



MULTINATIONAL CORPORATIONS AND COMPETITIVE STRATEGIES SYLLABUS

Strategic Leadership and Global Management
Winter Semester 2023/24

Prof. Dr Dodo zu Knyphausen-Aufseß
Prof. Dr Ulrich Pidun

WELCOME TO THE MODULE

MULTINATIONAL CORPORATIONS AND COMPETITIVE STRATEGIES

This module consists of two parts—Part 1: “Multinational Corporations: Theories and Practice” and Part 2: “Competitive Strategy”.

Part 1 is taught by Prof. Dr Dodo zu Knyphausen-Aufseß, chair professor at TU Berlin; part 2 by Prof. Dr Ulrich Pidun, honorary professor at TU Berlin and partner & director in the Frankfurt office of Boston Consulting Group. This combination helps to ensure that theoretical rigor is complemented by practical relevance. Please note that you need to complete both parts.

PART 1:

MULTINATIONAL CORPORATIONS: THEORIES AND PRACTICE

18 October 2023 to 15 December 2023

Wednesday, 10 am to 12 noon (H 1012) and Friday, 10 am to 12 noon (H 2053)

Lecturer

Prof. Dr Dodo zu Knyphausen-Aufseß ✉ knyphausen@strategie.tu-berlin.de

PART 2:

COMPETITIVE STRATEGIES

12, 19, 26 January, and 2 February 2024

Friday, 9 am to 4 pm (H 2036, EW 201)

Lecturer

Prof. Dr Ulrich Pidun ✉ pidun.ulrich@bcg.com

IMPORTANT INFORMATION

Introductory lecture

H 1012, Wednesday, 18 October 2023, 10.15 am

ISIS course 

MNC 2023/24 (without password)

Exam registration 

On MOSES (MTS) by 5 November 2023, midnight

Written test

First test: H 1012, Friday, 16 February 2024, 11 am to 1 pm

Second test: TBD

Contact ✉ info@strategie.tu-berlin.de

Cornelia Schlott M.Sc.

Dipl.-Ing. Niko Ippendorf

LECTURES IN WINTER SEMESTER 2023/24

PART 1: MULTINATIONAL CORPORATIONS: THEORIES AND PRACTICE

Professor Dr Dodo zu Knyphausen-Aufseß

Day	Session, topic, H 1012 and H 2053, 10 am to 12 pm	Guest speaker
18 Oct	Introduction to the course and the case of Cahora Bassa	
25 Oct	1 Our topic of interest: MNC—An academic overview	
1 Nov	2 MNCs: Construct definitions and basic empirical data	
3 Nov	3 Dynamic capability and the institutional view of the MNC	
8 Nov	4A MNCs and society I: Imperialism theory	
10 Nov	4B MNCs and society II: The Bottom of the pyramid approach	
15 Nov	5 A view on Africa 	Victoria Peter (Senegal), Daniel v. Ritter (Rwanda)
17 Nov	Interim summary and Discussion of “food for thought” 	
22 Nov	6 Modes of market entry: Cross-border M&A	
24 Nov	Cross-border M&A: Expert conversation	Manuel Wiedemann (Roland Berger)
29 Nov	7 Culture and the role of distances	
1 Dec	8 The role of the CHQ and foreign subsidiaries	
6 Dec	Doing business in China: Expert conversation 	Holger Prochazka (VW China)
8 Dec	9 Emerging market MNCs: The China challenge	
13 Dec	Chinese MNCs in Germany: Practitioner conversation	Carsten Senz (Huawei)
15 Dec	10 MNCs in the digital age	

PART 2: COMPETITIVE STRATEGIES

Professor Dr Ulrich Pidun

Day	Session, topic, H 2036 and EW 201, 9 am to 4 pm	Student presentation (Cases)
12 Jan	1 Theories of oligopolistic competition (H 2036)	1 European airline industry (Ryanair)
	2 Typology of strategies in commodity oligopolies	2 Container shipping (Maersk)
19 Jan	3 Introduction to game theory (EW 201)	3 Cola wars (Coca Cola)
	4 The emergence of cooperation	4 Competition regulation (Google)
26 Jan	Commopoly Game (H 2036, 8 am to 12 noon)	
2 Feb	5 Coopetition (H 2036)	5 M&A in oligopolies (Bayer-Monsanto)
	6 Business ecosystems	6 Ride-sharing (Grab vs. Go-Jek)

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TO PARTICIPATE IN THE MODULE, YOU NEED TO ACCESS THE ISIS TEACHING PLATFORM AND REGISTER FOR A STUDENT PRESENTATION.

THUS, MAKE SURE TO SETUP YOUR PERSONAL TUB ACCOUNT (PROVISIONING) IN TIME!



ISIS course | MNC 2023/24

<https://isis.tu-berlin.de/course/view.php?id=35050>

TO OFFICIALLY REGISTER FOR THE MODULE AND TO VIEW YOUR GRADES, YOU NEED TO ACCESS THE MOSES SYSTEM.

THUS, MAKE SURE TO REGISTER WITH YOUR TU ACCOUNT ON MOSES IN TIME!



MOSES | Sign-in

<https://moseskonto.tu-berlin.de/moses/index.html>



1 GOALS AND MODULE CONTENT

PART 1 MULTINATIONAL CORPORATIONS: THEORY AND PRACTICE

Multinational corporations (MNCs) are part of our modern economy. Big companies like BMW and Bosch are active on an international scale—but it's not only them. Small and medium sized enterprises are conducting business abroad, too. Even start-up enterprises are widely discussed as being potentially “Born Globals”. However, the emergence of MNCs is not self-evident. Companies usually know less about foreign than about their domestic markets. Moreover, foreign investments bear risks. Thus, why should companies not only restrict their activities to domestic markets, and serve foreign markets only by means of export or licensing instead of greenfield investments or mergers & acquisitions? This is a basic question that requires an answer founded on solid theory.

