



Boston University Study Abroad
London

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Seminar in International Business
CAS IR 427 (Elective B)
Spring 2016

Instructor Information

A. Name	Dr. Hugh Macdonald and Dr Andrey Jichev
B. Day and Time	Mondays 12:30 – 4:30 pm from 22 February & Tuesday 12 April 12:30 – 4:30 pm
C. Location	Courtfield Gardens Lecture Room
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F. Office hours	By appointment

Course Description

The course is designed to enable students to understand the importance of *strategic management* in relation to *exogenous forces* such as innovation, competition and business cultures, influence firms pursuing international business aims. The structure and context of the international system (both political and economic) is examined for an understanding of the interactions that occur between such *global* forces as technological diffusion, *regional* factors such as regulatory regimes and business cultures, and *nation-based* features such as development projects and economic ‘clusters’. The strategies of international businesses, through adaptation, thereby tend to become distinctive, ‘internalised’, and more complex than those of businesses operating in a single municipal jurisdiction (‘country’, ‘state’). But even when a business succeeds in implementing international strategies that achieve ‘global’ status, it must maintain itself by seeking to anticipate change, and preparing against ‘unknown unknowns’. Students identify, analyse, apply and evaluate textbook concepts and empirical material, and complete Assignments described below..

Methodology

The Instructors serve as a resource persons in the class. Concepts and key issues are introduced through Lectures and developed *via* Seminar discussions of textbook concepts and case studies. Students are expected to undertake preparatory readings for each class. Students also report on their ongoing Assignment investigations. The Instructors will agree topics proposed by each student, or Group, for their Individual Business Case Study (IBCS) and Group Case Studies (GCS). Each student will ultimately submit for assessment an IBCS along the lines of a major Term Paper but using case study guidelines set out in this Syllabus. Each Group will make a Presentation during the penultimate class to explain and critically examine chosen concepts and/or empirical material. Both IBCS and GCS will call for independent research as well as guided readings. There will be a Take-home Final Examination, disseminated some two weeks prior to the Due Date, which will test

understanding of textbook and lecture concepts, empirical material, and case studies. The course makes a Field Trip to London's Canary Wharf business district, including preparatory reading, a talk by the Guide (a BUSAL faculty member), and subsequent seminar discussion. The distinctive aim of this site visit is to understand the complexity and long-term nature of economic regeneration, including episodes of financial and regulatory failure, business bankruptcy *etc.* Hence this study illustrates a number of key course concepts, including the strategies of individual international firms in selecting Canary Wharf as a business location; the importance of infrastructure development; the significance of the regulatory and bureaucratic environment; the strategic effectiveness of networks and clusters; and the significance of synergies (or their absence) between 'municipal' regimes, entrepreneurial capital, and 'multinational enterprises' (MNE's).

Course Objectives & Outcomes

The strategic management of international businesses can be approached in terms of three principal analytical techniques. These are the 'building blocs' of firms' strategies. Firstly, strategy as *analysis and planning* employs a focus on how a business may choose to 'internationalise' itself, and how 'late arriving' competitors - from emerging or established markets - may catch up with and overtake longer-established international businesses. Secondly, strategy as *organizational decision making within a political and cultural context*, identifies distinctive aspects of the business and regulatory cultures of North America, the EU, Japan and China. Thirdly, strategy as *adaptability and flexibility of the enterprise*, illustrates how even the largest and most successful international businesses operate in a risk environment containing 'unknown unknowns'.

The course offers scope for developing and applying:

- Analytical skills required by case study analysis;
- Conceptual frameworks as overall guides to explaining the formation of strategies;
- Case studies that broaden the understanding of multinational management issues;

As a result, students will be in an improved position to answer/address the following:

1. What are the dominant characteristics of the international business system, and how do these differ from 'domestic', 'municipal', 'national' and 'local' markets?
2. In what circumstances ought a business to decide whether or not to become a multinational enterprise?
3. How may a firm identify what key competencies, alternative resources and organizational structures are available to it?
4. Why are 'late-movers' able to find competitive advantages in international markets?
5. Why must international firms make rapid responses to technological change?
6. How far should/must international firms respond to differing national cultures or changing approaches to corporate social responsibility?

Assessment

The course will be assessed in five components, each carrying weights given below.

1. *An Individual Business Case Study (IBCS)*, the topic of which must be agreed in advance by the Instructor. In this exercise, the student will research one of the key

issue-areas or concepts developed by the course, and apply this research to an international business (firm, group of firms, sector of the international economy *etc*). From week to week, students will make short in-class *reports* on the development of their research and receive feedback. Each student will briefly (10 minutes) *present principal findings & conclusions* during the final class, receiving feedback from other members of the class, and will then submit a completed write-up of the investigation along case study lines (Guidance on content and format is provided below, and in the Principal Textbook p.62 '*Integrative assignment*'). The completed case study will be due on the same date as the Final Examination in the course.

