International Strategic Management (21.144)

Degree/study: IBE/GRAU
Course: 3rd Year
Term: 3rd Trimester
Number of ECTS credits: 5
Hours of student’s dedication: 125 hours
Language or languages of instruction: English
Professor: Joan Freixanet (juan.freixanet@upf.edu)

Timetable:
Theory classes:
Monday 19:00 – 20:30 and Tuesday 19:00 – 20:30
Seminars:
Thursday (different schedules depending on the group).

1. Presentation of the subject
International Strategic Management deals with the most important aspects of a company operating in different countries, and from the perspective of the top management.

The object of study are the company’s internationalization processes. Contrary to other strategic management subjects, in this course both Small and Medium Enterprises and Multinationals will be analyzed. International Strategic Management is about knowing why and how businesses go international. The subject evolves in the same way companies do: first taking the decision to go international, followed by the choice about where to export, adapting then the company’s marketing-mix and deciding the entry method. Then the company will eventually grow and will become a multinational and it will need to decide which management model it adopts (multidomèstic, global or transnational), and how to organize and control its activities in the foreign markets. These are the five key International Strategic Management Decisions (I.S.M.D.), which constitute the five main blocks of analysis used in the subject:

   1) ISMD (1): The Decision de Go International: Motivations and Difficulties
   2) ISMD (2): The Selection of the Foreign Markets
   3) ISMD (3): The Adaptation of the Marketing-Mix
   4) ISMD (4): The Selection of Entry Methods

Upon the successful completion of this course, each student should be able to:

- Get acquainted of several tools to formulate international strategies.
- Improve their analytical capabilities for analyzing complex corporative situation.
- Reflect on strategic issues regarding internationalization at the corporate level.
- Develop and demonstrate decision making abilities and skills in analyzing global corporate directions and in making strategic decisions.
- Identify and analyze business opportunities in the foreign markets
- Select the most interesting export countries
- Get acquainted with some information sources
- Distinguish and be able to choose the best entry strategies, and
- Know how multinationals may organize and control their international activities.

To achieve these purposes, the course will evolve around a theoretical and a practical base simultaneously. While the theoretical part concentrates upon the fundamental issues related to international strategic management, the practical part is about building insights from real life situations. The participants of this course, hence, are expected to adopt a bird’s-eye-view perspective, and pay attention to both the theoretical and practical aspects of the subject.

2. Competences to be attained

The course is organized with a combination of theory, case discussion, and group presentations (final project). The skills emphasized during the delivery of this course following the planned scheme for IBE studies are:

<table>
<thead>
<tr>
<th>G1</th>
<th>Understand and interpret relevant and reasoned written texts of academic level and character.</th>
<th>Individual work, cases, project</th>
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</thead>
<tbody>
<tr>
<td>G2</td>
<td>Being able to justify their own positions consistent arguments and to defend them publicly.</td>
<td>Participation in class, seminars (cases) and final project</td>
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<tr>
<td>G3</td>
<td>Being able to communicate properly in both oral and written both expert and inexperienced audiences.</td>
<td>Seminar (cases) and final project</td>
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<tr>
<td>G4</td>
<td>Being able to use English in all areas of work (read, write and speak in a high register)</td>
<td>Participation in class, Seminars (cases), final project</td>
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<td>G6</td>
<td>Be able to work as a team, participating actively in the work and negotiating with divergent views to reach consensus positions</td>
<td>Seminars (cases), final project</td>
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<tr>
<td>G7</td>
<td>Develop the ability to reason with distance self-critical issues or controversial issues.</td>
<td>Participation in class, seminars (cases), final project</td>
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<td>G8</td>
<td>Accepting diversity of views as a fundamental ingredient of academic life and integral to</td>
<td>Theory, Seminars (cases)</td>
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</tbody>
</table>

contemporary society, and be able to present their own opinions while respecting differing opinions.

**G9** Having consolidated habits of self-discipline, self-demanding and rigor in the conduct of academic work and in the organization and its proper timing.