Moreover, an explanation for the emergence of MNCs and their different shapes is also needed because these companies can be very powerful today. For example, in 2018 Daimler AG had revenues of € 167.362 bn; this is more than the GDP of countries like Serbia (about € 51 bn), Slovenia (about € 54 bn), and Lithuania (about € 53 bn)—and also more than their sum! Hence, the responsibility and especially the behaviour of MNCs come into focus, and it is not surprising that there are many critics of globalisation who call for a limitation of MNCs' power. These critical arguments—that are at the heart of many political debates and also apply to the digital world, think about the Big Nine, the US-based GAFAM (Google, Amazon, Facebook, Apple, and Microsoft) as well as the Chinese BATX (Baidu, Alibaba, Tencent, and Xiaomi)—should be based on proper theoretical considerations as well. This also applies to a counter-trend we are currently facing: the trend towards *de*-globalization.

Overall, we want to introduce multiple approaches for a theoretical explanation of MNCs. You should be able to distinguish the different arguments of these theoretical approaches afterwards and to decide which of these theories can be seen as suitable in order to assess the challenges that MNCs have to face today.

Please note that the entire module is scheduled for 4 semester hours. The face-to-face sessions in the first half of the semester are always scheduled for 90 minutes only (10.15 to 11.45 am) and include interactive parts (Q&As and also four discussions with practitioners), partly via Zoom. In the first two weeks we only have one session, respectively.

PART 2 COMPETITIVE STRATEGIES

Part 2 gives an overview of theoretical foundations and practical implications of competing in commodity oligopolies. It offers an introduction to oligopoly theory and game theory and covers the concept of coopetition and its applications, introduces the work of Robert Axelrod on the emergence of cooperation, and illustrates the potential of business ecosystems as an emerging business model that combines elements of collaboration and competition. Participants will be able to apply the learnings and train their managerial skills in an economic simulation game in which four teams compete over the course of an industry cycle of eight years and try to maximize the value of their respective companies.

Please note that this second part of the module is scheduled in block form on four Fridays (9 am sharp! to 4 pm). We will strive to make these block sessions varied as well, in this case through student presentations and an interactive *commopoly* game.

2 REFERENCE TO SUSTAINABILITY

Our discipline—management science—is increasingly confronted with the question of what contribution it can make to addressing the "Grand Challenges"—climate change, resource exploitation, social inequality, and so on. The concept of "sustainability", which has overlaps with the concept of "Corporate Social Responsibility" (CSR), provides a framework for this. To increase transparency, we have undertaken to include a general note in all our teaching programs (syllabi) indicating the extent to which our teaching has a connection with this concept.



In fact, at first glance, this module has rather few references to sustainability and CSR. However, the introductory remarks should already have made clear that multinational corporations are powerful entities and must therefore be regarded as central players in the globalisation debate. For its part, the globalisation debate has a lot to do with questions of wealth distribution and justice. In this respect, especially in the first half of this semester, our reflections deal with central issues of the sustainability debate. This will be most evident in the sessions which will focus on the relationship between MNC and society from different perspectives. We look forward to an engaging discussion!



3 ORGANISATION AND ENROLLMENT

The module can be taken by students of “Innovation Management, Entrepreneurship, and Sustainability” (IMES), “Industrial Engineering” (Wi-Ing), “Information Systems Management” (Wi-Info), and “Business Mathematics”. Students of other programs should ensure that the module is included in their electives. We also welcome ERASMUS, auditing, and visiting students.

The module is taught in English.

You need to access the  ISIS teaching platform and the  MOSES system. Thus, make sure to setup your personal TUB account (provisioning) in time. Register as follows:

ISIS TEACHING PLATFORM (NO PASSWORD REQUIRED)

The teaching platform is used to provide you the lecture slides as well as literature sources and exam results. Moreover, we can also get in contact with you to announce short-term changes.



ISIS course | MNC 2023/24

 <https://isis.tu-berlin.de/course/view.php?id=35050>

INTRODUCTORY LECTURE | H 1012, 18 OCTOBER 2023, 10.15 AM

Please, participate in the introductory lecture on Wednesday, 18 October 2023, 10.15 am.



TU Berlin

Main building | H 1012

OFFICIAL EXAM REGISTRATION | ON MOSES BY 5 NOVEMBER 2023, MIDNIGHT

All students participating in this course have to officially register on MOSES (MTS)!

You have to choose if you want to take the first or the second written test!

This registration is mandatory for all students (including ERASMUS students, students from prior terms, guest students, etc.) and independent of all possible further registration options. To register, follow the registration steps on MOSES.



MOSES (MTS)

Module examinations | Register

TOPIC SELECTION FOR STUDENT PRESENTATION | 9 NOV, 10 AM TO 19 NOV, MIDNIGHT

Only students who registered for the examination on MOSES may participate in the student presentation!

Since the student presentation is a group performance, you must select a presentation topic on ISIS to form a group—all students selecting the same topic will form a group.

As soon as your name is displayed in the group on ISIS, you are a member of the respective group for sure. Once a group is complete, you can no longer select this topic.



