

GEORGETOWN UNIVERSITY MCDONOUGH SCHOOL OF BUSINESS

Course Title: International Business 2016 Spring Semester
Course Number: STRT-261-01 M, W 12:30 – 1:45 pm
Hariri 130

Instructor: Prof. Michael R. Czinkota
Office: 402 Hariri
Office Hours: M, W 2 - 3 pm
And by appointment

Communication: TEL 687-4204, FAX 687-4031
Email : czinkotm@georgetown.edu

First Class Meeting: January 13, 2016
Last Class Meeting: May 2, 2016
Final Exam Schedule: May xx, 2016 12:30 pm-2:30 pm

Teaching Assistant: Ayesha Malik (am3320@georgetown.edu)

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Blog: michaelczinkota.com
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Objectives

1. To gain an understanding and appreciation of the internationalization of the world marketplace and its diversity.
2. To develop a working knowledge of the special policy issues surrounding international business.
3. To present ways in which international firms cope with economic conditions; marketing practices; local, national and international politics; and management problems arising from cultural and ethical variants.
4. To analyze the potential future direction of international business both globally and in terms of particular market areas.
5. To enable students to analyze international changes and their effects, allowing them to present an analysis to colleagues which permits an appropriate agreed upon response.
6. To expose students to opportunities in international business.

Required Reading and Tracking

Czinkota, Michael R., Ilkka A. Ronkainen, and Michael H. Moffett, Fundamentals of International Business, 3rd Ed., 2015: New York. Wessex

Purpose

There is unprecedented change in international business. Very close linkages emerge between domestic and international activities, and between all economies around the globe. We know that when domestic economic activities are down, international business is down as well—only much more so. As local economies grow, so does international business.

Austerity brings changes in production and consumption. The role of governments is growing by leaps and bounds, dictating the direction and strength of international business activities. There is rising potential to restrict imports and encourage exports, in order to keep home industries safe and gradually reduce global imbalances.

This course provides a comprehensive and up-to-date overview of international business and the institutions involved in the process. Although there is an underlying universality to the basic principles of business administration, it is in the application of these principles that people in international business encounter unique problems. Theory will be emphasized for a normative understanding; practical aspects are focused on to show the relation of theory to "real life." We will teach each other and learn from each other by the use of analogies, parables, and examples—which will help us understand and remember.

Main emphasis will be on the identification and analysis of environmental differences. When one understands the environment in which one has to operate, one functions more effectively. This course will not guarantee success if you engage in business in Abu Dhabi or Singapore, but it will present a basis for understanding the key aspects of international operation.

Given our location, our public positioning strength and the increased influence of government on business, major emphasis will be placed on the policy related aspects of international business. Problematics will be analyzed from the point of view of both small- and medium-sized firms as well as multinational corporations. Incorporated will also be the views of consumer and industrial companies as well as service-related firms.

Course Procedure

This course mainly follows a discussion format, with strong emphasis on student participation. We will learn and teach by using analogies, similes and examples. **Students need to review the assigned book and blog material** and think about the international business implications **BEFORE** coming to each class.

- a) In class we will then evaluate, discuss and debate key components of the issues pertinent to each day. There will be cold calling to allow all participants to enhance our thinking.

b) There will be a series of class participation forms:

1. International business editorial and presentation:

Each class session will start with brief student presentations of an original current international business event which took place within the last 10 days. The subject has to be relevant to the scheduled topic of the class meeting in which you present. Editorials are due in our session on the day of the presentation. Each student will prepare one presentation and write an editorial piece (750 words) during the semester. Make sure to craft an interesting title, include a summary of the international business issue addressed, to explain its meaning to the international business community and its relevance to the class. **Each presentation will last for three minutes. The presentation needs to end with one key issue/question to the class which will then be managed by the presenter for a brief in class discussion. Each presenter will hand in a typed, one-page double-spaced editorial to the instructor and submit an online copy. A copy or print-out of the source article must be attached. Exceptional editorial pieces will be posted on the Michael Czinkota blog or offered to the international press for dissemination.**

Materials should typically be drawn from the internet, the business section of the daily newspaper, or current issues of journals such as Business Week, Fortune, The Economist, etc. Feel free to use our website for your projects. A sign up sheet for presentations will be circulated during the first two sessions of the course. Once selected, a presentation date will count as a firm commitment. It is your responsibility to ensure that your chosen topic has not been presented previously and to coordinate topics with any student who presents on the same day so that there is no overlap in topics.

