

Global Strategy (MBA)

Mgt 337

Course Syllabus

Spring 2008, Module 2

Faculty

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Course Overview and Purpose

This course focuses on the challenges of developing and implementing corporate strategies in a global setting. It is structured to provide students with a conceptual and practical understanding of the *strategic* and *organizational* challenges of multinational corporate management. Typical questions studied include: What is the essence of what we call "globalization"? What differentiates a "global" from a "multi-domestic" company or industry? How can we size up global opportunity? How do we formulate strategy in a global context? Why and when do/should companies engage in cross-border strategic alliances or mergers and acquisitions? What are the associated risks and how to guard against them? What potential roles do foreign subsidiaries play in a global strategy? How do companies ensure coordination between the headquarters and its subsidiaries, and among subsidiaries? And can a company create and sustain competitive advantage in a global setting?

The course is organized in 7 sessions:

- I. Strategy: Global tectonics and the emerging global context - falling barriers to entry and the obsolescence of traditional strategic perspectives
- II. Strategy: Industry globalization and the international product life cycle; the unconventional tactics of global challengers
- III. Strategy: Creating competitive advantage: Dimensions of global strategy formulation
- IV. Strategy: Standardize or tailor? Global branding
- V. Strategy: Building a global presence
- VI Strategy: Managing in a Global Context
- VII. Ethics in a Global Environment

Course Requirements

In the Classroom

My expectation is that you will come to the class having already read the assigned background reading(s) and already thought through and analyzed the case study, if applicable. This way, we can devote the bulk of the class time to thinking about and responding to each other's analyses of the cases and only the necessary minimum to getting the facts out.

I encourage active student participation in class and take class participation into account in determining course grades. If you are inadequately prepared to lead off the discussion of a particular reading or case, you may: (1) ask before class not to be called on, (2) pass when you are called, (3) "wing it.", or (4) faint. These actions are listed in decreasing order of attractiveness.

My role in the class is to help facilitate discussion. In part, I serve as a clarifier and sometimes an intensive questioner in order to help you present and develop your ideas. One of my primary roles is to manage

the class process and to assure that we collectively reach a clear understanding of the issue at hand.

Clearly, there is no single correct solution to any of these cases. There are, however, wrong solutions and many lessons to be learned. There also is such a thing as weak analysis. Finally, there are solutions and analyses which are ineffective because they are not presented in an orderly and persuasive fashion. We should work together to see to it that each class session is a lively, stimulating, and intellectually rewarding venture in group learning. We are individually and collectively responsible for achieving that end.

Each case has its own integrity and, thus, it stands on its own. You may draw on personal experiences if you believe they are substantive, insightful, and generalizable. Generally, I am not concerned with what was the actual outcome of the case. Such an approach would imply that there is a "right answer". The actual outcome of a situation may or may not reflect a good solution. In those instances where there was a particularly interesting outcome, it will be shared with the class.

Grading/Assignments

Grades are based on three elements: class participation (40%), one case write-up (30%) and a final take-home examination (30%).

Each student is required to sign up for 1 case write-up. This is a **three page, double spaced**, (minimum font size = 12 pts.) paper answering the case questions assigned in the syllabus. The write-up is due at the beginning of the class session at which that case is discussed, and students doing the case write-up are expected to take the lead in the class discussion that day. **A signup sheet will be circulated on the first day of class.**

Papers will be graded on the basis of their thoroughness, accuracy, clarity, conciseness, organization and application of the principles and tools learned in this course.

Additional Guidelines

Attendance is obviously important; other activities ought to be scheduled so as not to conflict with class meetings whenever possible.

Classes will begin on time. I will appreciate it if you are in the classroom before the class starts.

Course Materials

The course packet contains all the readings and cases. You should not research cases on the internet, in the library, or through personal contacts to find out "what happened" or "what the answer is." The learning in this course focuses more on the thought process in analyzing global business situations, not just on the "solutions" per se.

Books

As background, students are strongly encouraged to read one of the following books before the course starts:

The World Is Flat: A Brief History of the Twenty-first Century by Thomas L. Friedman, Updated and Expanded Edition, Farrar, Straus and Giroux, 2007

In Defense of Globalization, Jagdish N. Baghwati, Oxford University Press, 2004 or a later version

Cases and Articles

The course packet should contain the following cases and articles:

The Competitive Advantage of Nations, M.E. Porter, *Harvard Business Review*, March-April, 1990. (Reprint 90211)

Global Wine Wars: New World Challenges Old (A) (9-303-056)

Note: Global Wine Wars (B) (9-304-016) referred to below should be ordered but not included in the case packet; it will be handed out in class

de Kluyver, Cornelis A. and John A. Pearce II, STRATEGY: A VIEW FROM THE TOP, Third Ed., Chapter 8 – Global Strategy Formulation, Prentice Hall, in print (2008)

Whirlpool Corporation (9-391-037)

Samsung Electronics Company: Global Marketing Operations (9-504-051)

Eli Lilly in India: Rethinking the Joint Venture Strategy (Ivey 904M16 – can be ordered through HBS

What is a Global Manager, Christopher A. Bartlett and Sumantra Ghoshal, *Harvard Business Review*, Special Issue, August 2003, Reprint R0308F

Philips vs. Matsushita – A New Century, A new Round (Harvard 9-302-049)

Hitting the Wall: Nike and International Labor Practices (9-700-047)

Schedule

Session 1: Course Introduction; Global tectonics and the emerging global context; Falling barriers to entry and the destruction of traditional strategic perspectives