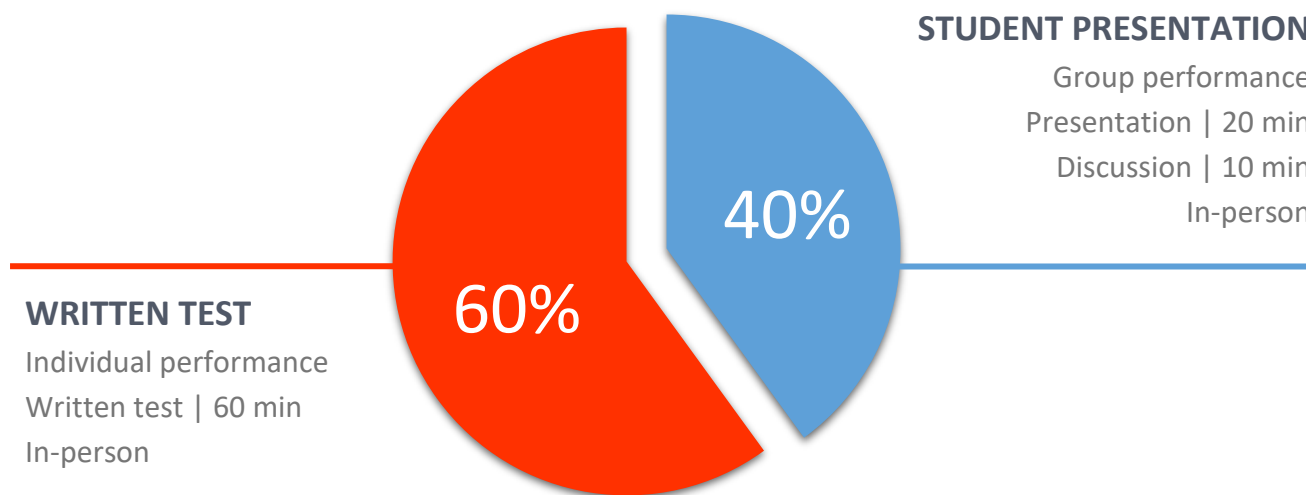
ISIS course | MNC 2023/24

Group choice | Student presentation selection

4 EXAM AND CREDIT POINTS

PORTFOLIO EXAM

The portfolio exam consists of the following two portfolio performances:



You pass the module if you achieve 50 percent overall—regardless of what you have achieved in a single portfolio exam part.

We offer two dates for the written test: the first at the beginning and the second at the end of the examination period. You have to choose which date you want to take the test within the first weeks of the semester; we do recommend you participate on the first date. The test dates will be published on ISIS.

Throughout the semester, we will constantly support you. At the end of the module, you will have the opportunity to ask questions regarding the written test.

GRADING SCALE										
1.0	1.3	1.7	2.0	2.3	2.7	3.0	3.3	3.7	4.0	5.0
90 %	85 %	80 %	76 %	72 %	67 %	63 %	59 %	54 %	50 %	0 %

1.0, 1.3: excellent

1.7, 2.0, 2.3: good

2.7, 3.0, 3.3: satisfactory

3.7, 4.0: sufficient

5.0: fail

CREDIT POINTS

The workload of the module sums up to **180.0 hours**. Therefore, the module contains **6 Credit Points (ECTS)**.

WORKLOAD			
Class attendance	60 h		
Class preparation and follow-up	30 h		
Student presentation	30 h		
Test preparation	60 h	180 h	6 ECTS

5 STUDENT PRESENTATIONS (PART OF THE PORTFOLIO EXAM)

One part of the portfolio examination is to conduct and present a student presentation. This assignment is designed as group performance with a group size depending on the number of course participants. For each student presentation, we provide guiding questions that are published on ISIS. The student presentations take place in the second half of the semester (Prof. Dr Ulrich Pidun's part) to give you enough time for preparation. Only in case that we have a large group of students we will have additional spots for academic paper presentations, with details to be announced.

CASE STUDIES

The case studies complement the content of the lecture with a practical application example. The task is problem- and decision-oriented. You may have to take over the position of decision makers who are faced with a specific problem. You have to work out and justify your own solutions with reference to the lecture theory and literature.

The student presentation topics for the whole module are published on ISIS. The student presentation groups will be selected on ISIS.

You have to deliver your presentation slides (PDF file) and you have to prepare for a subsequent discussion about your presentation and topic.

STUDENT PRESENTATIONS KEYPOINTS

Topic selection	Topics available on ISIS, group choice on ISIS
Type	Case studies
Presentation	20 minutes ($\pm 10\%$) presentation and 15 minutes discussion
Delivery	Presentation slides (PDF file) on ISIS
Deadline	Check respective group deadlines on ISIS
Attendance	Mandatory attendance on presentation day

STUDENT PRESENTATION GRADING CRITERIA

Content (65%)	Presentation (35%)
How well do you understand the assignment?	How well do you structure your presentation?
How well do you answer the questions?	How good is your timing?
How do you use all available sources of information?	How well do you use different presentation techniques?
How consistent and clear is your line of argumentation?	How clear and convincing do you speak?
How original are your ideas?	How do you react to questions?

EXPECTATIONS AND HINTS FOR YOUR STUDENT PRESENTATION WORK

- **Group size:** Depending on number of participants and presentation topics.
- **Group forming and topic selection:** Choose a topic for your student presentation. The group selection is conducted on ISIS. You can read through the **case abstracts on ISIS**.
- **Guiding questions:** For each presentation, we will provide **guiding questions** that all have to be answered. Integrate the aspects they are addressing into your overall story line.
- **Starting materials:** We will provide you with some basic case papers which should serve as a starting point for the preparation of your student presentation. Nevertheless, you have to search for additional sources and information on your own.
- **Presentation and discussion (both in-person):** The main content of the presentation is the spoken word which is visually supported by the slides (pictures, text elements, animations, etc.). It is not mandatory that all group members speak; it is also possible that a group selects only one or two speakers for the whole presentation. Nevertheless, all group members should participate in the presentation creation to the same extent!
- **Upload and deadline:** You have to **upload your presentation** within the respective group deadline. For deadlines, please check ISIS.
- **Slides format:** The presentation slides must be saved as **PDF file**.

