

The
Bath
MBA

<i>Module Title</i>	Business Strategy in the Global Economy
<i>Module code</i>	MN50411
<i>Year</i>	2008/2009
<i>Module Leader</i>	Professor Klaus Meyer
<i>Session Dates</i>	16-20th March 2008

Reading

- Core Text(s) Provided** Ghemawat, Pankaj (2007): *Redefining Global Strategy*, Harvard Business School Press.
- Required pre-Module Reading** Textbook and additional readings as indicated in the day-by-day outline below.
- Recommended Readings** The module will build on the modules ‘**Strategy**’ and ‘**Managing Emerging Contexts**’. You may find it helpful to review to case “**GN Netcom**” (ECCH 302-136-1) and selected chapters from:
- Grant, Robert M. (2008): *Contemporary Strategy Analysis*, 6th edition, Blackwell Publishing.
- Johnson, G., Scholes, K. and Whittington, R. (2008): *Exploring Corporate Strategy*, 8th ed., Prentice Hall.
- Other texts that may be helpful for deepening the material include:
- Bartlett, C.A., Ghoshal, S. and Birkinshaw, J. (2007): *Transnational Management: Texts, Cases and Readings in Cross-Border Management*, 5th edition, McGraw-Hill.
- Dicken, P. (2007): *Global Shift: Mapping the Changing Contours of the World Economy*, 5th edition, Sage.
- Peng, Mike W. (2006): *Global Strategy*, 1st ed., Thomson-Southwestern.
- Spulber, D.F. (2007): *Global Competitive Strategy*, New York: Cambridge University Press.
- Verbeke, A. (2008): *International Business Strategy*, Cambridge: Cambridge University Press.
- Yip, G.S. (2003): *Total Global Strategy II*, Prentice Hall.

Notes for Students

Advice from Module Leader

COURSE OVERVIEW AND INTRODUCTION

This module is concerned with the opportunities and challenges faced by multinational enterprises (MNEs) when operating on the international stage, as opposed to national operations.

The module has an integrative nature in that it draws on several earlier modules, in particular “Strategy” and “Managing Emerging Contexts”.

In this course our main emphasis will be on working with cases of MNEs aiming to establish and exploit competitive advantage with business models that exploit opportunities created by the international dimension of business, or react

to challenges arising on this ‘global stage’. A key question in the background of our discussions thus is: how can MNEs develop and implement strategies that generate superior performance in their global operations?

Course Schedule and Themes	
Monday	What is Globalization, and why does it matter?
Tuesday	Adaptation: Foreign entry and subsidiary development
Wednesday	Aggregation: Economies of scale and innovation
Thursday	Arbitrage: Offshoring and global supply chains – and ethical issues arising in such business
Friday	Project presentations, businesses from emerging economies, and review

Time will be set aside during the week of the course for group-work on the project and formative feedback on progress.

COURSE PREPARATION

Given the focused nature of the course, careful preparation is critical. This will not only allow for a more interactive class discussion and a more valuable and enjoyable learning experience but also facilitate preparation for the exam at the end of the course. Three areas of preparation are highlighted in the following.

Required readings. Please read and study the indicated required readings before the course. They introduce key concept that shall be applied in the class discussions, and will very briefly be covered in lectures.

Case analysis. Throughout the course we will use a range of cases to come to apply methods of strategic analysis and gain insight into a diverse range of countries, industries and organisations. In some instances, the case will be considered more briefly and subjected to a ‘fast-cycle’ analysis, in other instances cases will be explored in greater depth to provide a more rounded view of the strategic challenges.

Please ensure that you have not only carefully read the cases but that you have prepared an initial analysis based on your interpretation of the strategic challenges suggested in the case. In your preparation draw on the tools of environmental and strategic analysis in earlier modules. You are encouraged to make notes which you can draw on during

group and class discussion.

News review. It is particularly useful to apply the concepts and models introduced in the class to current business issues as reported in the business press. Articles often reveal facets of companies business models and business strategies. They thus facilitate active engagement with the concepts and models, and may highlight possible difficulties in their application, and thus clarify their potential benefits and limitations. The reading list contains selected items from *The Economist*, which shall be introduced by participants in during the course. Each participant will be assigned one article, yet please skim over the whole set to be prepared to engage in discussion.

Reflection on own practice. In addition, you are encouraged to reflect on some of the strategic issues that faced an organisation you are familiar with, such as the organisation in which you worked most recently. You are encouraged to feed your findings into the class discussion as far as issues of confidentiality allow.

