Introduction

A conceptual and operational understanding of current topics in the international business arena is critical to an organization's success. The scope and content of international business issues have been fast evolving, due to the deregulation of markets, changing consumer preferences, product innovations, and technological advancements. As the world becomes more integrated, a solid understanding of international business concepts and their associated implications has become essential for corporate decision-making. Profiting from the multinational and multicultural nature of the program, students will be able to acquire a very current hands-on perspective on international business issues, with a particular geographic emphasis on the European Union and thematic emphasis on luxury goods.

Course Description

This course presents a systematic overview of international business. There will be an integrated progression of topics ranging from understanding the political, economic, legal, cultural, and economic influences on international trade and investment flows, to the analysis of the strategic and operational alternatives when conducting international business. Through practical case studies, team projects, and visits to leading European companies and organizations, the students will be exposed to the actual implementation of the topics covered in class on real-life companies.

Course Objectives

Upon successful completion of this course, students will be able to:
1. Develop a solid understanding of the foundations of international business and the cultural context for managing in diverse international environments
2. Become familiarized with the causes and consequences of the process of accelerated globalization
3. Understand the impact of the global economic crisis on international trade and finance
4. Develop an understanding of the global monetary framework in which international business transactions are conducted, and the importance of foreign exchange markets
5. Examine the strategies and structures that firms adopt in order to compete effectively in the international business arena
6. Examine the policies and practices of multinational corporations regarding ethics, social
responsibility, and the environment
7. Understand the causes and consequences of the current crisis in the Euro-zone
8. Understand the past, present, and future of the European Union and the numerous opportunities it offers for international business

Course Requirements

The course requires active student participation. Students are expected to read the assigned textbook chapters, cases, and articles before every class. Punctual attendance is required. There will be a midterm exam, a final exam, case studies, and a team project. Each student is required to participate in a minimum of three professional visits and three cultural visits.

Teaching Procedures and Methodology

Teaching methods used in this course include lectures, case discussions, team assignments, and professional visits. Learning in this course requires the student’s constructive participation and active involvement in both class discussions and small group discussions. Small group discussions, in particular, are a key mechanism for facilitating learning from other team members. Thus, it is essential to attend all group activities inside and outside classes. The corporate visits will expose the participants to different aspects of the class and will highlight the practical relevance of the concepts learned. The visits will be accompanied by individual or group assignments. Cultural visits enhance the students’ understanding of the history and culture of each country.

Required Textbook

by Tamer Cavusgil, Gary Knight, and John Riesenberger
Pearson, 2017

Additional Reading

Additional articles from a number of sources covering current international business issues will be distributed by the instructor throughout the course

Complementary Websites

As a requirement of this class, students need be informed about current international, political, and economic events. Being informed about what is going on in the world is important to student success in this course and in business. Keeping current of international news will make the class material relevant. This knowledge is integral in evaluating and analyzing course material and ultimately in becoming a competent business professional. For the aforementioned reasons, current events are immersed into class discussions. A partial list of interesting websites that students should consult on a regular basis is provided below:

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<thead>
<tr>
<th>Website</th>
<th>URL</th>
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<tbody>
<tr>
<td>BBC World News</td>
<td><a href="http://www.bbc.com">www.bbc.com</a></td>
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<tr>
<td>The Economist</td>
<td><a href="http://www.economist.com">www.economist.com</a></td>
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<tr>
<td>Wall Street Journal</td>
<td><a href="http://www.wsj.com/">www.wsj.com/</a></td>
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<tr>
<td>Financial Times</td>
<td><a href="http://www.ft.com/">www.ft.com/</a></td>
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<tr>
<td>Business Week</td>
<td><a href="http://www.bloomberg.com/businessweek">www.bloomberg.com/businessweek</a></td>
</tr>
<tr>
<td>Journal of Commerce</td>
<td><a href="http://www.joc.com">www.joc.com</a></td>
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<tr>
<td>U.S. Department of Commerce</td>
<td><a href="http://www.commerce.gov">www.commerce.gov</a></td>
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<tr>
<td>International Trade Association</td>
<td><a href="http://www.ita.doc.gov">www.ita.doc.gov</a></td>
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<tr>
<td>Global Edge</td>
<td>gloaledge.msu.edu</td>
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<tr>
<td>World Fact Book</td>
<td><a href="http://www.cia.gov/library/publications/resources/the-world-">www.cia.gov/library/publications/resources/the-world-</a></td>
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Team Project

This team project is designed to provide you with a sound understanding of how companies engaged in international business apply the concepts discussed in class to make real-life business decisions. Your team assumes the role of consultants that will advise the chosen company on some critical issues related to expanding into a new market. Teams will be made up of 3-4 students each. The project must include the following sections:

I. Product and Company Selection
Select a product that at least one member of the team has a specific knowledge about and is currently marketed in his/her home country. Describe the product, the manufacturer, and the international business orientation of the firm.

II. Market Analysis
Select a European market in which that product is not currently being sold. You must select a product/country combination for which a profitable business opportunity likely exists. Elaborate a market analysis in which you examine the competitive, economical, and political environment that will impact the future success of your product and company there. Focus on the aspects of these environments that are most relevant to your company and product.

III. Market Entry Strategy
After selecting a product and analyzing the target market, evaluate the different market entry strategies available. Assume that the company does not merely want to export its product to the given market, but has plans to develop a more strategic approach to entering this market.

IV. Location
As part of your analysis in part III, make sure to suggest one or more particular cities or regions that will play a role in your proposed strategy. Describe the advantages of the proposed locations in terms of operations and distribution among others.