ON PRESENTATION DAY

- **Duration: 20 minutes presentation ($\pm 10\%$) and 10-15 minutes subsequent discussion.** Therefore, prepare at least **3 discussion questions** for your fellow students (mandatory included in PDF slides).
- **Mandatory attendance on presentation day!** The student presentation is part of your portfolio examination, and attendance of all group members is mandatory. Students with unexcused absences will be graded as “not appeared to the exam”. A postponement of the presentation date once set is not possible. Please, have your student ID ready!
- **All attending group members have to actively participate in the discussion!** Your performance will be considered by grading this part of the portfolio exam.
- **Technical equipment:** Please have your own electronic device ready to run your presentation. You need an HDMI port to connect with the university equipment. Have necessary adapters ready!
- **Feedback:** After the presentation session, all groups receive a short feedback. So please allow some more time.

For detailed information, please refer to the ISIS course!

**ALL CASE STUDIES AND GUIDING QUESTIONS ARE AVAILABLE ON ISIS.
PAY ATTENTION TO THE DEADLINES!**



ISIS course | MNC 2023/24

Student presentation database (with guiding questions and papers)

GROUP PEER ASSESSMENT (OPTIONAL)

To avoid disputes within the group and to oversee the individual contributions, we offer the possibility of a group peer assessment. If desired by one of your group members, every student needs to evaluate her/his own performance and the performance of her/his group members in preparing and presenting the student presentation. As a consequence, the peer assessment will influence 50 percent of your presentation grade as a weighting factor (further information on ISIS).

If you want your group to participate in a peer assessment, please write us an e-mail (info@strategie.tu-berlin.de).

You have to **complete an EXCEL template available on ISIS by the date of your presentation.**

Please note the deadline for requesting a peer assessment. After the deadline, each group member will receive the same group grade.

6 COURSE MATERIAL AND READINGS

Lecture slides and additional literature are available on ISIS. They shall help you to understand the topics, to deepen your insights, and to take part in discussion.

Keep in mind: Only if all participants prepare themselves for the respective lecture and participate in the discussions, the goals of this course can be achieved. From our experience, it is too late if you try to read all the literature at once and for the first time right before the written test.

MANDATORY AND RECOMMENDED LITERATURE

We distinguish between mandatory and recommended readings. All **mandatory readings** include the topics that should be read before each session. **Their content is also relevant to the exam.**

Recommended literature (or videos) are for those who are really interested in the topic! They may help you to deepen and better understand the aspects discussed in the lecture. You may read or watch them before or after a session. To the extent that there is an overlap with the mandatory lecture and reading materials, this in-depth knowledge will certainly help you to answer exam questions more concisely. Moreover, you may also get input for a possible future master thesis in this area.

7 INTERACTIVITY AND FEEDBACK

We encourage your participation in the module as far as possible. To ensure the communication won't be one-sided, we ask you to articulate all your questions and ideas openly in class. Furthermore, we are at your disposal for all kinds of questions and requests. Please, also make use of our discussion forum on ISIS as a communication platform.

To reveal the shared responsibility for a successful module, we ask all participants to provide feedback to the sessions and to the student presentations. For this reason, it is important that you attend the lectures on a regular basis.

At the end of the course you will have the possibility to officially evaluate the module—of course we have to and want to improve ourselves.

8 DETAILED MODULE AND WORK SCHEDULE

PART 1: MULTINATIONAL CORPORATIONS: THEORIES AND PRACTICE

 In-person lecture  Q&A sessions  Guest speaker  Online Zoom session

WED, 18 OCT

10 am – 12 noon
H 1012



INTRODUCTION TO THE COURSE

- Learning objectives, overview of lectures, and topics covered
- Student presentation selection procedure

THE PRACTICE OF THE MNC: THE CASE OF CAHORA BASSA

To provide you an intuition for what “animal” we are talking about in this course, and also to motivate you, then we proceed with an interesting case about the cultural and moral implications of globalisation: the Cahora Bassa Dam project in Mozambique. This dam project was planned and executed by the colonial Portuguese regime in the 1960s and 1970s. We look on this case through the lenses of the Siemens corporation: Should this company engage in such a project and thereby help to stabilise a political regime that was so much in contrast to the values of a modern democracy? The discussion of these questions will provide you a feeling about the role of multinational corporations in a globalised world. We will continue the discussion of this topic in session 4: MNCs and society.

WED, 25 OCT

10 am – 12 noon
H 1012



LECTURE 1: OUR TOPIC OF INTEREST: MULTINATIONAL CORPORATIONS—AN ACADEMIC OVERVIEW

This session is dedicated to a more academic discussion about the construct that we focus on: the multinational corporation (MNC). How can we define this construct and what empirical data do we have to understand its role in our modern world? And how can we as academics get access to the MNC phenomenon, how can we “theorise” about it?

