



CENTRAL EUROPEAN UNIVERSITY

BUSI 5312

Global Business - EMBA

Fall 2016 (1.5cr)

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COURSE DESCRIPTION

This course provides practical lessons on how to prepare for and address globalization. Too often even the best strategic plans fail because local cultural, governmental, geographic and economic factors have not been properly addressed. This course offers a cross-disciplinary perspective to prepare participants to succeed in executing global strategies. Real-world proven steps, tools and frameworks prepare students to align leadership and their organizations to succeed in an increasingly global environment. Through research and analysis of dynamic current cases and articles about leading global companies, students learn to analyze alternative implementation approaches, taking into consideration critical contextual factors. The course integrates international business, inter-cultural management, global leadership and ethical lessons as it explores geo-graphic expansion and implementation strategies in developed as well as emerging markets.

Among the critical questions addressed in the course are:

1. Why and how do firms globalize? What if they don't? And what challenges do they face in transferring competitive advantages across borders?
2. How to turn global presence into global competitive advantage, including leveraging cultural differences, capitalizing on local resources, balancing

cooperation and competition with local firms, and building relations with host governments and customers?

3. How do global firms exploit their global presence to create new competitive advantages, in matters such as promoting efficiency, developing talent, sourcing flexibly, exploiting scale, and fostering innovation?

Topics Covered:

1. Assessing Implementation of Global Strategies
2. Resources and Capabilities - global value chain configuration
3. Successfully Executing Global Market Entry Strategies
4. Organizational Structures and Designs, Aligning the Organization for Global Success, Managing Change
5. Collaborative strategies, Alliances and Stakeholders
6. Managing Local Operations, Subsidiary Roles, Coordination and Control

PRE-REQUISITES

Key Dimensions of Modern Strategy

READINGS

Yip, G.S. Global strategy in a world of nations? Sloan Management Review, 1989 (13pp)

Ghemawat, Distance Still Matters, HBR Sept 2001 (9pp)

Pustkowski, et al. Why Implementation Matters, McKinsey & Co. August 2014 (3pp)

Collis, D.J. & Montgomery, C.A. (2008). Competing on resources. Harvard Business Review, 2008 (10pp)

Farrell, D. (2004). Beyond Offshoring: Assess Your Company's Global Potential. Harvard Business Review, 2004 (8pp)

Guillen and Garcia-Canal, "Execution as Strategy," HBR Oct 2012 (6pp)

Neilson, et al. The Secrets to Successful Strategy Execution, HBR June 2008 (14pp)

Lawrence, T.B., Dyck, Br., Maitlis, S. & Mauws, M.K. (2006). The Underlying Structure of Continuous Change. MIT Sloan Management Review, 2006 (7pp)

Oxman, J.A. & Smith, B.D. (2003). The Limits of Structural Change. MIT Sloan Management Review, Fall 2003 (5pp)

Beamish, P.W. & Lupton, N.C. Managing Joint Ventures. Academy of Management Perspectives, 2009 (19pp)

Parise, S., Casher, A. Alliance portfolios: Designing and managing your network of business-partner relationships, Academy of Management Executive, 2003 (14pp)

Birkinshaw, J., Bouquet, C. & Ambos, T.C. Managing Executive Attention in the Global Company. MIT Sloan Management Review, 2007 (6pp)

Cases:

Lenovo: A Chinese Dragon in the Global Village (Ivey W13085, 2013-03-27)

ECCO A/S - Global Value Chain Management, HBR, 2008, 908M14-PDF-ENG

Samsung Electronics: Global Strategies (IMD-3-2444)

Philips vs. Matsushita: The competitive battle continues, HBR, 910410-PDF-ENG

Eli Lilly in India: Rethinking the Joint Venture Strategy, Ivey Publishing, 904M16-PDF-ENG

Silvio Napoli at Schindler India (A) (0-303-086) Rev. Nov 6, 2006.

LEARNING OUTCOMES

By the end of the course, participants will

Recognize the challenges of successfully implementing global strategies.

Know how to execute sustainable global strategies and how to be successful in today's highly competitive global environment.

