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## BASM 531 Course Outline Multinational Enterprises

P6: SEPTEMBER/OCTOBER 2015 — PROF. WERNER ANTWEILER

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### Meeting Times

We meet Mon/Wed at 14:00–16:00 in ANGU 435, starting Wednesday Sep. 9. There are 8 interactive lectures and discussions, 2 meetings with presentations, and a final exam (see schedule below).

### Content

This module focuses on the decision-making process of multinational enterprises (MNEs). We will study the drivers of globalization and MNEs' value chain, and we will develop a framework for making strategic and operational decisions about foreign investments. In entering a new foreign market, the key decision is to select the most appropriate entry mode: when should an MNE consider exporting, when should it license, and when invest? When is it appropriate to pursue a joint venture with a foreign partner? How does the firm's value chain fit into this? How should businesses deal with the governments of their host countries?

This module will cover a string of practical challenges for multinational enterprises. There is a multitude of instruments through which governments try to influence the location decisions of MNEs, including subsidies, tax breaks, industrial parks, and special customs zones. MNEs are also concerned with differential tax rates across countries and the domestic treatment of foreign income. Governments also impact MNEs through their intellectual property right regimes. Further sessions will address strategies for international marketing, choosing organizational structures, and managing human resources abroad. This module will also touch on ethical issues such as labour standards, sustainability concerns, and corruption. The module will also explore strategies for dealing with country risk.

### Course Goals

- To provide the basic concepts and analytics of international business management.
- To provide a systematic framework for thinking about international business strategies within a context of economics, international law and institutions.
- To enable students to become decision makers in a multinational enterprise.

### Learning Objectives

At the end of the course, students will be able to:

- identify the types of risks inherent in international business;
- identify the business circumstances where international business operations such as exporting, outsourcing and foreign direct investment (FDI) can be profitable;
- identify the potential advantages and limitations of international trade arrangements provide to firms;
- design international business operations with appropriate organizational structures;
- understand the role of institutions, intellectual property rights and comparative advantage in international business operations.

### Assessment Summary

Final grades are a weighted average of participation (20%), team project (40%), and final exam (40%). The course project encompasses an in-class presentation (25%) and summary report (15%).

### Program Goals

- Critical Thinking
- Analytical Decision-Making
- Oral and Written Communication

## Reading Materials

The recommended textbook for this module is *Elements of Multinational Strategy* by Keith Head, Springer 2008. The book is available in the UBC bookstore and electronically (free to UBC students). Additional readings will be provided through an on-line reading list of articles from suitable newspapers, journals, and business magazines. Additional course information will be available on the course web site, including lecture notes.

## Participation

It is important to attend all sessions since many discussions in the class are not included in the assigned readings or the materials posted on the course website. Please keep your class notes up-to-date. Exams will cover everything discussed in class. Participation is strongly encouraged.

## Team Projects

In the first session, students will form up to 8 groups. Each group must have at least three members but must not exceed five. Each team will be required to research a different multinational enterprise of their choice and analyze their internationalization strategy (export, FDI, JV, M&A) over

the last decade. Which challenges did they run into, and how did they overcome them? Students are encouraged to target younger rather than mature companies, and to focus on Canadian and US companies. If you choose a more mature company, the focus should be on a novel product, technology, or market. Presentations will be evaluated on (a) quality and depth of research; (b) comprehensiveness and breadth of coverage; and (c) effective communication. Presentations can be supportive or critical of the actual decisions firms have taken. Presentations will be evaluated jointly by the instructor and peers. Each team will have 15-20 minutes for presentation and 5-10 minutes for discussions with the audience, for a maximum of 25 minutes per presentation. Teams should prepare a corresponding project report of about 10-15 pages highlighting the key elements of their research, to be distributed electronically to the entire class. This report is due on Friday October 16, 2015, before noon, and will be evaluated only by the instructor.

## Office Hours

Fridays between 10:00 and 11:20 or by appointment. My office is located in ANGU 275. I can be reached by e-mail at [werner.antweiler@ubc.ca](mailto:werner.antweiler@ubc.ca).

## Detailed Schedule

Session	Date	Description
1	Wednesday, September 9	Globalization Drivers
2	Monday, September 14	Entry Mode and Foreign Direct Investment
3	Wednesday, September 16	Multinational Formation, Internalization
4	Monday, September 21	Government Involvement, International Taxation
5	Wednesday, September 23	International Marketing
6	Monday, September 28	Intellectual Property Rights, Patent Wars
7	Wednesday, September 30	Competitive Interactions, International HR Issues
8	Monday, October 5	Business Ethics and Corporate Social Responsibility
9	Wednesday, October 7 (12:00)	Team Presentations (Groups 1–3 or 1–4)
10	Wednesday, October 7 (14:00)	Team Presentations (Groups 4–6 or 5–8)
11	October 12-18	Final Exam (time & location to be confirmed)

## Course Web Site

<http://strategy.sauder.ubc.ca/antweiler/basm531/>