Reading

Books as recommended

The Competitive Advantage of Nations, M.E. Porter, *Harvard Business Review*, March-April, 1990. (Reprint 90211)

Session 2: Industry globalization and the international product life cycle; the Unconventional Tactics of Global Challengers

Case

Global Wine Wars: New World Challenges Old (A) (9-303-056)
(The (B) case (9-304-016) **to be handed out in class**)

Questions

1. How did the French become the dominant competitors in the increasingly global wine industry for centuries? What sources of competitive advantage were they able to develop to support their exports? Where were they vulnerable?
2. What changes in the global industry structure and competitive dynamics led France and other producers to lose market share to

- challengers from Australia, The United States and other New World countries in the late twentieth century?
3. What advice would you give to the French Minister of Agriculture? To the head of the French wine association? To the owner of a medium-sized well-regarded Bordeaux vineyard making premium wines?
 4. What advice do you have for Australian government officials? wine producers?

Session 3: Creating competitive advantage: global strategy formulation

Reading

de Kluyver, Cornelis A. and John A. Pearce II, STRATEGY: A VIEW FROM THE TOP, Third Ed., Chapter 8 – Global Strategy Formulation, Prentice Hall, in print (2008)

Case

Whirlpool Corporation (9-391-037)

Questions

1. Should Whirlpool go into Europe at this time? Why or why not?
2. Can Whirlpool really gain significant competitive advantage from becoming a global player? How?
3. What does Whirlpool bring to the table? Is Philips a good partner? Why?

Session 4: Global marketing and branding

Case

Samsung Electronics Company: Global Marketing Operations (9-504-051)

Questions

1. What are the ingredients of SEC's corporate turnaround strategy?
2. How strong is the Samsung brand? Can it pass Sony in terms of recognition/ranking?
3. As Chief marketing officer, what are Kim's role and responsibilities? How has he built his influence?

Session 5: Joint Venture and Alliances

Case

Eli Lilly in India: Rethinking the Joint Venture Strategy (Ivey 904M16 – can be ordered through HBS)

Questions

1. Did Eli Lilly pursue the right strategy to enter India?
2. Evaluate the evolution of the joint venture; its three successive leaders. What do you conclude?
3. How would you rate the overall performance of the JV? What did the partners learn?
4. What would you recommend regarding the Ranbaxy partnership? How would you implement your recommendations?

Session 6: Strategy: Managing in a Global Context

Readings

What is a Global Manager, Christopher A. Bartlett and Sumantra Ghoshal, *Harvard Business Review*, Special Issue, August 2003, Reprint R0308F

Case

Philips vs. Matsushita – A New Century, A New Round (Harvard 9-302-049)

Questions

1. How did Philips become the leading consumer electronics company in the world in the post war era?
2. What distinctive competence did they build? What distinctive incompetencies?
3. How did Matsushita succeed in displacing Philips as No. 1.
4. What were its distinctive competencies and incompetencies?
5. What do you think of the change each company has made to date – the objectives, the implementation, the impact?
6. Why is change so hard for both of them?

Session 7: Ethics in a Global Environment

Case:

Hitting the Wall: Nike and International Labor Practices (9-700-047)

Questions:

1. Does Jeff Ballinger have a convincing argument about Nike? Does Nike have a convincing response?
2. How well has Nike handled the publicity surrounding its labor practices?
3. What is a “fair wage” in Vietnam? How should Nike think about it?

About the Instructor

Cornelis A. "Kees" de Kluyver is the Masatoshi Ito Professor of Management at the Peter F. Drucker and Masatoshi Ito Graduate School of Management at Claremont Graduate University. Until recently, he served for seven years as the Henry Y. Hwang Dean of the School and as Executive Director of the Peter F. Drucker Research Library and Archives.

His professional experience includes over thirty years in academe and management consulting. Prior to coming to Claremont Graduate University, he was Dean and Professor of Management at the School of Management at George Mason University, in Fairfax, Virginia. Earlier in his career, he was a partner with Cresap Management Consultants, a Towers Perrin Company, in the firm's strategy and organizational effectiveness practice. In this position, he served a wide range of clients in the high technology and service industries on a range of strategy issues including the globalization of multinational operations.

His academic career includes several other academic appointments; as Professor of Business Administration as the Colgate Darden Graduate School of Management at the University of Virginia; as Associate Professor of Management at the Krannert Graduate School of Management at Purdue University; and as Senior Lecturer in Operations Research at the University of Canterbury, Christchurch, New Zealand.

Dr. de Kluyver's areas of research include global strategy and corporate governance. He has published extensively in the areas of Operations Research, Marketing, and Strategic Management and his writings can be found in such journals as Management Science, the Journal of Marketing Research, the European Journal of Operational Research, the Sloan Management Review, and Long Range Planning. His second book STRATEGY: A VIEW FROM THE TOP (with John A. Pearce II, published by Prentice Hall) is in its second edition and was translated in Spanish, Portuguese, Japanese, Korean, and Chinese.

Dr. de Kluyver continues to serve on a number of corporate and philanthropic boards. He served on the first Blue Ribbon Commission on Executive Compensation convened by NASD, which focused on developing standards for stock option grants. He recently joined the U.S. Institute, an Advisory Board convened by Institutional Investor,

Inc., which deals with on governance-related changes in the Asset Management Industry.

He is a frequent speaker to professional audiences, and holds a Ph.D. in Operations Research from Case Western Reserve, an MBA for the University of Oregon and undergraduate degrees from the University of Oregon and the Netherlands School of Business.