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Monday

<i>Title</i>	What is Globalization, and why does it matter?
<i>Lecturer</i>	Professor Klaus Meyer
<i>Guest Speaker</i>	Professor Michael Czinkota (Georgetown/Birmingham)
<i>Description</i>	<p>The course begins with a discussion of the notion of ‘globalization’ and ‘semiglobalization’ and its implications for business. The class will explore the tensions between convergence across countries, and the persistent differences and distances that generate obstacles and opportunities for companies acting on the global stage.</p> <p>On this basis, we shall explore how regional and global strategies can create value by linking operations at different locations. Three analytical tools will be introduced that provide the foundations for this week: the CAGE distance framework, the ADDING value scorecard, and the AAA typology of global strategies.</p>
<i>Required pre-session Reading</i>	<p>Ghemawat, chapter 1 to 3 Grant p. 139-57, 363-368.</p> <p>Ohmae, K. (1989): Managing in a Borderless World, <i>Harvard Business Review</i>, May/June 1989. Levitt, Th. (1983): The Globalization of Markets, <i>Harvard Business Review</i>, May/June.</p>
<i>Instructions for Students</i>	<p>In preparation of the day please consider the following:</p> <p>Choose an organisation you are familiar with (e.g. the organisation you are currently working for). In which ways is your business affected by what happens at the other end of the world? Does your organization have strategies to make best use of opportunities that may arise there? What are the main obstacles for the organization to benefit even more from such opportunities?</p> <p>Please prepare for discussion of the cases</p> <ul style="list-style-type: none">• CEMEX (Ghematwat p. 68-78),• “Acer: Taiwan’s Rampaging Dragon” (HBS 9-399-010)

Tuesday

<i>Title</i>	Aggregation: Economies of Scale and Innovation
<i>Lecturer</i>	Professor Klaus Meyer
<i>Description</i>	<p>This day will explore business opportunities that are through operating as a global company, and integrating all or parts of the operation region-wide or worldwide. We will explore aggregation strategies that allow greater scale economies and generate synergies of global innovation systems.</p> <p>Time will be set aside in the afternoon for work on the module project.</p>
<i>Required pre-session Reading</i>	<p>Ghemawat, chapter 5 Grant, p. 186-192, 378-389. Meyer, K.E. (2009): Corporate Strategies under Pressures of Globalization: Globalfocusing, manuscript. Yip, G. (1989): Global Strategy ... In a World of Nations? <i>Sloan Management Review</i> 31 (1): 29-41.</p> <p>In reading the following ‘news review’ articles, please focus on how these companies create value in the global economy:</p> <p><i>The Economist</i> (2007): Briefing: Toyota: A Wobble on The Road to the Top, November 10th. <i>The Economist</i> (2009): Briefing: Rolls-Royce: Britain’s Lonely High Flier, January 10th.</p>
<i>Instructions for Students</i>	Please prepare for discussion of the case of “Asea Brown Boveri” (HBS #192-139).

Wednesday

<i>Title</i>	Adaptation: Foreign Entry and Subsidiary Autonomy
<i>Lecturer</i>	Professor Klaus Meyer
<i>Description</i>	<p>This day will explore opportunities for value creation arising from adaptation to the unique idiosyncrasies of different host contexts, thus accommodating rather than overcoming differences. We will explore levers that allow localization of aspects of the operation, while retaining benefits of global synergies.</p> <p>In the early afternoon, a lecture will link with the topics for the next day.</p> <p>Time will be set aside in the afternoon for work on the module project.</p>
<i>Required pre-session Reading</i>	<p>Ghemawat, chapter 4 Grant, p. 373-377.</p> <p>Dawar, N. and A. Chattopadhyay (2003): Rethinking Marketing Programs for Emerging Markets, <i>Long Range Planning</i> 35, p. 457-474.</p> <p>Meyer, K.E. (2008): Strategies for Emerging Economy Markets, <i>Bath Perspectives</i> [Alumni Newsletter of the School of Management, no. 2, p. 6-11.</p> <p>Meyer, K.E. & Tran, Y.T.T. (2006): Market Penetration and Acquisition Strategies for Emerging Economies, <i>Long Range Planning</i>, 39 (2), 177-197.</p> <p>Prahalad, C.K. (2004): The Market at the Bottom of the Pyramid, chapter 1 in: <i>The Fortune at the Bottom of the Pyramid</i>.</p> <p>News Review:</p> <p><i>The Economist</i> (2007): Briefing: Procter & Gamble: Will She, Won't She? August 11th.</p> <p><i>The Economist</i> (2008): Briefing: Unilever and Emerging Markets: The Legacy the got left on the Shelf, February 2nd.</p>
<i>Instructions for Students</i>	Please prepare the case study “Unilever in Brazil (1997-2007): Marketing Strategies for Low-Income Consumers” (INSEAD 504-009-1).

