

**Course:** BE 526: Competing in the Global Economy

**Time/Loc:** Tue/Thur 10:30 – 12:20pm / PCAR 392

**Office Hours:** Tue 3:15-4:15 pm, Thu 9:15-10:15 am, or by appointment

<b>Professor:</b> German Gutierrez, Ph.D.	<b>TA:</b> Hossein Poorvasei, <a href="mailto:hp21@uw.edu">hp21@uw.edu</a>
<b>Office:</b> Paccar 437	
<b>Email:</b> <a href="mailto:gg39@uw.edu">gg39@uw.edu</a>	

## INTRODUCTION

Markets are global in scope and you will increasingly need a global perspective to be competitive as a firm and as a professional. It is unlikely that suppliers, competitors, and customers will solely be domestic. Furthermore, regulations, constraints, and competitive landscapes continue to evolve and will face periods of rapid change, often without warning. Leaders of tomorrow must be prepared to identify and seize opportunities and overcome obstacles, and to do so quickly.

In this class, we will explore how purely domestic operations differ from global ones and begin to develop the skills and traits that will help you be successful in the globalized business environment. These professional competencies are critical for high potential executives, whether they aspire to positions in foreign locations or not. The course will span topics ranging from the internationalization process to the operation of complex global operations, as well as the business models of emerging conglomerates of the digital economy. We will consider opportunity identification, the importance of monitoring regulatory and competitive environments, and the power of adaptability.

The class's assignments will emphasize the importance of clear and concise communications. We will discuss strategies for structuring communications that are commonly used in the consulting industry with the goal of teaching you to "write like a consultant".

## LEARNING OBJECTIVES

Students should emerge able to:

1. Understand, identify, assess and project global trends; determine how these trends give rise to business opportunities or threats; and develop strategies and action plans to exploit those opportunities or mitigate those threats
2. Communications: an (improved) ability to write clear, well-structured communications

## LEARNING APPROACH

The course must be highly interactive to work. Our model of learning is: Watch one, do one, teach one. In classes that stop with the first step, students gain only a cursory understanding and short-lived knowledge. The second step pushes the student to apply and analyze using that knowledge. In the third step students anticipate questions and question individual assumptions/biases. It leads to the ability to reflect on (evaluate) the material and, it is hoped, to identify opportunities to generalize and integrate.

Specifically, we will:

- Watch one: learn from articles and short lectures on various materials
- Do one: apply frameworks to cases, prepare answers/analyses

- Teach one: group work, case discussions, compose (write) your ideas to convince (teach) others

The approach in this course is intentionally designed:

1. Cross-industry and cross-disciplinary cases: we use cases across many industries and disciplines to develop a broad understanding of the world, and to allow you to apply what you learn.
2. New and old cases: Certain older cases illustrate timeless concepts. Others are new/timely.
3. Adaptable: We **will** change things to suit. When learning is sufficiently “complete”, we can move on. We will adapt and cover adjacent topics that are of interest. THIS IS INTENTIONAL – We are not “OFF TOPIC”.
4. Participatory: Business (and life) is not a spectator sport. The “teach one” step involves you adding value to the class by participating, arguing, and conveying your ideas. Everyone must do so.
5. Preparation is necessary: Prepare or fail. Show up to a meeting unprepared and your boss will fire you.

## GRADING/ASSESSMENT

Grades are assessed per assignment and weighted as shown. If needed, final grades will be curved up or down to resemble Foster norms for the level of course. Assessment is intended to map to the learning objectives to your contribution to the learning approach. In short:

Individual case write-ups (pick $\geq 1$ from Lada, Li & Fung, Cemex, Chiquita)	20%
Group case write-up (pick $\geq 2$ from Domino's JP, Toyota Tsusho, Amazon)	40%
Professionalism/participation	20%
Final exam (written, individual, case)	20%

### *Due date*

**Assignments are due at midnight on the day prior to the in-class discussion of the case.** For example, we will discuss “Lada do Brazil” on April 11. If you choose to complete this case as an individual write-up, it must be submitted through Canvas by 11:59 pm on April 10.