2. A *Mid-Term Test*. This is a Take-home test which will be handed out in Week 4 and is due for return in Week 5. It will test understanding of Classes 1-3 and the Canary Wharf field trip (Week 4).
3. A *Group Presentation* by pre-assigned groups (20 minutes). The topic will be chosen in advance by members of the group in consultation with the Instructor, and will usually be given during the penultimate seminar, It is designed to stimulate discussion among members of the class. Members of a group will be given the same grade, so it is important for research and presentation tasks to be allocated equitably. One member of the group will liaise with the Instructor and will submit a copy of the transparency masters of the group's presentation.
4. *Seminar Participation* (including *IBCS reports* but not *IBCS principal findings & conclusions* or *Group presentations*) will be assessed on the contribution each student makes to questions and discussions around seminar and lecture topics throughout the course.
5. A Take-home *Final Examination* will test understanding of concepts and empirical materials that have been presented in Course Texts or pre-selected *Case studies*.

Maximum marks for each of the components of assessment (out of 100%) will be awarded as follows:

- | | |
|----------------------------------|-------|
| • Individual Business Case Study | = 30% |
| • Mid-Term Test | = 10% |
| • Group case study presentation | = 20% |
| • Class/Seminar participation | = 10% |
| • Final examination | = 30% |

Grading

Please refer to the Academic Handbook for detailed grading criteria and policies on plagiarism: <http://www.bu.edu/london/current-semester>

* *Final Grades are subject to deductions by the Academic Affairs Office due to unauthorised absences.*

Attendance Policy

Classes

All Boston University London Programme students are expected to attend each and every class session, seminar, and field trip in order to fulfill the required course contact hours and receive course credit. Any student that has been absent from two class sessions (whether authorised or unauthorised) will need to meet with the Directors to discuss their continued

participation on the programme. This may result in the student having to take a medical leave of absence from the programme or withdraw from the programme.

Authorised Absence:

Students who expect to be absent from any class should notify a member of Academic Affairs and complete an Authorized Absence Approval Form 10 working days in advance of the class date (except in the case of absence due to illness for more than one day. In this situation students should submit the Authorised Absence Approval Form with the required doctor's note as soon as possible). **Please note: Submitting an Authorised Absence Approval Form does not guarantee an authorised absence**

Students may apply for an authorised absence only under the following circumstances:

- Illness (first day of sickness): If a student is too ill to attend class, the student must phone the BU London Student Affairs Office (who will in turn contact the student's lecturer).
- Illness (multiple days): If a student is missing more than one class day due to illness, the student must call into to the BU London Student Affairs Office each day the student is ill. Students must also provide the Student Affairs office with a completed Authorised Absence Approval Form and sick note from a local doctor excusing their absence from class.
- Important placement event that clashes with a class (verified by internship supervisor)
- Special circumstances which have been approved by the Directors (see note below).

The Directors will only in the most extreme cases allow students to leave the programme early or for a significant break.

Unauthorised Absence:

Any student to miss a class due to an unauthorised absence will receive a **4% grade penalty** to their final grade for the course whose class was missed. This grade penalty will be applied by the Academic Affairs office to the final grade at the end of the course. As stated above, any student that has missed two classes will need to meet with the Directors to discuss their participation on the programme as excessive absences may result in a 'Fail' in the class and therefore expulsion from the programme.

Lateness:

Students arriving more than 15 minutes after the posted class start time will be marked as late. Any student with irregular class attendance (more than two late arrivals to class) will be required to meet with the Assistant Director of Academic Affairs and if the lateness continues, may have his/her final grade penalised.

Readings

BU Blackboard: Electronic versions of selected weekly readings can be obtained from Blackboard: <http://learn.bu.edu>

Current international business news can be found in such publications as *The Economist* and the *Financial Times* (and their associated web sites) – students are recommended to use these as extra curricular reading, and for selecting/developing Case Study work.