Thursday a.m.

<i>Title</i>	Arbitrage: Offshoring and Global Supply Chains
<i>Lecturer</i>	Professor Klaus Meyer
<i>Description</i>	This day explores the opportunity of creating value by taking advantage of different resource endowments and cost conditions across countries. Businesses may use such cross-country differences to locate their production in line with local comparative advantages. We will explore when such dispersion is appropriate, and how the such worldwide operations can be managed in a global supply chain.
<i>Required pre-session Reading</i>	Ghemawat, chapter 6 and 7. Grant, p. 225-237, 343-358. Aron, R and Singh, J.V. (2005): Getting offshoring Right, Harvard Business Review 83(December): 135-143. Trent Robert J. and Robert M. Monczka (2002): Pursuing competitive advantage through integrated global sourcing, <i>Academy of Management Executive</i> 16 (2), p. 66-80. News Review: <i>The Economist</i> (2007): Briefing: IBM and Globalisation: Hungry Tiger, Dancing Elephant, April 7 th . <i>The Economist</i> (2007): Face Value: Krishnan Ganesh: The Outsourcerer, June 23 rd .
<i>Instructions for Students</i>	Please prepare the case “Li & Fung: Beyond ‘Filling in the Mosaic’ 1995-1998” (HBS #9-398-092).

Thursday p.m.

<i>Title</i>	Ethical aspects of global operations
<i>Lecturer</i>	Professor Klaus Meyer
<i>Description</i>	<p>This day explores the opportunity of creating value by taking advantage of different resource endowments and cost conditions across countries. Businesses may use such cross-country differences to locate their production in line with local comparative advantages. We will explore when such dispersion is appropriate, and how the such worldwide operations can be managed in a global supply chain.</p> <p>Time will be set aside in the afternoon for work on the module project.</p>
<i>Required pre-session Reading</i>	<p>Arnold, D.G. (2003): Philosophical foundations: Moral reasoning, human rights, and global labor practices, in: L.P. Gartman, D.G. Arnold and R.E. Wokutch, eds: <i>Rising above Sweatshops</i>, Westport: Praeger.</p> <p>News Review:</p> <p><i>The Economist</i> (2007): Face Value: Zhang Shuhong, August 18th.</p> <p><i>The Economist</i> (2007): Face value: Jim Goodnight, December 1st.</p> <p><i>The Economist</i> (2008): Face value: Yossi Vardi, January 5th.</p> <p><i>The Economist</i> (2008): Face value: Larry Brilliant, January 19th.</p>
<i>Instructions for Students</i>	Please prepare the case <i>Ethics of Offshoring: Novo Nordisk and Clinical Trials in Emerging Economies</i> (Ivey 9B09M001)

Friday a.m.

Title

Presentations

Lecturer

Professor Klaus Meyer

Description

The *morning* will be devoted to presentations and interim discussion of the group projects

Moreover, the individual assignments will be introduced.

Instructions for Students

Please prepare your group presentation

Friday p.m.

<i>Title</i>	Multinationals from Emerging Economies
<i>Lecturer</i>	Professor Klaus Meyer
<i>Description</i>	The afternoon aims to tie different lines learning together, and to explore the challenges for and from MNEs originating outside the traditional triad.
<i>Required pre-session Reading</i>	Ghemawat, chapter 8 Fey, C.F., Nayak, A.K.J.R and Wu, C. (2008): New kids on the block: Multinationals from transforming economies, conference paper, International Association for Chinese Management Research, Guangzhou, June 2008. Boston Consulting Group (2008): <i>The 2008 BCG 100 New Global Challengers</i> , Executive Briefing.
<i>News Review</i>	<i>The Economist</i> (2007): Face Value: Ratan Tata: The shy architect, January 13 th . <i>The Economist</i> (2007): Face Value: Mo Ibrahim: Africa calling, May 26 th . <i>The Economist</i> (2007): Face Value: Cheung Yan: Paper Queen, June 9 th . <i>The Economist</i> (2007): Face Value: Anil Agarwal: Tested mettle, July 28 th . <i>The Economist</i> (2007): Face Value Teddy Blecher: The transcendental crusader, September 1 st . <i>The Economist</i> (2007): Face Value: Naresh Goyal: Taking Flight, September 8 th . <i>The Economist</i> (2008): Face Value: Lakshmi Mittal: Mittalic Magic, February 16 th . <i>The Economist</i> (2007): Face Value: Cheung Yan: Paper Queen, June 9 th . <i>The Economist</i> (2008): Face Value: Michael Joseph: Africa calling, June 27 th . <i>The Economist</i> (2008): Face Value: Subramanian Ramadorai: Ram drive, August 23 rd .