### *Late assignments*

**If an assignment is late but submitted before the start of class, it is -25%. After the start of class, it is -50% from the assessed score.**

### *Individual case write-ups*

These will be in the form of a professional memo, single-spaced, one-page max + exhibits. We will discuss a template and writing approach in class on session 4. You must do at least one, but can complete up to three. If you complete more than one, I will choose the **highest** score.

### *Group case write-up*

These will be in the form of a professional memo, single-spaced, two pages max + exhibits. Your group must complete at least two, but can complete three. If you complete all three, I will **average** the scores (not choose the best two). Choose your own group of 3 people.

### *Professionalism/participation*

I use random call lists – “random draw, with replacement”, meaning you might be called several times in a class, or not at all. I may use it to “open” the case and for the first few questions, but then will open the discussion to anyone who

has value to add or good questions. **Each student gets one (per course) "get out of jail free" card. If you notify me before class, I will not call on you and you will not get knocked for not participating that day.**

The metric: your goal is to add value to the discussion when called upon **whether or not** you have the "right" answer (there may not be one). My recommendations:

1. Make it obvious that you prepared the case.
2. Answer the question as best you can or add something of value that might help the rest of us answer it.
3. Do not answer other (written) questions that others will be expected to address later.
4. Be concise, but thorough.
5. Be logical and structured. Good frameworks are MECE (ask me if you don't know).
6. Be data/evidence-driven. Opinions are nice...data are sublime.
7. Be constructive and nice in addressing other students or their comments.
8. It is ok to differ/counter the analyses of others.

Grading works like this whether called upon or if you volunteer. I am (positively) biased when you volunteer:

4=(RARE) super value-added "aha" moment comments, creative and thorough evidence-based analyses  
3=commentary/insights are the results of (correct) analyses beyond facts, adds value, incorporates readings  
2=expected commentary, shows preparation, limited to factual evidence with some insightful analyses  
1=wandering commentary, lack of evidence, shows shallow preparation  
0=absent, unprepared, clueless answer, distracting, unprofessional, rudeness (esp. related to a peer), not engaged, no camera, clearly doing something else...  
Null=no grade, does not help or hurt average

Your grade is an average of your scores (0-4) received. These scores will be curved such that the best score = 100%.

### *Final Exam*

This will be an individual written case analysis. It will be done during the scheduled final exam date/time.

### **PROFESSIONALISM/POLICIES**

I expect you to treat this class as you would a professional responsibility.

- **Communication.** Email is best. I try to answer emails quickly. If I do not answer within 24 hours, re-email me. Please be professional and give me the context needed to answer you (e.g., enough data to answer the question).
- **Canvas.** Files will be posted and re-posted to Canvas as (and if) adjustments are made.
- **Syllabus/Dates.** Things will likely change. I want to adapt to suit your needs in case we need to spend more or less time on certain topics. The latest will be posted on Canvas.
- **Electronics.** DO NOT USE phones, other apps, or other electronics during class. Take them off the desk. Turn phones off altogether. Check it at break. There will be times that I ask you to use certain devices to get data, investigate things, read articles, etc. Nearly every study shows that devices whether for notes, viewing slides, etc. detract from learning. You will learn less...tuition wasted.
- **Attendance** is expected. You will learn less if you are not here and engaged. Notify me if you must miss/depart early. If you must be gone, ***you should write up the case (one-page max, memo) and submit it before the class.*** If this is one of the assigned write-ups, you must write up a different case on the subsequent day. If competently done, you get a 2.0 for participation for the missed class, otherwise, you get a zero (negative grade effect). ***You are only allowed a max of two of these make-up write-ups, then zeros.*** The late policy penalties apply.