Recognize current stages of globalization in both the developed world and emerging markets and how businesses organize to address these changing markets.

Understand and prepare for the current dynamic changes taking place in the world and the shift of growth opportunities to markets in the South and East.

Demonstrate a global mindset in executing strategies by considering local cultural, governmental, geographic and economic factors.

COURSE CONTENT

Class	1	Time	Day 1
Topic	Assessing Implementation of Global Strategies		
Preparation	<p>Yip, G.S. Global strategy in a world of nations? Sloan Management Review, 1989, 31(1): 29-41.</p> <p>Ghemawat, Distance Still Matters, HBR Sept 2001 (9pp)</p> <p>Pustkowski, et al. Why Implementation Matters, McKinsey & Co. August 2014 (3pp)</p>		
Description	<p>Case: Lenovo: A Chinese Dragon in the Global Village (Ivey W13085, 2013-03-27) (16pp)</p> <p>Questions:</p> <ol style="list-style-type: none"> 1. How did Lenovo become a world leader in personal computers so quickly? 2. What kinds of leverage may be used by a computer firm in order to increase (or at least maintain) its margins? 3. What kinds of leverage may be used by a computer firm in order to increase its share of the PC market? 4. Compare Lenovo's geographic sales with the worldwide PC market's geographic distribution. 5. Identify and evaluate the strategy implemented by Lenovo to expand abroad. 		
Class	2	Time	Day 1
Topic	Resources and Capabilities - global value chain configuration		
Preparation	<p>Collis, D.J. & Montgomery, C.A. Competing on resources. Harvard Business Review, 2008 (10pp)</p> <p>Farrell, D. Beyond Offshoring: Assess Your Company's Global Potential. Harvard Business Review, 2004 (8pp)</p>		

Class	1	Time	Day 1
Description	<p>Case: ECCO A/S - Global Value Chain Management, HBR, 2008, 908M14-PDF-ENG</p> <p>Questions:</p> <p>Describe the competitive environment of ECCO and determine how well ECCO is positioned (vis-à-vis the competitors) to take advantage of changes in the industry.</p> <p>Analyse ECCO's global value chain. How well does this configuration match the drivers in the industry?</p> <p>ECCO has a fully integrated vertical value chain. What are the pros and cons of this strategy? What economic and strategic factors should be analysed to answer this question?</p> <p>Is ECCO following the inside-out or outside-in strategic perspective? What are the implications of this choice and how can ECCO increase their sales/marketing efforts?</p>		
Class	3	Time	Day 2
Topic	Successfully Executing Global Market Entry Strategies		
Preparation	Guillen and Garcia-Canal, "Execution as Strategy," HBR Oct 2012 (6pp)		
Description	<p>Case: Samsung Electronics: Global Strategies (IMD-3-2444) (17pp)</p> <p>Questions:</p> <p>What recommendations would you make to Chairman Lee regarding Samsung's response to the threat of large-scale Chinese entry?</p> <p>What were the factors that led to Samsung's dramatic rise over the past 20 years?</p> <p>What are the sources of Samsung's cost advantage?</p> <p>What are the sources of Samsung's price premium?</p> <p>What will be the most essential steps to implement the Global Strategies for the immediate future?</p>		

Class	4	Time	Day 2
Topic	Organizational Structures and Designs, Aligning the Organization for Global Success, Managing Change		
Preparation	<p>Neilson, et al. The Secrets to Successful Strategy Execution, HBR June 2008 (14pp)</p> <p>Lawrence, T.B., Dyck, Br., Maitlis, S. & Mauws, M.K. The Underlying Structure of Continuous Change. MIT Sloan Management Review, 2006 (7pp)</p> <p>Oxman, J.A. & Smith, B.D. (2003). The Limits of Structural Change. MIT Sloan Management Review, 2003 Fall (5pp)</p>		
Description	<p>Case: Philips vs. Matsushita: The competitive battle continues, HBR, 910410-PDF-ENG</p> <p>Questions:</p> <ol style="list-style-type: none"> 1. How did Philips become the leading consumer electronics company in the world in the postwar era? What distinctive competence did they build? What distinctive incompetencies? 2. How did Matsushita succeed in displacing Philips as No.1? What were its distinctive competencies and incompetencies? 3. What do you think of the change each company has made to date-the objectives, the implementation the impact? Why is change so hard for both of them? 4. What recommendations would you make to both companies' CEOs? <p>(Optional) Case Flash Forward: Philips versus Matsushita; The Competitive Battle Continues (Matsushita)</p> <p>(Optional) Case Flash Forward: Philips versus Matsushita; The Competitive Battle Continues (Philips)</p>		