READING RECOMMENDATION

Kogut, B./Reuben, A. (2015) Multinational corporations. *International Encyclopedia of the Social & Behavioral Sciences* (sec. Edition), 74-80. <http://dx.doi.org/10.1016/B978-0-08-097086-8.73004-2>

WED, 1 NOV

10 am – 12 noon
H 1012



LECTURE 2: FOREIGN DIRECT INVESTMENT AND THE MNC: CONSTRUCT DEFINITIONS AND BASIC EMPIRICAL DATA

In the last session, I gave you an overview of problems and theoretical perspectives on multinationals; this session will now focus on fixing the construct of the multinational itself. A major role is played by the concept of *foreign direct investment* (FDI), which I will therefore discuss in more detail and underpin with empirical data. All in all, this session should also contribute to a better understanding of the subject matter of our considerations and provide a starting point for the subsequent theoretical and practical deepening.

READING RECOMMENDATION

WORLD INVESTMENT REPORT 2023: KEY Messages.
https://unctad.org/system/files/official-document/wir2023_key-messages_en.pdf

FRI, 3 NOV

10 am – 12 noon
H 2053



LECTURE 3: DYNAMIC CAPABILITY AND INSTITUTIONAL VIEWS ON THE MNC

Note: Please do the mandatory reading beforehand!

In Lecture 1, I have briefly mentioned the “eclectic paradigm” developed by John Dunning as one attempt to integrate different theories of the MNC; another one stems from David Teece, one of the gurus in strategic management research, who has in the 1980s also engaged in developing a transaction cost (or internalisation) theory-based explanation of the MNC. In a more recent paper, he argues that technology transfer and capabilities perspectives have been somewhat neglected so far. As we can read in the abstract of his 2014 paper: “If fully integrated as part of a more complete approach, [this perspective] can buttress transaction cost, governance issues, and expand the range of phenomena that can be explained. In this more integrated framework, dynamic capabilities coupled with good strategy are seen as necessary to sustain superior enterprise performance, especially in fast-moving global environments. Entrepreneurial management and transformational leadership are incorporated into a capability’s theory of the MNE. The framework is then used to explain how strategy and dynamic capabilities together determine firm-level sustained competitive advantage in global environments. It is suggested that this framework complements contract-based perspectives on the MNE and can help integrate international management and international business perspectives.” I look forward to discuss with you this approach! My outlook will also touch upon the so-called “institutional view” of the MNC. This view is currently of specific interest given the rising influence of governmental regulations on MNC activities, e. g., Germany’s Federal Government strategy on China, released in July 2023.

MANDATORY READING

Teece, D. (2014): A dynamic capabilities-based entrepreneurial theory of the multinational enterprise. *Journal of International Business Studies* 45, pp. 8-37.

WED, 8 NOV

10 am – 12 noon

H 1012



LECTURE 4: THE MNC AND SOCIETY—TWO PERSPECTIVES

LECTURE 4A: IMPERIALISM THEORY

We have already talked about the role of MNCs in our globalized world (recall the Cahora Bassa case, session 1). We will now continue this discussion—first, through the lenses of a rather “wild” theory, at least if you consider what you are used to in “business administration”: the theory (or theories) of imperialism. Indeed, theories of imperialism have a special relevance for our discussion about internationalisation activities of MNCs. They may explain in how far these activities follow usual internal mechanisms of capitalistic systems and/or if those activities result from a tension between political and economic configurations. This lecture begins the discussion with some “bourgeois” theories of imperialism and contrasts these with Marxian approaches, which include the Dependencia theory. The Marxian approaches see MNCs benefiting from exploiting third-world countries and fostering their underdevelopment. Shell in Nigeria provides a compelling case to support such a view!

LECTURE 4B: THE BOTTOM-OF-THE-PYRAMID APPROACH

All these considerations suggest a very critical viewpoint regarding the role of MNCs in and for modern societies. However, it might also be possible to develop a more positive view about the possible roles of MNCs in the third world and appeal to their social responsibility. Are there ways to combine the needs of poor people and the commercial interests of multinational companies? C. K. Prahalad’s concept of the “bottom of the pyramid” may give an answer to this question.

READING RECOMMENDATIONS

Kruger, H. (1955): Hobson, Lenin, and Schumpeter on imperialism. *Journal of the History of Ideas* 16(2), pp. 252-259.

Diez, T. (2011): Key concepts in international relations. Sage, Los Angeles, pp. 22-27.

Prahalad, C. K. and Hammond, A. (2002), *Serving the world’s poor, profitably*. Harvard Business Review, pp. 48-57.

READING RECOMMENDATIONS

Chiova, M. and Ringov, D. (2017): Scaling impact: template development and replication at the base of the pyramid. *Academy of Management Perspectives* 31(1), pp. 44-62.

Dembek, K. et al. (2020): A systematic review of the Bottom/Base of the Pyramid literature: Cumulative evidence and future directions. *Journal of Business Ethics* 165, pp. 365–382.

FRI, 10 NOV

10 am – 12 noon

H 2053



WED, 15 NOV

10 am – 12 noon



LECTURE 5: A VIEW ON AFRICA

When we talk about foreign direct investment, we often think of the BRIC countries -- Brazil, Russia, India and China -- and probably especially the latter two: India and China (Russia poses a special problem as a result of the Ukraine war; Brazil has lost its attractiveness as an investment location in the last decade, and outward direct investment shows strong annual fluctuations and is stagnant at best). In later sessions, we will look at China in more detail. But what about *Africa*? The continent is experiencing rapid population growth, which is also generating strong pressure on immigration in European countries. Economically, Africa seems to be a "forgotten continent"; after all, our Cahora Bassa case, which we dealt with at the very beginning, was also a major (and long-ago) exception, leaving room mainly for resource-extracting companies such as Shell (discussed in lecture 4A). Only China -- here we go again -- seems to be heavily involved in Africa as well, with its Belt and Road Initiative (e.g., cobalt-mining in Congo). What are the opportunities in Africa, what is driving economic development, what are the findings on this in IB research? I will give a brief introduction to these questions before we move on to what I hope will be a productive conversation with our two guests. **Victoria Peter** is a young (social) entrepreneur involved in Senegal; **Daniel v. Ritter** works for GIZ in Rwanda. What works, what doesn't work in Africa?