Seminars (cases), final project

**G10** Be proactive in the desire to know what ignored, essential in any learning process and in any professional activity projection.

Seminars (cases), final project

**G11** Being able to flexibly and creatively apply the acquired knowledge and to adapt to new situations and contexts.

Seminars (cases), final project

**G16** Use the appropriate information in the formulation of proposals and problem solving.

Seminars (cases), final project

**G17** Apply economic reasoning to adopt decisions making in high risk situations.

Seminars (cases), final project

**G18** Apply the knowledge and procedures relevant to a range of complex situations.

Seminars (cases), final project

**G19** Identify the key factors of a problem.

Seminars (cases), final project

**G20** Demonstrate a critical approach to different situations.

Seminars (cases), in-class cases

**E2** Understanding the mechanisms of internationalization of a company and all routes of entry into foreign markets.

Lecture discussions, in-class cases, seminars (cases), final project

**E3** Evaluate the constraints and opportunities different foreign markets, with the goal of internationalization decisions of a company.

Lecture discussions, in-class cases, seminars (cases), final project

### 3. Contents

Our course is motivated by these fundamental questions:

1. Why companies go international? Which are the main difficulties of this process?
2. What are the core concepts and decisions associated with doing business internationally?
3. What are the dynamics and possibilities of multilocal and global strategy?
4. How to manage a company with activities deployed in different countries?

More specifically, the first part of the course aims to address why and how should firms internationalize and the dynamics of international strategies. The second part deals with the use of alliances, and focuses on the multinational company, on how to coordinate those companies with activities dispersed in different locations.

We will conclude the course with a project applying the concepts discussed in the theory classes.
4. Assessment

Deliverables

*Classroom performance*
Classroom performance is evaluated individually. Past experience shows that students that attend classes regularly tend to obtain higher final grades. Moreover, class participation is an integral part of the learning experience in this course. Every session should be considered as a business meeting where participants will use their collective knowledge, experience, and brainstorm not only to discuss theoretical concepts, but also and mainly to analyze, discuss and solve complex business issues and problems. This means you cannot remain as a passive observer. You have to come to class prepared to analyze and act in genuine managerial situations.

*Group case reports*
Students will be asked to prepare group reports on the business cases we will study in the seminar hours. The report will be based on questions that will be distributed in due time for each case. The case reports are to be sent by email on each Tuesday midnight before the relevant seminar session. Late deliveries will lose points. The discussion questions included for the case should provide the framework within which the case is to be analysed. This does not preclude the inclusion of additional issues that a group wishes to discuss, but the questions provided should be answered. In the write-ups, make sure to combine the analysis of the case with the conceptual material in the course. The write-up should be based on quantitative and qualitative information from the case.

*Final group project*
Students are expected to work on a final project.
SMEs (Small and Medium Sized Enterprises) are a company category which represents approximately 95% of companies in Spain (and over 90% in the EU). However, they have been relatively neglected by International Management studies. In order to overcome this academic gap, the Final Group Project will be focused on studying a SME.
The professor will give a list of SMEs, all of them companies which are starting to internationalize, and students will choose one of them.
For each company, a specific market/country will be assigned which will have to be analysed regarding the potential for the company.
During one of the classes, a sheet of paper will be handed where each group will have to select one of the companies. If two groups want to study the same company, the second one to write down their name should ask the professor for a different country.
Teams should analyze the strategic and structural issues that their chosen internationalizing company is facing and should prepare a report about their recommendations for this firm. You will also present your group projects.
The specific questions covered by this report are explained in a separate document.
The final deadline for handing in electronic and hard copy of written case is the end of the 7th week. The report should not be longer than 20 pages+ references and appendix.

The last three weeks of theoretical classes are assigned to the presentation of the group projects. Regarding the report and its presentation, I suggest using visuals to summarize arguments, and being clear, succinct, and to the point. Each group has 15 minutes to present its report. All students are required to be present during all presentation days.