Class	5	Time	Day 3
Topic	Collaborative Strategies, Alliances and Stakeholders		

Class	5	Time	Day 3
Preparation	<p>Beamish, P.W. & Lupton, N.C. Managing Joint Ventures. Academy of Management Perspectives, 2009 (19pp)</p> <p>Parise, S., Casher, A. Alliance portfolios: Designing and managing your network of business-partner relationships, Academy of Management Executive, 2003 (14pp)</p>		
Description	<p>Case: Eli Lilly in India: Rethinking the Joint Venture Strategy, Ivey Publishing, 904M16-PDF-ENG</p> <p>Questions:</p> <ol style="list-style-type: none"> 1. Did Eli Lilly pursue the right strategy to enter the Indian market? 2. Carefully consider the evolution of the joint venture. Evaluate the three successive IJV leaders. Identify the unique challenges faced by each. 3. How would you assess the overall performance of the IJV? What did the partners learn from the IJV? 4. What action would you recommend regarding Ranbaxy partnership? What are the implications of your recommendation? How would you implement this? 		

Class	6	Time	Day 3
Topic	Managing Local Operations, Subsidiary Roles, Coordination and Control		
Preparation	<p>Birkinshaw, J., Bouquet, C. & Ambos, T.C. Managing Executive Attention in the Global Company. MIT Sloan Management Review, 2007 (6pp)</p>		

Class	6	Time	Day 3
Description	Case: Silvio Napoli at Schindler India (A) (0-303-086) Questions: 1. Was Silvio the right choice for general manager of Schindler's India operations? 2. As Luc Bonnard how would you evaluate Silvio's first seven months as general manager of the Indian company? What advice would your offer? 3. What advice would you give Silvio regarding his decision on the nonstandard glass wall elevator that has been ordered? 4. How should he deal with the challenges he is facing over transfer prices and limited technical cooperation from the European plants?		

ASSESSMENT

There are three elements to assessment:

1. Final Paper (50% of total grade)

Based on a case study to be distributed at the end of the course, you will write a final individual paper drawing on the topics covered in the course. The case study will be a capstone one and you will be expected to synthesize the core concepts developed throughout the course.

2. Group Work (25% of total grade)

A randomly chosen group (3-4 participants) will manage the discussion of the case questions. The remaining groups will contribute by challenging the initial position of the group.

The group work will be graded on the adequacy of issues raised; the analysis offered; the ability to involve group members in the discussion and to listen to others. Students should avoid dominating the discussion without doing a good job of listening to others.

3. Quiz (25% of total grade)

The quiz will cover all sessions of the course. It is intended to assess and reinforce participants' understanding of the course concepts and help them apply the knowledge to practical problems.

Poor attendance is a sure-fire way of doing badly. Please make sure that at least you show up for class.

CLASS PARTICIPATION

Excellent Performance (Grade-A)

- initiates information relative to topics discussed
- accurately exhibits knowledge of assignment content
- demonstrates excellent listening skills by remaining on the "same page" as the rest of the class as demonstrated by comments
- brings up questions that need to be further explored
- clarifies points that others may not understand
- draws upon practical experience or personal opinion, as appropriate
- offers relevant/succinct input to class
- actively participates in simulations and classroom exercises
- demonstrates the ability to apply, analyze, evaluate, and synthesize course material
- prepares all assignments on time, thoughtfully

Good Performance (Grade-B)