The following shall be the basis of the grading:

- Does it have solid foundation of the argument: (30%)
- Is it focused on international business: (25%)
- Are the opinions original and persuasive: (20%)
- Does it have little jargon and correct grammar and spelling: (15%)
- Has it kept the word limit: (10%)

2. Class attendance and participation:

An individual's contribution to a class will be measured in two ways. One is the physical presence of the student. Without such presence the class will not benefit from the student's knowledge and preparation and is therefore deprived in its learning experience. We are not (yet) a MOOC. Therefore we will keep track of such presence.

Of greater importance is the actual participation of the student in our discussions. The value of the participation is a very important dimension supporting the learning process. Therefore, the quality of the participation will also be rated. Such participation can come in the form of debate contributions when we analyze specific issues focusing on, say, ethics or debate items. Other options are discussions of the blog, including even an analysis of one of the blog cartoons.

c.) Several cases are assigned during this class. They will serve to highlight the implementation of concepts discussed earlier. Students are expected to individually

analyze each case by reading it in advance, probing the addressed issues in-depth, and being ready to discuss them in class.

In class, students may be called to the front of the class in order to present portions of the case issues alternatives. **At the start of the case class, each student will also hand in a two page double spaced paper which presents:**

1. A case summary (20%)
2. The core issues evaluated and the rationale for such evaluation (20%)
3. An analysis of the core issues (30%)
4. Recommendations (30%)

Each case contribution will be evaluated in two ways: the student's contribution to the class discussion and the quality of the 2 page paper.

d.) Students will also carry out an international business research project. The project will be conducted in a group format. The work will include the following components:

1. The project will focus on the actual new market entry activities of a firm (i.e. an entry within the last four years). New market entry refers either to a firm entering a new country, or a firm offering a new product or service in a non-domestic market in which it already is active. Market entry can consist of a variety of activities such as exporting, licensing, franchising, or foreign direct investment. In order to keep the research and subsequent presentations interesting, you must select among the following corporate (product) and geographic choices:

Type of Firm:

Industrial Goods
Consumer Goods
Services

Geographic:

Japan, China, other Asia
"Western" Europe
Central Europe
Mexico, Latin America
Middle East
U.S., Australia
Russia, Africa

Each corporate/geographic combination can only be chosen once. Therefore, the sooner you select, the more likely it is that you will get the topic of your first choice. However, you should first investigate the information available for the firm and product you would like to work on before you enter your official choice since changing your mind afterwards will lead to a one grade step penalty. On **February 10th** you are expected to have selected your other group members (typically 4-5 students in one group).

2. On **February 10th** your group is expected to hand in a printed sheet with the following information:
 - i. The title of your project
 - ii. The name of your firm
 - iii. The type of activity you propose to research
 - iv. The year when the activity started

- v. The form of international entry
- vi. The country of origin
- vii. The country of destination
- viii. The names and signature of all group members

After instructor review, adjustments will be made in order to avoid overlaps in the papers.

3. As part of your research and presentation, your group is expected to address the following issues:
 - i. An overview of the product/firm, covering the past
 - ii. The activity of your firm, covering the present
 - iii. The type of international entry (e.g. export, license, invest)
 - iv. The rationale for the market entry choice
 - v. An explanation of the preparatory steps undertaken by the firm
 - vi. A discussion of the problems, opportunities and competition encountered
 - vii. An evaluation of the market entry effort (typically at least 2-3 years since entry need to have elapsed for an evaluation of performance)

For this project you should ensure that your analysis and writing reflects both the concepts covered in class and demonstrates how these concepts are linked to the practices of the company you have chosen.

Much of the information necessary for this project can be gleaned from secondary sources. However, it may be helpful if you also contact the firm in question directly for an interview.

