 4/27 **Operational Management and Staffing to Achieve Strategic Objectives**

Reading: CH Chapters 14 & 16 (pp 530-543) plus Additional Text Reading on Bose & Timberland; Airwalk (posted) & Nike videos (text CD)

**MGMT 491-451 NJIT School of Management Learning Outcomes**

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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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| Communication                                                               |   |   |   |
| To advance skills that enable effective business writing                    |   | X |   |
| To develop ability to make effective presentations on-line                  |   | X |   |
| To develop the ability to effectively communicate your position in a rational and convincing manner |   | X |   |
| To enhance the ability to communicate with a diverse group of people        |   | X |   |

| Interpersonal and Team Dynamics                                           |   |   |   |
| To demonstrate mastering of skills to work in teams and achieve common goals |   | X |   |
| To develop management and leadership skills                                |   | X |   |
| To understand team roles and relationships that foster cooperation toward goals |   | X |   |
| To build capabilities to structure team milestones and deliverables         |   | X |   |
| To learn how to manage expectations and deadlines                          |   | X |   |

| Ethics                                                                     |   |   |   |
| To develop a schema to think about ethical implications of decision-making | X |   |   |
| To develop a sense of ethical and professional behavior                    |   | X |   |
| To be aware of ethical issues that many tend to emerge in organizations, and appropriate treatment of them |   | X |   |
| To understand the roles, rights, and responsibilities of the business organization |   | X |   |

| Technology: Business/Technology Interface                                  |   |   |   |
| To understand the varied use of technology within the business context     | X |   |   |
| To develop the ability to identify and analyze technology needs in business | X |   |   |
| To understand how to apply technology solutions in the business context    |   | X |   |
| To understand how IT fits into the broader business context                |   | X |   |
| To understand how the organization’s structure, strategy, and practices change with technology |   | X |   |
### Technology: Skills

| To develop familiarity and competence with business software packages |  |
| To learn how to transfer knowledge of specific applications across technologies and Platforms |  |
| To recognize and define technology requirements and the role of emerging technologies | X |

### Globalization

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