- regularly participates in class discussions
- shares relevant information
- gives feedback to classroom discussions
- consistently demonstrates knowledge of reading assignments
- demonstrates ability to analyze/ apply course material
- demonstrates willingness to attempt to answer questions
- prepares all assignments on time, with some thoughtfulness

Fair Performance (Grade-C)

- participates in group discussion when solicited
- demonstrates some knowledge of course material
- offers clear, concise information relative to class assignment
- offers input, but tends to reiterate the intuitive
- attends class regularly
- prepares most assignments on time with some thoughtfulness

Poor Performance (Grade-D)

- occasional input, often irrelevant, unrelated to topic or fails to participate, even when specifically asked
- reluctant to share information
- does not follow the flow of ideas
- drains energy from class goals
- behaves toward others in a disruptive fashion, for example, sarcastic comments aimed at others who are attempting to participate
- does not attend class regularly
- fails to prepare assignments on time or with thought
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- Class participation, particularly in the discussion of cases, is important. Students must be prepared to raise questions, as well as actively participate in discussions.

ACADEMIC INTEGRITY

Engaging in academic dishonesty, besides being unethical, is degrading to both the student committing the act and insulting to the professor and other students. As such it will not be tolerated.

Plagiarism: Reproduction or adoption of ideas or statements of others without appropriate acknowledgement is totally unacceptable – quality and accurate referencing is a necessary skill for any student to develop (web addresses should be cited!).

I use **turnitin.com** to check for plagiarism.

BIOGRAPHY OF COURSE INSTRUCTOR

Dr. Desislava Dikova is Professor in International Business CEE focus at WU Wien/ Vienna University of Economics & Business. She previously held positions at the University of Groningen, the Netherlands and King's College London, the UK. She earned her doctorate degree from the University of Groningen, the Netherlands, an Executive Master in International and European relations from the University of Amsterdam, the Netherlands and a Master of Science in International Economics from the Academy of Economics D.A.Tzenov, Bulgaria. Desislava Dikova is the Editor-in-chief of the Journal of East West Business (published by Taylor Francis) and has been a member of the editorial board of the Journal of International Business Studies since 2007 and serves as an ad-hoc reviewer for multiple journals such as International Business Review, Thunderbird International Business Review, Organization Studies, Journal of Management Studies and others. For her outstanding research she has been awarded twice the Academy of Management Best Reviewer Award (2007, 2009), the 2009 WAIB Emerald Award for Highly Commended Paper, she has also been the Academy of International Business Best

Paper Nominee in 2009, and the Academy of Management International Management Best Paper Finalist in 2006 and 2008.

Publications and Research

Dikova's research interests center on the strategic management of globally dispersed organizations. She is particularly interested in understanding the strategic decision-making in both large multinational organizations and small entrepreneurial firms regarding new foreign market penetration and the conduct of sustainable and profitable internationalization strategies. Her research agenda comprises of three major areas: First, foreign market entry- and establishment modes which examines a complex set of external and internal determinants of internationalization strategy choices, along the lines of foreign ownership and establishment mode choices taken primarily in transition or emerging economies. Second, internationalization of young firms and performance implications—this area examines the internationalization drivers and international strategy choices of young entrepreneurial firms from developed and emerging economies. Third, merger and acquisition organizational dynamics—the focus is on firm-, environmental- and management characteristics as factors determining M&A activity and subsequent organizational performance. Dikova's work has been published in leading IB and strategy journals such as *Journal of International Business Studies*, *Journal of Management Studies*, *Journal of International Marketing*, *Journal of World Business*, *Management International Review* and *International Business Review*.

Teaching experience

Extensive teaching and executive education experience such as Vienna residency of Executive MBA class of Sun Yat-Sen University (SYU) Guangzhou (China), DePaul University College of Law (USA) summer program in Vienna, University of Amsterdam, Ljubljana University, IBS Vilnius (Lithuania), Moscow State University, Western Washington University, USA. Dikova currently teaches in the CEMS MIM program at WU Wien, and was awarded the CEMS Best Teaching Award 'CEMS Strategy Course of the Year 2013-2014' across all 30 CEMS Schools.