- **Timing.** Show up on time. I will as well. Let's work together to identify appropriate break times and class end times. Sometimes we get on a roll (finance is ridiculously fun) and lose track. A heads-up is appreciated. If we achieve the learning objectives and have exhausted the materials, we might end early.
- **Office Hours.** (times listed) Keep it brief, professional. I am here to help. If there are no other students waiting, and class-related topics are clear, etc., I am happy to discuss careers, etc. I want you to be employable and will offer advice/counsel to that end.
- **Plagiarism/cheating.** There is a code of conduct. Do not lie, cheat, steal, plagiarize, etc. Do not refer to or use case solutions (e.g., B cases). It is cheating and you will learn less. Violations will be reported and your reputation matters (at UW and in business).
- **Disabilities and DRS.** If there are accommodations that need to be made, notify DRS and we will address it.
- **Religious Accommodation.** Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at [Faculty Syllabus Guidelines and Resources](#). Accommodations must be requested within the first two weeks of this course using the Religious Accommodations Request form available at: <https://registrar.washington.edu/students/religious-accommodations-request/>

## MATERIALS

ARTICLES: Most articles for the course will be posted on Canvas.

CASES: All cases will be available via HBS electronically. Selected articles will also be available through HBS.

TEXT: Not required, but some good reference texts on the topics we cover are

Bartlett C., and Beamish P., "Transnational Management – Text and Cases in Cross-Border Management", and Beamish, et al, "International Management, Text and Cases"

"The Minto Pyramid Principle" (PDF available online).

## MODULES and DAY-BY-DAY TOPICS

Date	Session
Mar 28 – T	1
Mar 30 – R	2
Apr 04 – T	3
Apr 06 – R	4
Apr 11 – T	5
Apr 13 – R	6
Apr 18 – T	7
Apr 20 – R	8
Apr 25 – T	9
Apr 26 – R	10
May 02 – T	11
May 04 – R	12
May 09 – T	13
May 11 – R	14
May 16 – T	15
May 18 – R	16
May 23 – T	17
May 25 – R	18
May 30 – T	19
Jun 02 – R	20
Jun 09 (registrar sets time/room)	FE

### Module 1: International Context

S1	Introduction	
S2	Setting the Table	<p><b>Article:</b> Global Competition and the Localization of Competitive Advantage</p> <p><b>Case:</b> Asea Brown Boveri, HBS 9-192-139</p> <p>Q: Evaluate Barnevik's performance</p> <p>Q: Evaluate his strategy</p> <p>Q: Evaluate the org structure</p> <p>Q: Describe working as a front-line manager at ABB</p>

### Module 2: Economic Systems: how rules and global trends generate business opportunities

S3	China: catching up to the frontier through trade	<p><b>Article (opt):</b> Porter's Competitive Advantage of Nations (HBS)</p> <p><b>Case:</b> China "Unbalanced", HBS: 9-711-010</p> <p>Q: Summarize, characterize, assess (pro/con) Chinese government strategy for:</p> <ol style="list-style-type: none"> <li>During Deng Xiaoping</li> </ol>
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		<p>2. Around WTO entry 2001      3. During/following financial crisis 2008</p> <p>Q: Porter's diamond: what aspects are helping or hindering China for each of:</p> <ol style="list-style-type: none"> <li>1. Factor conditions</li> <li>2. Demand conditions</li> <li>3. Related and supporting industries</li> <li>4. Firm strategy, structure, and rivalry</li> </ol> <p>Q: Which problems is China facing that threaten continued development?</p>
S4	Minto Pyramid Principle	<p><b>Article:</b> The Pyramid Principle, ch. 1-3</p>
S5	Brazil: how businesses can profit from global trends	<p><b>Article (opt):</b> The Controversy over Free Trade  <b>Case:</b> Lada do Brazil, HBS: 9-392-122</p> <p>Q: Evaluate Lada's performance. What issues does Lada face in Feb 1992?      Q: Evaluate threats to Lada.      Q: What do you recommend?      Q: What lessons are there from liberalization?</p>

### Module 3: Business Models: developing a competitive advantage through global business models

S6	Sources of competitive advantage in "traded" industries	<p><b>Article (opt):</b> Have you restructured for Global Success? (HBS)  <b>Case:</b> Li and Fung (A): Beyond Filling the Mosaic, HBS: 398092.</p> <p>Q: How is L&amp;F able to maintain its margins?      Q: Explain L&amp;F strengths vis-à-vis competitors.      Q: Does L&amp;F have Chinese business cultural aspects?      Q: Are these strengths?      Q: What challenges do they face?      Q: What issues must L&amp;F address to expand?      Q: Recommend how/where/when it should expand.</p>
S7	Guest Speaker	
S8	Sources of competitive advantage in "local" industries	<p><b>Article:</b> Managing Differences: The Central Challenge of Global Strategy (HBS)  <b>Case:</b> The Globalization of CEMEX, Ivey 701017 (HBS)</p> <p>Q: CEMEX benefits from globalization?      Q: Other competitors...benefits from globalization?      Q: How can cross-border activities add value in a "local" industry like cement?      Q: How has CEMEX outperformed?</p>