READING RECOMMENDATIONS

Kamoche, K., Wood, G. (2023) International business and Africa: Theoretical and applied challenges, and future directions. *Journal of International Business Studies* 54, 956–967. <https://doi.org/10.1057/s41267-022-00589-5>

Nachum, L., Stevens, C.E., Newenham-Kahindi, A. et al. Africa rising: Opportunities for advancing theory on people, institutions, and the nation state in international business. *Journal of International Business Studies* 54, 938–955. <https://doi.org/10.1057/s41267-022-00581-z>

FRI, 17 NOV

10 am – 12 noon



INTERIM SUMMARY AND DISCUSSION ON “FOOD FOR THOUGHT”

Whew! That was certainly quite a lot of material in the first sessions! In this session we want to repeat something and I would like to give you the opportunity for questions and discussion. So please review the previous lecture notes and prepare for the session!

WED, 22 NOV

10 am – 12 noon

H 1012



LECTURE 6: MODES OF MARKET ENTRY: WHAT ARE AND WHAT DO WE KNOW ABOUT CROSS-BORDER MERGERS AND ACQUISITIONS?

How do companies approach their foreign markets, what are the market entry strategies? We already know from lecture 2 that there are mainly two alternatives of direct investments: Greenfield Investments and Mergers & Acquisitions. In our course, we focus on the latter variant; acquisitions are usually the more spectacular variant (but cf. e.g. the greenfield investment of Tesla in Brandenburg and the engagements of semiconductor companies in East Germany). In this session we want to get an overview of such M&A transactions: What are their peculiarities, what do we know about them from extensive research?

MANDATORY READING

Wiedemann, M. and zu Knyphausen-Aufseß, D. (2023): What do we know and what should we know about cross-border mergers and acquisitions? Working Paper, TU Berlin

VIDEO RECOMMENDATION

Bayer-Monsanto Merger: An interesting cross-border M&A case is the Bayer-Monsanto deal announced in 2016 and closed in 2018.

FRI, 24 NOV

10 am – 12 noon
H 2053



CROSS-BORDER M&A: A CONSULTANCY VIEW

This is a follow-up session to our previous one. We will have **Dr. Manuel Wiedemann** with us, who is not only the first author of the mandatory-to-read paper on mergers & acquisitions but also (and first of all) a consultant with many project experiences in the cross-border M&A field. Take the opportunity and prepare interesting questions which we can discuss with him!

READING RECOMMENDATIONS

Ghemawat, P. (2018): The new global roadmap: Enduring strategies for turbulent times. Boston, Harvard Business Press, pp. 13-38.

Hutzschenreuter, T. et al. (2015): The concept of distance in international business research: A review and research agenda. *International Journal of Management Reviews* 18, pp. 160-179.

Kostova, T. et al. (2020): The construct of institutional distance through the lens of different institutional perspectives: Review, analysis, and recommendations. *Journal of International Business Studies* 51, pp. 467-497.

WED, 29 NOV

10 am – 12 noon
H 1012



LECTURE 7: CULTURE AND THE ROLE OF DISTANCE

What makes multinational corporations, what makes International Management unique, compared to “normal” (domestic) corporations and management? One answer, on which we will focus in this session, is: culture. MNCs and international management imply cross-border relationships and activities, and in turn this implies that one has to deal with different cultures and behavioural patterns. The usual assumption then is that distance matters—the more distant the cultures are, the more likely it is that cross-border activities fail. However, testing this assumption requires that we have a solid concept of what culture is and how we can measure cultural distance. The most well-known candidate for this is based on a one-company (IBM) study conducted by Geert Hofstede—quite long ago! Many issues are to be discussed: What dimensions does culture really have? Do cultures change over time and what are the determinants of such change? Is cultural distance related to other distances—administrative, geographic, economic, as suggested by P. Ghemawat? And in the end, does distance really matter, in general and within the context of digitalisation?

FRI, 1 DEC

10 am – 12 noon
H 2053



LECTURE 8: THE ROLE OF THE HEADQUARTERS OF THE MNC AND FOREIGN SUBSIDIARIES

Understanding MNCs should not only focus on the role in a socio-political context or the incentives for and modes of market entry, but also on their internal organization and structures. When I gave you an overview on the evolution of MNC theorising in lecture 1, I also mentioned the seminal study on the “transnational solution”, that has been published by Bartlett and Ghoshal in the late 1980s. At the core of their book was an analysis of the role of the corporate headquarters on the one hand and the role of the foreign subsidiaries on the other hand, leading them to the distinction between the multinational, the international, the global and the transnational corporation. I outline this perspective and summarize some recent research on this topic.