Copies of the main course textbooks, from which readings and case studies will be drawn, are held in the University Library:

Principal textbook

Johnson, G *et al* (2014) *Exploring Strategy: Texts & Cases* (10e), Pearson

Supplementary texts

Bartlett C,
Ghoshal S &
Beamish P (2009) *Transnational Management* 5e, McGraw-Hill

Roberts, R (2004) *The City: A Guide to London's Global Financial Centre*,
Profile Books

Rugman A &
Collinson S (2009/12) *International Business* 5e/6e, FT Prentice Hall (Pearson)

Abbreviations: JG = Johnson (Chapter); JGCS = Johnson (Case Study);
BGB = Bartlett, Ghosal & Beamish (Chapter); BGBCS = BGB
(Case Study); BGBR = BGB (Reading); RR = Roberts (Chapter);
RC = Rugman & Collinson (Chapter); RCCS = Rugman & Collinson
(Case Study)

Chronology of Classes

LECTURE SEQUENCE	TOPIC	TEXTBOOK CHAPTER/READING
22 February LECTURE 1:	12:30-4:30pm (Dr Hugh Macdonald) Introduction to Course & Expectations; The Strategic Environment of Business	JG 2
SEMINAR 1:	<i>How far would you agree with the framework advanced by Johnson <u>et al</u> in Chapter 2?</i>	

29 February	12:30-4:30pm (Dr Hugh Macdonald)	JG 5
LECTURE 2:	Business Strategies and Cultures	JG ‘Commentary on
SEMINAR 2:	<i>How far do you agree that firms’ strategies are Shaped by a ‘cultural web’?</i>	Part 1’
7 March	12:30-4:30pm (Dr Hugh Macdonald)	JG 8
LECTURE 3:	International Strategy	BGBR 1-3
SEMINAR 3:	<i>Why do firms become international?</i> <u>Supplementary Text:</u> <i>Going global – lessons from late-movers</i>	
14 March	12:30-4:30pm (Dr Hugh Macdonald)	
LECTURE 4:	Briefing & Handout Mid-Term Test	
SEMINAR 4:	<i>Field Trip: CANARY WHARF WALK</i> with Prof. Andy Charlton	
21 March	12:30-4:30pm (Dr Hugh Macdonald)	
LECTURE 5:	Economic Development: Public Goods, Welfare & Firms’ Strategies	
SEMINAR 5:	<i>International business and the development of Canary Wharf</i>	
4 April	12:30-4:30pm (Dr Andrey Jichev)	
LECTURE 6:	Mergers, Acquisitions & Strategic alliances: The European Union (EU)	JG 8
SEMINAR 6:	<i>Business culture & institutional regulation in Europe’</i> <u>Supplementary Texts:</u> <i>Boeing v Airbus, France Telecom, TCL Multimedia</i>	RC 16
		BGBCS 3-1
11 April	12:30-4:30pm (Dr Andrey Jichev)	
LECTURE 7:	Management culture & economic performance in Japan	JG 11
SEMINAR 7:	<i>What accounts for the international business successes & failures of Japanese firms?</i> <u>Supplementary Texts:</u> <i>International business strategy in a Japanese context; Renault/Nissan</i>	JG 10
		JGCS (p.357)
		RC 17
		BGBCS 6-2
12 April	12:30-4:30pm (Dr Andrey Jichev)	
LECTURE 8:	Doing business in China: Chinese business abroad	
	<i>How does China’s way of doing</i>	

SEMINAR 8: *business compare?*
Student Presentations of *GCS*

18 April **12:30-4:30pm (Dr Andrey Jichev)**
LECTURE 9: The Multinational Enterprise: Is all Business becoming International?

SEMINAR 9: Student Presentations of *IBCS Findings & Conclusions*

21 April **FINAL EXAMINATION DUE DATE**
The Final Exam in this Course will be a Take-home Paper, which will be given to students two weeks before the due date.

***Contingency Class Date: Wednesday 20th April.** Students are obligated to keep these dates free to attend class should any class dates need to be rescheduled.

Case Studies

These Notes provide guidance for the most important Coursework Assignments in IR 427 - the preparation of an Individual Business Case Study (IBCS) over several weeks; the preparation of a Group Case Study (GCS) for in-class presentation; and the pre-preparation of a Case Study for the Final Exam. The Principal Textbook by Johnson *et al* provides an additional outline for the IBCS exercise in the *Integrative assignment* (p.62)

What is a Case Study?

A case study is a process or record (often but not necessarily compiled throughout a considerable stretch of time) in which detailed consideration is given to the development of a particular matter over time. For present purposes the case study must be compiled quite swiftly, although the subject matter may cover a considerable period of time.

The ‘matter’ considered is a particular international business, group of businesses or business sector, which should meet textbook criteria for a Multinational Enterprise (MNE).

The ‘process of detailed consideration’ is about describing and analysing business strategy or behaviour, or at least in some aspects of it, within the chosen business, group or sector, in order to ‘test’ that against one or more of the concepts developed *via* textbooks and teaching in the course.

The ‘over time’ aspect of the research may relate either to the historical development of the business, group of firms or sector where its current strategic orientation is the main issue; or to the future when the main issue is whether or not some current/emerging aspect of its operations are being analysed for their viability or appropriateness.

