Course Objectives

In this course we will study various issues that are important for understanding the international business environment, with a particular emphasis on the role of multinational businesses. The goal will be to develop an overall perspective and a collection of tools that are useful for understanding and analyzing various problems faced by multinationals. Broadly speaking, the issues will fall under three categories: (1) the global environment within which multinationals operate, (2) the optimal design of an organization that is faced with the sorts of issues confronting multinationals, and (3) tools that are useful for making the types of decisions made by multinationals. We will study issues such as globalization, global sourcing decisions, foreign direct investment, ethics, global strategy, organizational architecture, incentive compensation, entry strategy, strategic alliances, financial management, and leadership. The flow of the course will be roughly evenly divided between readings from the text and case studies.

Course Materials


A reading packet consisting of several case studies. Additional readings may also be handed out during class.

Please see the course web page (listed above) for links relevant to this course.
Course Requirements

Class Participation:
A significant part of your learning in the course will be in the classroom. While attendance is essential, it is in the preparation of the assigned materials and in the ability to make a meaningful contribution to the class discussion that participants will be differentiated upon. I expect you to come to class with some discussion questions.

Exams:
The course will have one mid-term exam and one final exam. Both exams are open-notes and open-book. The mid-term will be a take-home exam, whereas the final exam will be an in-class exam.

Group Project:
One requirement for this course is a group project, which will consist of a roughly fifteen minute presentation to the class during the last week. You are responsible for choosing your own groups, which should comprise a maximum of five people and a minimum of three people. You are also responsible for choosing your own topic from the following list:

[a] a particular company's specific global decision
[b] the global strategy and organization in a particular firm
[c] the analysis of a global industry
[d] possibilities in the 21st century for tomorrow's multinationals
[e] country analysis

If you are unsure concerning the appropriateness of your topic, please ask me. One week prior to your presentation, each group must hand in a list of the group’s members and a one paragraph summary of your topic. A hard copy of your presentation (e.g., powerpoint slides) should be handed to me at the beginning of your presentation.

I will assign a grade to each group project. If you feel that a member of your group has shirked in his or her responsibility, please send me an email. If two or more members of a group send me such an email about a person, then I will downgrade that person’s grade for the project. No one will receive a higher grade than what I assign for the project.

Problem Sets:
During the term I will hand out problem sets to reinforce some of the essential ideas in the class. These problem sets will be graded.

Grading

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tr>
<td>Mid-term exam</td>
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<td>Final exam</td>
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<td>Class participation</td>
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Pre-Reading

For the pre-reading, please read the material for the first daily assignment. As you read the Nokia case, please try to answer the following questions. How did Nokia’s vision that “voice will go wireless” play into its global strategy? How did Nokia achieve a balance between innovation and execution? What organizational architecture did Nokia choose to achieve this balance? How did Nokia encourage innovation? How much of Nokia’s organizational design is due to its focus on innovation and high-growth? Please note that we will mainly be using this case to motivate the types of questions we will be addressing in this course.

Daily Assignments

   Readings: Hill, ch. 1, Globalization.

   Case: Caterpillar Tractor (HBS 5-388-129).

3. Nov. 2: Multinationals and Global Trade Agreements.
   Readings: Hill, ch. 8, Regional Economic Integration.
   Case: Toyota Motor Manufacturing, U.S.A., Inc. (HBS 9-693-019)

4. Nov. 5: Multinational Investments, Outsourcing, and Ethics
   Readings: Hill, ch. 6, Foreign Direct Investment.
   Readings: Hill, ch. 7, Political Economy of FDI.

5. Nov. 9: Formulating a Global Strategy
   Case: Komatsu Limited (HBS 9-385-277)

6. Nov. 12: Choosing an Optimal Organizational Architecture
   Case: The Transformation of BP (LBS, 2001)
7. Nov. 16: Motivating Employees and Performance Evaluation in a Complex Organization  
   Case: Rudi Gassner and the Executive Committee of BMG International (HBS 9-494-055)

8. Nov. 19: Take Home Mid-Term Exam

9. Nov. 23: Entry Strategy and Strategic Alliances  
   Case: Xerox and Fuji-Xerox (HBS 9-391-156)

10. Nov. 30: Financial Management in Multinationals  
    Case: Foreign Exchange Hedging Strategies at General Motors (HBS 9-204-024)

11. Dec. 3: Presentations

12. Dec. 7: Leadership in a Multinational; Course Summary  
    Case: GE’s Two-Decade Transformation: Jack Welch’s Leadership (HBS 5-300-019).