4. Each group will write up its project in a paper due in 402 Hariri on **April 13th before noon**. Each day of delay will result in one grade step reduction. The paper is to be no longer than 20 pages, typed, printed double-spaced, and should be professional in terms of presentation. For grammar or citation styles, please check with style guides such as *Turabian*. Please use endnotes for referencing. Make sure you use headings and subheads and that your pages are numbered. Appendices which contain all supporting tables, charts, figures, maps and references are **not** part of the 20 page limit.
5. From **April 13th** on, the projects will be presented in class. Each group will make a 20 minute presentation summarizing its work (specific presentation times to be announced in class.) Presentations will be evaluated based on lucidity and professionalism.

There will be a midterm and a final examination. The examinations will consist of discussion essay questions and multiple choice questions. The questions will focus primarily on the understanding of material and placing it in contemporaneous context. The exams will be in class, and will be written on the computer.

Grade Determination

The final grade will be determined as follows:

Individual Presentation	5%
Written Editorial	5%
Cases	10%
Class participation	10%
Midterm Examination	20%
Final Examination	25%
Group Research Project:	
Presentation	10%
Paper	15%
	100%

It is important to use your name plate at each session.

Attendance Policy

Policies governing teacher/student responsibilities are established by the University and by the Executive Council of the Georgetown School of Business. Please consult the University Bulletin, the University Faculty Handbook, and the MSB Faculty Administrative Manual, and MSB Executive Council policy decisions. One policy is of special importance:

“Students are responsible for adhering to all course procedures and policies, including class attendance, set down by an instructor for the successful completion of the course; absence from class for whatever reason carries with it the obligation of making up missed work.

Faculty members have a right to request their students to notify them well in advance of their intention of being absent from class on a major religious holiday.

Faculty members should make every effort not to schedule a test, quiz, or oral presentation on a major religious holiday so as to encourage rather than discourage students from attending religious services of their choice. However, should such scheduling be absolutely necessary, every effort should be made by the faculty member to permit students to make up missed tests or oral presentations.

In no case may a faculty member assign extra work beyond normal course requirements due to such absences. Students who fail to notify their faculty members have no right to expect that they will be permitted to make up a scheduled examination, test, quiz, or oral presentation.”

Intellectual Property Policy

Recordings of presentations, lectures and discussions are not permitted without specific written permission of the participants.

INTERNATIONAL BUSINESS

COURSE OUTLINE

*This outline is tentative and subject to changes announced in class.
Assignments refer to the course book and the Blog*

<u>DATE</u>	<u>TOPIC</u>	<u>ASSIGNMENT</u>
1/13	Welcome and Introduction to the Course	
1/18	<i>Holiday: Martin Luther King Day</i>	
1/20	Globalization <i>International Trade is Crucial to Revival of Global Economy</i> http://michaelczinkota.com/2009/09/international-trade-is-crucial-to-revival-of-global-economy/	Ch. 1
1/25	International Trade I Policies, Politics, and Laws <i>Episode 13: Walter Bastian on Trade in the Western Hemisphere</i> http://www.youtube.com/watch?v=LoINv98DemQ&list=UUut9zF9ollg9LVdYp-KFqyw&index=17	Ch. 4
1/27	International Trade II: Case: Tire Tariffs <i>Episode 17: Autler on Imports</i> http://www.youtube.com/watch?v=BAyO7p_4rrc&list=UUut9zF9ollg9LVdYp-KFqyw&index=13	Blackboard
2/1	International Trade III Trade and Investment Theories	Ch. 6
2/3	International Trade V International Accounts and the U.S. Trade Position	Ch. 7
2/8	Culture <i>Why is Culture Important in International Business?</i> http://www.youtube.com/watch?v=D1U0HiS6Mk&list=UUut9zF9ollg9LVdYp-KFqyw&index=7	Ch. 2
2/10	Financial Markets, Exchange Rates, Monetary Systems Group and topic registration due <i>Episode 10, Part 2 of 2 - Interview with Ambassador Frank Lavin</i> http://www.youtube.com/watch?v=OtvxzNo2h8Q&list=UUut9zF9ollg9LVdYp-KFqyw&index=20	Ch. 7