WED, 6 DEC

10 am – 12 noon



DOING BUSINESS IN CHINA

In recent years, we have become accustomed to assuming an increasingly globalized world. Privately, we can buy anything anywhere and travel anywhere, we receive news almost without delay from all places in the world, and we can communicate in English everywhere. In the business world, too, we often talk about globalization—especially with regard to the capital markets. "Multinational" companies are not seldom equated with "global" companies, even though we saw in one of our first sessions that we have to think in a more differentiated way. Be that as it may, there have recently been increasing signs of a development in the other direction—toward a "de-globalized" world with economic blocs that have different ideological orientations and are in competition with each other for world domination. The Russia-Ukraine war has once again reinforced these tendencies. What does this mean for multinational corporations and for our theoretical considerations of their business activities? Michael Witt's paper offers a good start to answering this question; I encourage you to read it in preparation for our presence session. The session itself will then focus on Volkswagen's involvement in China. Volkswagen makes a large part of its sales and profits in this country, which is far removed from Western notions of a free democracy. Should Volkswagen withdraw from China? Where are the boundaries for desirable and not so desirable corporate internationalization behaviour?

We want to discuss this question with **Holger Prochazka**, Vice President Head of Corporate Strategy, Volkswagen Group and Brand China.

READING RECOMMENDATIONS

Meyer, K. E. et al. (2020): Managing the MNE subsidiary: Advancing a multi-level and dynamic research agenda. *Journal of International Business Studies* 51, pp. 538–576.

Kostova, T. et al. (2016): Headquarters-subsidiary relationships in MNCs: Fifty years of evolving research. *Journal of World Business*, 51(1), pp. 176-184.

MANDATORY READING

Witt, M. A. (2019): De-globalization: Theories, predictions and opportunities for international business research. *Journal of International Business Studies* 50, pp. 1153-1177.

FRI, 8 DEC

10 am – 12 noon

H 2053



LECTURE 9: EMERGING MARKET MNCs: THE CHINA CHALLENGE

Usually, MNC theory assumes that the investment flows go from developed countries to other developed countries or to underdeveloped countries, e.g. from the U.S. into China. But some of these former so-called underdeveloped countries—and China is a good example (and India another one)—have become much stronger and now play a major role for our world economy, leading, inter alia, to the prediction that they increasingly become origins for MNCs themselves. As one could already read in a report some years ago: “Despite the global economic and financial crises of recent years, corporate China continues its push for globalization. China now ranks third in the world for outward FDI (2012 data), with its fastest revenue growth over the period 2008-2012 coming from operations in North America and Europe. The top Chinese multinational corporations (MNCs) are increasing their overseas assets and overseas employment at rapid rates, and are seeing greater revenue increases from overseas operations than from their Chinese counterparts. Moreover, today’s Chinese globalizers have even more aggressive plans for geographic and functional expansion in the near future. The idea of a “New Silk Road” is a case in point...”. So, what strategies do these Chinese globalizers actually pursue and how successful are their activities so far? What is the role of the Chinese government and communist party thereby? And do we need a specific theory to explain the internationalization of companies from developing countries? Those are the questions we want to discuss in this session.

READING RECOMMENDATIONS

Buckley, P. J. et al. (2018): A retrospective and agenda for future research on Chinese outward foreign direct investment. *Journal of International Business Studies* 49, pp. 4–23.

Ramamurti, R., and Hilleman, J. (2018) What is “Chinese” about Chinese multinationals? *Journal of Business Studies* 49, 34-48.

WED, 13 DEC

10 am – 12 noon

H 1012



CHINESE MNCs IN GERMANY: A PRACTITIONER VIEW

My speaking about “emerging market multinationals” and Chinese companies making their way abroad -- see also the recent discussion at the IAA about Chinese automakers entering the European market -- has been strongly influenced by my own Westernized perspective. What does the whole thing look like from the perspective of a Chinese company? I can’t offer you an original Chinese interlocutor, but I can offer you a representative of Huawei from Germany: **Mr. Carsten Senz**, Vice President Corporate Communications at the German subsidiary. Huawei is a company whose foreign activities have attracted a great deal of Western criticism in recent years, especially in the U.S., but recently also in Europe (see <https://en.wikipedia.org/wiki/Huawei>). I look forward to an engaging discussion that will also shed light once again on the deglobalization and “decoupling” debate that we have repeatedly encountered in the course of the sessions so far.

MANDATORY READING

Banalieva, E. R. and Dhanaraj, C. (2019): Internalization theory for the digital economy. *Journal of International Business Studies*. 50, 1372–1387.

FRI, 15 DEC

10 am – 12 noon

H 2053



LECTURE 10: THE MNC IN THE DIGITAL AGE

Do we have the tools at hand that enable us to understand the development of the modern MNC and its role within society? In an abstract of a recent article, Zeng et al. (2019) write: “The rise of the digital economy provides firms across the globe with unique business opportunities. Companies such as Facebook, Alibaba, and Uber are competing in a new multi-sided platform world; the primary focus of these firms, from their inception, is to provide digital infrastructure, information and technology—intangible assets that enable direct interaction or value creation across platforms by linking different user group and complementors, often at the international level. Building on data drawn from multinational multisided Platform corporations (MMPCs) operating in China, we [...] suggest that internalisation theory needs to shift its focus from the ‘boundaries of the firm’ to the ‘boundaries of the local network’. By integrating their internal and external networks of knowledge in adapting their business models in host markets, this new breed of MNEs is more likely than the traditional one to gain a sustainable competitive advantage in the new information age.” I believe that the discussion of the influences of digitalization on the strategy and structure of multinational companies provides a good conclusion to this first half of the semester. And this discussion also builds a bridge to the second part of this semester, because in connection with digitization we will inevitably also come to talk about “ecosystems” and “platforms” -- in other words, precisely what you will be dealing with in more detail below.

MANDATORY READING

Banalieva, E. R. and Dhanaraj, C. (2019): Internalization theory for the digital economy. *Journal of International Business Studies*. 50, 1372–1387.