		<p>Q: Compare Holderbank and CEMEX performance.</p> <p>Q: Exhibits 4-8: what do these suggest about competitive Games being played out by major players? (Hint: Compare returns/margins for most and least-competitive markets, and markets where CEMEX is)</p> <p>Q: Explain the sequencing of CEMEX foreign entries?</p> <p>Q: Compare the early entry markets vs the later?</p> <p>Q: Recommend CEMEX globalization going forward? (including which countries)</p>
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#### Module 4: The Organizational Challenge: designing an organization for global success

S9	Designing and Managing a Global Value Chain (GVC)	<p><b>Article:</b> Tap Your Subsidiaries for Global Reach (HBS)</p> <p><b>Case:</b> ECCO A/S – Global Value Chain Management</p> <p>Q: Describe the competitive landscape and ECCO's positioning to take advantage of industry changes.</p> <p>Q: Analyze the global value chain. Assess its fit with the industry (current and future?).</p> <p>Q: ECCO has vertically integrated value chain. What are pros/cons of that? What economic and strategic factors should be analyzed to answer this question?</p> <p>Q: Is ECCO following inside-out or outside-in strategic perspective? What are the implications? How can ECCO Increase its sale/marketing efforts?</p> <p>Q: How is family ownership affecting ECCO? Assess the corporate ownership structure and its implications for strategy-making and implementation? Alternatives?</p>
S10	Reshoring: adapting GVC to changes in economic systems	<p><b>Article (opt):</b> The Retreat of the Global Company</p> <p><b>Case:</b> BMW Mini: Big Decisions Under the Brexit Cloud</p> <p>Q: Why is the UK leaving the EU of concern to the UK automotive industry?</p> <p>Q: What are the relevant decision criteria regarding the production line for the electric Mini?</p> <p>Q: What are the pros and cons of the alternative options?</p> <p>Q: As UK country manager for BMW, how would you advocate for the production mandate to go to Cowley?</p> <p>Q: As CEO of BMW globally, how would you proceed?</p>
S11	Headquarters vs. subsidiaries: creating competitiveness through regional strength	<p><b>Article:</b> Distance Still Matters (HBR)</p> <p><b>Video:</b> <a href="https://www.youtube.com/watch?v=JyJsgdL0hgc">www.youtube.com/watch?v=JyJsgdL0hgc</a></p> <p><b>Video:</b> <a href="https://www.youtube.com/watch?v=IIKwgUP80AE">www.youtube.com/watch?v=IIKwgUP80AE</a></p> <p><b>Case:</b> Toyota Tsusho in the South Pacific, Ivey 9B20M134</p>

		<p>Q: Why would TT transform its subsidiary in Brisbane into a Regional HQ (RHQ)? Is Brisbane appropriate?</p> <p>Q: What are strengths/weaknesses of subs vs RHQs?</p> <p>Q: How does a RHQ establish legitimacy with HQ and country-based affiliates?</p> <p>Q: Assess the changes in TT's Brisbane office.</p>
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**Module 5: Expanding Abroad: how and where to enter**