2/15	<i>Holiday: President's Day</i>	
2/17	Economic Integration and Emerging Markets <i>Episode 11: Aaron Brickman on Foreign Direct Investment</i> http://www.youtube.com/watch?v=dq3zuNk0C7c&list=UUut9zF9ollg9LVdYp-KFqyw&index=19	Ch. 5
2/22	Case: Honeyland from New Zealand	Blackboard
2/24	The Business Knowledge Base <i>Episode 19: Oded Shenkar on Innovation and Imitation</i> http://www.youtube.com/watch?v=0InOIfH02Wk&list=UUut9zF9ollg9LVdYpKfQyw&index=11	Blackboard
2/29	Entry and Expansion <i>International Market Entry and Expansion</i> http://www.youtube.com/watch?v=gjXz9x7S2PQ&list=UUut9zF9ollg9LVdYp-KFqyw&index=3	Ch. 10
3/2	MIDTERM EXAMINATION	
3/4 - 3/13	SPRING BREAK	
3/14	Project Tools and Techniques (Ms. Boettcher)	
3/16	Marketing <i>Episode 3: Marketing and Strategy</i> http://www.youtube.com/watch?v=FL87HDBIe_w&list=UUut9zF9ollg9LVdYp-KFqyw&index=28 <i>Marketing Management Column #2 Part 1</i> http://michaelczinkota.com/2009/11/marketing-management-2-part-1/ <i>Marketing Management Column #2 Part 2</i> http://michaelczinkota.com/2009/12/marketing-management-column-2-part-2/ <i>Marketing Management Column #1 Part 2</i> http://michaelczinkota.com/2009/11/marketing-management-column-1-part-2/	Ch. 11
3/21	Services <i>Episode 8: Services Trade</i> http://www.youtube.com/watch?v=tTHAjDSc8xE&list=UUut9zF9ollg9LVdYp-KFqyw&index=23 <i>Episode 9: Medical Tourism</i> http://www.youtube.com/watch?v=D8OHYewjGYw&list=UUut9zF9ollg9LVdYp-KFqyw&index=22	Blackboard
3/23	Financial Management, Trade Finance, International Investing, Foreign Exchange Exposure <i>Government May Put the Financial Industry at Risk</i>	Ch. 9

<http://michaelczinkota.com/2010/02/government-may-put-the-financial-industry-at-risk-2/>

3/28	<i>Holiday: Easter Monday</i>	
3/30	The Global Supply Chain <i>Episode 5: Volcanic Eruption</i> http://www.youtube.com/watch?v=5xb_OAbDknM&list=UUut9zF9ollg9LVdYp-KFqyw&index=26	Ch. 12
4/4	Human Resource Management	Ch. 13
4/6	Case: When Diamonds Weep	Blackboard
4/11	The Honorable Merchant <i>Episode 7: Corruption and Bribery in Business</i> http://www.youtube.com/watch?v=Fz7RC-cD4Ow&list=UUut9zF9ollg9LVdYp-KFqyw&index=24	Blackboard
4/13	Presentations Begin ALL RESEARCH PAPERS DUE AT START OF CLASS	
4/18	Presentations	
4/20	Presentations	
4/25	Presentations	
4/27	The Firm and Society	Ch. 14
05/2	The Future <i>Episode 22: Getting and Keeping the International Job</i> http://www.youtube.com/watch?v=HvGRbiVgRDU&list=UUut9zF9ollg9LVdYp-KFqyw&index=8	Ch. 15

FINAL EXAMINATION: May xx, xxpm

Just in case: continuity session

International Business and Terrorism

Blackboard

Afghanistan and the War Against Terror: Business Can Make a Difference

<http://michaelczinkota.com/2011/09/afghanistan-and-the-war-against-terror-business-can-make-a-difference/>

Minimizing Terrorism's Impact

<http://michaelczinkota.com/2010/02/minimizing-terrorisms-impact-2/>