It is possible that the IBCS will examine the business with which an individual student is undertaking work experience, but this is an option and not a requirement. Other international businesses that might prove suitable are introduced in case studies and readings in textbooks *etc.* In such cases, your study will be required to take forward through further independent

research information and issues found in these sources. In all cases, you should discuss your preliminary ideas with the Instructor.

What will my IBCS need to cover?

Your IBCS will need to do the following things:

1. Identify the international business to be given detailed consideration, including (a) basic information about its main activities and functions (b) the competitive sector(s) of the international economy in which it operates (c) its scale and scope of operations across the international economy (d) its 'home base' and headline financial results.
2. Consider whether and to what extent the international business you are studying meets the benchmarks laid out in the two main textbooks for distinguishing the contemporary MNE from other and earlier types of international business.
3. Consider to what extent the 'three correlates' of external forces shaping international business strategies (global/technological; regional/cultural; national/country specific) can be identified in the case concerned.
4. Seek to determine which of these external forces most strongly shapes the firm.
5. Consider to what extent the 'three modes of strategy' (analysis & planning; organisational decision-making in a political & cultural setting; pragmatic adaptation & flexibility) can be identified in the case concerned.
6. Seek to determine which of these internal modalities most strongly shapes the firm.
7. Summarise the arguments/concepts applied to the international business that has been given detailed consideration, and indicate the extent to which they have proved applicable.
8. Summarise the evidence considered and, as appropriate, the extent to which it fits or fails to fit into conceptual analysis.
9. Indicate conclusions.

How do I structure my IBCS?

Your original work and your freedom to express evidence and judgements as you see fit are important. Hence, the structure of your IBCS is for you to determine. You may choose to write your IBCS along the lines of a *Report* (similar to an Essay) which might include data, appendixes *etc.* You might prefer to compile a *PowerPoint Presentation* which includes visual and/or audio visual material. You will, however, follow the above guidelines; you will show understanding of the concepts developed in texts and class discussions; you will provide appropriate references and sources for evidence you deploy; and your IBCS will have a short Introduction, several substantive sections in which you deploy evidence & concepts; and you will summarise and conclude on the overall process of research and detailed consideration.

Is there a guideline length for my IBCS?

Yes – Approximately 3,500 words or a PPP equivalent of 25 Slides. This guideline length does *not* include tables, data, references *etc* whether these are located as appendixes or placed in the body of the text/slides/under-slide notes.

Group Case Studies (GCS) and Scenarios for the Final Exam

These are designed as learning devices *via* Textbook private study and in-Class seminar discussion so as to:

- Enhance your ability to *derive knowledge & information* from examining a practical context.
- Test your abilities to *address problems* in a *logical, analytical, practical and systematic manner*.
- Develop your skills in assessing the significance of *incomplete* information.
- As most case studies are to a greater or lesser extent *open-ended* in at least some of their ‘conclusions’, these help develop your skills in testing *hypotheses*, and tend to generate debate as well as firm ‘findings’.

It follows that the student learning from Case Study work needs to:

- *Adapt* and *apply* pre-existing knowledge and concepts to the issues that the Case Study or Case Reading discusses.
- *Identify problems* rather than propound perfect solutions.
- Employ a *flexible* approach to what can be learnt from the Case Study or Reading.
- Consider *alternative outcomes to given scenarios* and state these where appropriate.
- Look for practical recommendations.

Preparing for & participating in Class discussion of case studies:

1. Skim read the case to get an overview of the “story/situation” being analysed;
2. Re-read the case more thoroughly to identify/analyse key facts/issues;
3. Review data and any other ‘exhibits’ within the case study;
4. Decide what the strategic issues are and how these can best be articulated.
5. Read questions attached to the Case Study/Reading and match these to the data/exhibits in the case;

On presenting your Case Study you should expect the following:

1. The Instructor assumes the role of questioner, listener and devil’s advocate;
2. Other members of the Class will offer observations and/or raise questions about what you have state;
4. Challenges may emerge to your stated conclusions/recommendations.



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PRESENTATION GRADE SHEET

Case Study: _____ **Subject:** **International Business Strategy (Elective B)**
Professor's Name: _____ **Level:** **UG**
Date & Time: _____ **Seminar Session Number:** _____

FORM:

Presentation Clarity (Communication verbal/written) _____/5
Presentation Logic _____/5
Presentation Visual Aids _____/5
Timing _____/5

CONTENT

Evidence of reading and researching the topic / case (Depth/Breadth) _____/10
Evidence of Analysis of "issue/problem" (Depth /Breadth) _____/15
Evidence of Logic to arguments _____/15
Knowledge and application of concepts _____/15
Evidence of value - added by student around topic
(e.g. links with other conceptual areas of study) _____/15
Response to questions _____/10
TOTAL: _____%