READING RECOMMENDATIONS

Zeng, Jing, Khan, Zaheer, and De Silva, Muthu, (2019): The emergence of multi-sided platform MNEs: Internalization theory and networks. *International Business Review*, Elsevier, vol. 28(6), 1-1. <https://doi.org/10.1016/j.ibusrev.2019.101598>



In-person lecture



Q&A sessions






Guest speaker



Online Zoom session

PART 2: COMPETITIVE STRATEGIES

 In-person lecture  Interactive practice session  Student presentation (case study)

FRI, 12 JAN

9 am – 10.30 am
H 2036



LECTURE 1: THEORIES OF OLIGOPOLISTIC COMPETITION

- Market mechanism in perfectly competitive markets
- Market mechanism in monopolistically competitive markets
- Equilibrium in an oligopolistic market
- Cournot model of oligopolistic competition
- First mover advantage: Stackelberg model
- Price competition with homogeneous products: Bertrand model
- Price competition with differentiated products
- Competition vs. Collusion

10.45 am – 12 noon



STUDENT PRESENTATION 1

- European airline industry (Ryanair)

1 pm – 2.30 pm



LECTURE 2: TYPOLOGY OF STRATEGIES IN COMMODITY OLIGOPOLIES

- Characteristics of commodity oligopolies
- Evasion strategy: Changing the rules of the game
- Hardball strategy: Discipline through deterrence
- Cooperative strategy: Growing the pie

2.45 pm – 4 pm




STUDENT PRESENTATION 2

- Container shipping (Maersk)


MANDATORY READING

R. S. Pindyck, D. L. Rubinfeld: Microeconomics. 8th edition, Pearson 2012, Chapter 8.1-8.4 (pp. 279-292), Chapter 12.1-12.4 (pp. 451-472).

STARTING MATERIALS

 Student presentation database with guiding questions and papers

STARTING MATERIALS

 Student presentation database with guiding questions and papers

FRI, 19 JAN

9 am – 10.30 am
EW 201



LECTURE 3: INTRODUCTION TO GAME THEORY

- Cooperative vs. noncooperative games
- Constant sum games vs. nonconstant sum games
- Dominant strategies, Nash equilibrium, Pareto efficiency
- Mixed strategies, maximin strategies
- Prisoner's dilemma, battle of the sexes, hawk-dove game, Montmort game
- Sequential games and the extensive form
- Threats, commitments and credibility
- Entry deterrence
- Price competition in a duopoly

10.45 am – 12 noon



STUDENT PRESENTATION 3

- Cola wars (Coca Cola)

1 pm – 2.30 pm



LECTURE 4: THE EMERGENCE OF COOPERATION

- Repeated prisoner's dilemma
- Axelrod's first and second computer tournament
- Characteristics of successful strategies
- The evolution of cooperation in a world of egoists
- Conclusions for companies and policy makers

2.45 pm – 4 pm




STUDENT PRESENTATION 4

- Competition regulation (Google)

MANDATORY READING

R. S. Pindyck, D. L. Rubinfeld: Microeconomics, 8th edition, Pearson 2012, Chapter 13.1-13.7 (pp. 487-516).

STARTING MATERIALS


 Student presentation database with guiding questions and papers

MANDATORY READINGS

R. Axelrod: Effective choice in the Prisoner's Dilemma, Journal of Conflict Resolution 1980, 24 (1), pp. 3-25.

R. Axelrod: More effective choice in the Prisoner's Dilemma, Journal of Conflict Resolution 1980, 24 (3), pp. 379-403.

STARTING MATERIALS

 Student presentation database with guiding questions and papers

FRI, 26 JAN

8 am – 12 noon

H 2036



COMMOPOLY GAME

The commopoly game is an interactive group game. For exact times, please check on ISIS!

- Introduction to the commopoly game
- Eight rounds of commopoly in four teams (please bring a pocket calculator)
- Joint analysis of the game, conclusions
- Application of the learnings from game theory and the emergence of cooperation

FRI, 2 FEB

9 am – 10.30 am

H 2036



LECTURE 5: COOPETITION

- The concept of coopetition: business as war and peace
- Beyond Porter: The Value Net
- The PARTS framework: Players, Added values, Rules, Tactics, Scope

MANDATORY READINGS

M. Brandenburger, B.J. Nalebuff: The Right Game: Use Game Theory to Shape Strategy, Harvard Business Review 1995, Jul-Aug, pp. 57-71.

G. Stalk, R. Lachenauer: Hardball: Five Killer Strategies for Trouncing the Competition, Harvard Business Review 2004, April, pp.62-71. (optional reading)

10.45 am – 12 noon



STUDENT PRESENTATION 5

- M&A in oligopolies (Bayer-Monsanto)


1 pm – 2.30 pm




STUDENT PRESENTATION 6

- Ride-sharing (Grab vs. Go-Jek)

STARTING MATERIALS

 Student presentation database with guiding questions and papers

STARTING MATERIALS

 Student presentation database with guiding questions and papers

2.45 pm – 4 pm



LECTURE 6: BUSINESS ECOSYSTEMS

- What is a business ecosystem?
- What are the basic types of business ecosystems?
- When is an ecosystem the right governance model?
- What are the benefits and drawbacks of business ecosystems?
- Why do business ecosystems fail?

MANDATORY READINGS

U. Pidun, et al.: Do you need a business ecosystem?, BCG Henderson Institute 2019

U. Pidun, et al.: How do you design a business ecosystem?, BCG Henderson Institute 2020



In-person lecture



Interactive practice session



Student presentation (case study)