Formatting for the assignments & exercises:
- Times New Roman
- 1.1-spaced
- Font 12
- Justified
- Margins: Top 2,5 cm; Bottom 2,5 cm; Left 3 cm; Right 3 cm.
- Reference system

**Grading**
The course is graded from 0 to 10 points. Passing the course necessitates *an average grade of 5.0 points in total.*

At the ordinary term, the final grade for the course will be determined on the following basis:

<table>
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<tr>
<th>Assessment Elements</th>
<th>Deadlines / Time Period</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Individual classroom performance</td>
<td>Throughout the course (both theory and seminar sessions)</td>
<td>10%</td>
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<tr>
<td>Group case assignments (6 in total)</td>
<td>Before every seminar session</td>
<td>30%</td>
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<tr>
<td>Final group project &amp; presentation</td>
<td>Due the end of 7th week</td>
<td>20%</td>
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<tr>
<td>Exam</td>
<td>June 18th – 15 to 17 hrs</td>
<td>40%</td>
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**Further specifications on grading and assignment rules:**

1. Both for the ordinary and extraordinary grading periods, all evaluation items are compulsory. Therefore failing to deliver assignments, save for justified reasons, imply 0 in that item. Failing to deliver any assignment implies the qualification of “Not Attended”.

2. If two (or more) students (or groups) turn in same / very similar assignments or quizzes, both items will be graded as zero points.

3. Late delivery of any assignment implies losing points.
5. Bibliography and teaching resources

5.1. Basic bibliography: Suggested textbooks

5.2. Additional bibliography: Suggested classics as background readings

The following readings serve as the basis of the topics that are introduced in this course. In class, we will discuss how the field has evolved ever since these classic articles have been written.


6. Methodology

The classes will be delivered through presentations during lecture hours. Seminar hours will usually cover a case based on a real life situation illustrating one or more of the topics covered in the lectures. For the seminars, students have to organize themselves in small groups. Each week, that week’s case study assignment will be submitted before the class, the case then will be discussed with the other students. Students will be graded both on their case assignment, and their participation in seminar sessions. It should be noted that the purpose of the chosen cases is not to cover all the issues covered in class, but to illustrate how various organizational concepts shape the decisions on real-world problems. Students will be encouraged and are expected to participate in the discussion of the topics delivered by the instructor in lecture hours AND during seminar hours.
### 7. TENTATIVE COURSE SCHEDULE 2013-2014

<table>
<thead>
<tr>
<th>Course Overview</th>
<th>IS.M.D (1) The Decision to Go International</th>
<th>ISMD (2) The Selection of Foreign Markets (I)</th>
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<tbody>
<tr>
<td>Globalization</td>
<td>01.04.2014</td>
<td>07.04.2014</td>
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<tr>
<td>31.03.2014</td>
<td></td>
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<tr>
<td>ISMD (2) The Selection of Foreign Markets (II)</td>
<td>ISMD (3) The Marketing-Mix Adaptation</td>
<td>ISMD (4) The Selection of Entry Method (I)</td>
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<tr>
<td>ISMD (4) The Selection of Entry Method (II)</td>
<td>ISMD (4) Strategic Alliances &amp; Cooperation Agreements (I)</td>
<td>ISMD (4) Strategic Alliances &amp; Cooperation Agreements (II)</td>
</tr>
<tr>
<td>29.04.2014</td>
<td>05.05.2014</td>
<td>06.05.2014</td>
</tr>
<tr>
<td>ISMD (5) Managing the Multinational Company (I)</td>
<td>ISMD (5) Managing the Multinational Company (II)</td>
<td>WRAP-UP</td>
</tr>
<tr>
<td>12.05.2014</td>
<td>13.05.2014</td>
<td>19.05.2014</td>
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<tr>
<td>Presentations Team Projects</td>
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<tr>
<td>20.05.2014</td>
<td>26.05.2014</td>
<td>27.05.2014</td>
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<tr>
<td>Presentations Team Projects</td>
<td>Presentations Team Projects</td>
<td>Presentations Team Projects</td>
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<td>02.06.2014</td>
<td>03.06.2014</td>
<td>10.06.2014</td>
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The cases for seminar sessions will be assigned during the term.