S12	Motivations and strategies for expansion	<p><b>Article:</b> <a href="http://www.entrepreneur.com/article/253372">www.entrepreneur.com/article/253372</a></p> <p><b>Video (opt):</b> <a href="http://www.youtube.com/watch?v=vSISuofwtWI">www.youtube.com/watch?v=vSISuofwtWI</a></p> <p><b>Video (opt):</b> <a href="http://www.youtube.com/watch?v=Xy3eOxQFtkI">www.youtube.com/watch?v=Xy3eOxQFtkI</a></p> <p><b>Video (opt):</b> <a href="http://www.youtube.com/watch?v=-qcZ2gdpHgo">www.youtube.com/watch?v=-qcZ2gdpHgo</a></p> <p><b>Case:</b> Domino's Pizza Japan: Fortressing or Market Expansion, Ivey 9B21M028</p> <p>Q: Why has Domino's been successful? Any faults?</p> <p>Q: How is JP unique from other Domino's markets?</p> <p>Q: Is the Domino's strategic approach, international, multinational, or global?</p> <p>Q: Where does innovation occur at Domino's?</p> <p>Q: Should DPJ expand to Hokkaido or focus on Nagoya?</p>
S13	India, Africa: Cracking the next growth markets	<p><b>Article:</b> Cracking the next growth market: Africa</p> <p><b>Case:</b> Mahindra and Mahindra in South Africa (Ivey)</p> <p>Q: Which options should Shah choose?</p> <p>Q: Assess M&amp;M's experience in S. Africa thus far.</p> <p>Q: Evaluate the attractiveness of S. African market.</p> <p>Q: What roles might M&amp;M's S. African sub play in the global network going forward?</p> <p>Q: Shah: Recommendations to M&amp;M's board?</p>

**Module 6: Managerial/Professional Implications**

S14	Global Management Capabilities and Values	<p><b>Article (opt):</b> Glassman, "The Cultural Context of International Business"</p> <p><b>Case:</b> Silvio Napoli at Schindler India (A), HBS: 9-903-086</p> <p>Q: Was Silvio the right choice for GM of the India ops?</p> <p>Q: As Luc Bonnard how would you evaluate Silvio's first seven months as GM? Advise Luc, short and long term.</p> <p>Q: Advise Silvio on his decision about nonstandard glass wall elevator that has been ordered.</p> <p>Q: How should he deal with the challenges of transfer prices and limited tech support from Europe?</p>
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S15	Business Ethics in the Global Context	<p><b>Article (opt):</b> Hofstede Cultural Dimensions (choose your own, or search various sites/videos – there are many, but the book is too long)</p> <p><b>Case:</b> Blood Bananas: Chiquita in Colombia, Ivey A09100012</p> <p>Q: Explain root causes for Chiquita's actions in Colombia that led to their conviction.</p> <p>Q: Did Chiquita managers have a choice? Why (not)?</p> <p>Q: What other companies should worry about Chiquita's experience? Explain the impacts it has on YOUR perspective on doing business abroad?</p> <p>Q: What can current CEO Aguirre do now to restore Chiquita's reputation and ensure future competitiveness?</p>
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## Module 7: Platform Business models in the Global Economy

S16	Platform business models: an introduction	<p><b>Article:</b> Harnessing the Best of Globalization</p> <p><b>Case:</b> Airbnb, Etsy, Uber: Growing from One thousand to One Million Customers</p> <p>Q: How are the business models of these companies similar? How do they differ?</p> <p>Q: How are the growth strategies across these firms similar/different from each other?</p>
S17	Amazon (e-commerce)	<p><b>Article:</b> The Bill Gates Line</p> <p><b>Case:</b> Amazon.com, 2021</p> <p>Q: Is Amazon a platform or an aggregator?</p> <p>Q: What drove Amazon's early success?</p> <p>Q: What are the advantages and risks of opening your retail platform to third parties?</p> <p>Q: What is the logic of Amazon Prime? Kindle Fire? Fire Phone? Amazon content development?</p> <p>Q: What do you think Amazon will look like 10 years from now?</p> <p>Q: If you were a traditional retailer, how would you respond to the threat from Amazon?</p>
S18	Google (search)	<p><b>Case:</b> Google Inc.</p> <p>Q: What is Google's business model? How is it making money?</p> <p>Q: Who are Google's main competitors? What and who should worry about? What should be done about these challenges? Provide recommendations.</p>

		<p>Q: How is Google using platform strategy? What are some strengths and some weaknesses of this approach?</p> <p>Q: What type of diversification strategy is Alphabet pursuing? What organizational structure? What is the rationale?</p>
S19	Guest Speaker	
S20	Course wrap-up / Final Exam	Evaluations Final Exam