V. Internal Capability Building Report
Reflect on the capabilities that the chosen company will have to develop or strengthen in order to be successful in the chosen market. Include in the analysis issues related to required management profiles and capabilities and the associated human resources (HR) concerns.

Deliverables

1. **Proposal:** A brief 1-2 pages (double-spaced, in 12 point font) proposal specifying the company/product/service and target market selected. Also required is a concise description of your rationale for your decision. Should the initial proposal by the group require significant changes, the revised draft will have to be handed in within one week of the initial presentation to the instructor.

2. **Project Updates:** Each group must submit a total of two project updates in order to demonstrate their progress. The instructor will provide timely feedback to ensure that each group is on target.
3. **Written Report:** The report should be 12-14 pages in length (double-spaced, in 12 point font), *excluding* the cover page, table of contents, list of references, and appendices. In addition to the main content, all written reports must include a cover page, a table of contents, page numbers, a list of current references (minimum of 7), and an appendix of key figures, charts, and the like. References should be written in American Psychological Association (APA) or Harvard Reference format. If you are not familiar with these formats, consult manuals available online.

4. **Presentation:** In the last week of class, each team will hold a concise, informative, and interesting 10-minute presentation, highlighting the key points of their project report. The required scenario for the presentation is that the group is presenting their plan to potential investors (the audience) for consideration. Creativity is strongly encouraged in all presentations.

The team members are required to provide the instructor with regular and frequent updates on the progress of their project. The instructor will consequently provide on-going feedback to each team.

**Components of Final Grade**

<table>
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<tr>
<th>Component</th>
<th>Percentage</th>
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<tr>
<td>Midterm exam</td>
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<td>Final exam</td>
<td>30%</td>
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<tr>
<td>Team project</td>
<td>25%</td>
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<tr>
<td>Presentations</td>
<td>10%</td>
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<td>Assignments and class participation</td>
<td>10%</td>
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**Grading Scale**

- 93-100 % A
- 90-92.9 % A-
- 87-89.9 % B+
- 83-86.9 % B
- 80-82.9 % B-
- 77-79.9 % C+
- 73-76.9 % C
- 70-72.9% C-
- 67-69.9 % D+
- 63-66.9 % D
- 60-62.9 % D-
- Below 60 % F

**Course Outline**

**Module 1: Introduction, key terms and the fundamentals of international business**

- The mandate for internationalization of firms
- The scope and challenge of international business
- International business and you: why does it matter?
- Dimensions and drivers of market globalization
- The evolution of the European Union
- Economic, social, and environmental consequences of globalization
- Globalization and US firms: Opportunities and challenges
- Sustainability and key environmental issues
- International trade theory: The fundamentals of international business
- In Focus: The current economic crisis – roots and consequence
- Case 1: Internationalization at Harley-Davidson
Module 2: The Environment of international business: Issues
- The cultural environment of international business
- The effect of globalization on culture: Are cultures converging?
- Types and scope of ethical dilemmas in international business
- Corruption and international business: Indicators, legislation, and reality
- Theories of international trade and investment
- Navigating the political and legal minefields in international business
- Regional economic integration: Leading blocks, success factors, and challenges
- Emerging markets and developing economies: A risk-opportunity assessment
- The international monetary and financial environment of international business
- Case 1: Corruption at Siemens
- Case 2: Government Intervention at Airbus and Boeing
- Case 3: Tata Group: India’s New Global Challenge
- Case 4: AIG and Global Financial Contagion
- Discussion: Gaining cultural IQ to compete in the international business arena
- Focus Europe: International business in Europe

Module 3: Strategy and Opportunity Assessment
- Strategy and organization in the international firm
- Organizational structures for international operations
- Assessing global market opportunities
- Global production, outsourcing, and logistics
- Case 1: Carlos Ghosn: Leading for Global Success at Renault-Nissan
- Case 2: Advanced Biomedical Devices: Assessing Readiness to Export
- Discussion 1: IKEA’s Global Strategy
- Discussion 2: Brazil, China and India – Opportunities and Threats
- Discussion 3: The European crisis – Drivers and consequences

Module 4: Entering and Operating in International Markets
- Entry strategies and strategic alliances in international business
- Exporting and Countertrade
- Licensing, Franchising and other contractual Strategies
- Foreign Direct Investment flows and rationale and collaborative ventures
- Global Sourcing
- Case 1: Barrett Farm Foods: A small Firm’s International Launch
- Case 2: Subway and the Challenges of Franchising in China
- Discussion 1: Made in the USA?
- Scenario: The end of the Euro

Module 5: Functional Area excellence
- Global marketing in the global firm: Issues, conflicts, and solutions
- Human resources management: Managing the key competitive assets of a firm
- Financial management in international business
- The internal capability scorecard
- Case 1: H&M International Marketing Success Story
- Case 2: Evolving Human Resource Challenges at Sony
- Case 3: International Financial Operations at Tektronix
- Discussion: Functional area excellence and the implication for college graduates
• Final review

Schedule of Classes and Visits

The detailed schedule of classes, professional visits, and suggested cultural visits for each session will be available online at www.forum-nexus.com/schedules

Please note that this course will be offered as a Section 03 class.

Academic Integrity

Ramon Llull University, Franklin University Switzerland, and the Catholic University of the Sacred Heart place a high value on the integrity, good conduct, and academic honesty of all students. Students are expected to maintain high standards of academic integrity at all times. Any instance of academic dishonesty, including plagiarism, will result in a grade of F for the course.