

**Global Strategy  
MANA 7397, Summer II, 2018**

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**Dusya Vera, Ph.D.  
310E Melcher Hall  
Phone: 713-743-4677  
Fax: 713-743-4652  
[dvera@uh.edu](mailto:dvera@uh.edu)**

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## **COURSE OBJECTIVES**

The primary purpose of this course is to discuss the opportunities and challenges associated with the globalization of business enterprises. Frameworks and tools that can be used to assess global strategy options and to identify the levers through which different global strategies can create or destroy value will be introduced. We will examine differences between countries--along cultural, administrative, geographic, and economic dimensions--that impact cross-border integration, and will study specific strategies by which companies can address cross-border differences to create value. Students will experience global strategies in practice through visits to companies in Berlin, Germany, and through case studies.

## **REQUIRED READINGS**

- Pankaj Ghemawat. 2007. *Redefining Global Strategy: Crossing Borders in a World Where Differences Still Matter*. Harvard Business School Press.
- **Coursepack link:** [TBA](#)
- Supplementary readings will be available on Blackboard

## **BLACKBOARD LEARN**

Blackboard is a password-protected online course management system. In this course, the instructor will use Blackboard to:

- Upload class handouts and Powerpoint presentations for students to download.
- Centralize the delivery of assignments through TurnItIn.
- Centralize the discussion board, which will be used for weekly discussions on readings and group case presentations.
- Post grades. Each student will view his/her individual grades.

You can access Blackboard Learn in the following ways:

- Go to <http://www.uh.edu/blackboard> and click on the white Blackboard Learn button. Use your CougarNet ID and password to log in.
- Log in to AccessUH at <https://accessuh.uh.edu> and enter your CougarNet ID and password.

## COURSE EVALUATION

<b>Assignment</b>	<b>Points</b>
Contribution	
- On trip to Berlin	50
- On Web Discussions	15
Group Case Presentation	20
Term Paper:	
- Internal globalization: A self-diagnostic	15
<b>Total</b>	100 points

### *Contribution*

Berlin: The trip to Berlin is an important part of this course. While in Berlin, students are expected to represent the University of Houston in a positive and professional manner, and to participate in all required events. Your attendance, behavior, and involvement on the trip will comprise your participation grade.

Web Discussions: The Blackboard discussion will be based on the week's readings and case studies as specified on the schedule below. Blackboard discussion contribution points will be based on the quality and quantity of each student's postings, as well as the quantity of postings each student has read. High quality postings will build on examples and links to the Berlin trip, the class material, other classes you have taken, and your personal and professional experience in order to support the opinions offered. Students are expected to contribute 2 quality posts per week, for a minimum total of 10 quality posts. To get full credit, students are expected to read at least 90% of the posts. Every week, as we move to a new topic, the previous discussion will be closed (reading old posts is always possible, but no more postings will be allowed on old discussions).

Every week a group will be in charge of submitting 4 questions for class discussion (two questions based on the book chapters and two questions based on the case study of the week). Keep these ideas in mind when creating your discussion questions:

- Book chapters: How does the chapter material relate to your experiences during the Berlin trip or to your personal or work experience? What insights from the chapter do you want to discuss with the class as a whole? What did you find interesting? What did you agree or disagree with? What would you like to know more about?
- Case Study: Independent from the study questions provided by the instructor for each case, what issues or decisions about the case would you like to discuss with the class as a whole?

### *Group Case Presentation*

Four groups will be formed (about 5-6 students per group). Each group will analyze one case study and create a PowerPoint Case Presentation to be posted on Blackboard. Cases are specified below in the schedule. The presentations are worth 25 points each, with each group member getting the same number of points. The page limit for the presentation is 25 slides. Questions for each case are

provided in Appendix 1.

Group members need to place themselves in feet of the actors of the case and (1) describe and justify their decision about what they would do in the circumstance described at the end of the case, (2) respond to all the questions assigned for the case, and (3) explain their proposed action plan in detail. In preparing group presentations, it is not necessary for students to call the company described in the case, go on the internet, or otherwise attempt to find out ‘what happened’ in the case situation. Naturally, there are multiple reasonable courses of action for a company; the key aspect of the case analysis is the internal consistency of the decision and the congruence of the action plan.

An excellent presentation will (1) describe the group’s decision and justify it, (2) respond to all the questions assigned for the case, (3) provide a detailed action plan, (4) follow the above requirements, (5) provide consistent argumentation across slides, (6) be free of typos, grammar, and punctuation errors, (7) be well-referenced when applicable (sources of the material should be specified in the presentation), (8) be well-organized (with agenda and summary slides), (9) be well-written, (10) look visually appealing, and (11) include thoughtful discussion questions.

### *Term Paper*

Internal globalization: A self-diagnostic (3 pages, double space, 1-inch margins)

The term paper is a thought piece on (1) your personal position about globalization and global strategies, (2) your level of internal globalization, and (3) the implications that the phenomenon of globalization has for your personal and professional goals.

Before writing this thought piece:

- Please fill the **GAP Survey**, which is a short 15-question survey that can offer you food-for-thought about your personal global mindset. An online version is available at <http://www.ghemawat.com/cage/gap/survey.aspx>
- Please read this article on “**Remapping your strategic mindset**” <http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/remapping-your-strategic-mind-set> and explore the “**Rooted Maps**” available in this website: <http://www.ghemawat.com/maps/>

In writing your thought piece, please answer the following questions:

1. In closing up the class and the Study Abroad experience, what is your position on the debate about how global the world is? Is the world really flat? Are we in a “semiglobalized” world?
2. According to the GAP Survey, how “globalized” are you? Do you agree with the results of the GAP Survey? Why or Why not?
3. Of all the Rooted Maps you explored, which was the most insightful to you, personally and/or professionally? Why?
4. If an international career opportunity is offered to you, what strengths and what potential gaps do you see in your current global business competencies? What two actions will you take in the short term to further develop your global business competences?

The term paper should be an original piece of work, written by the student for this class. Students are to work individually on the term paper. An excellent thought piece will: (1) meet the stated requirements; (2) be relevant to the class content; (3) be well-written; (4) be well-organized; (5) be free of spelling, grammar, and punctuation errors; and (6) be well-referenced when applicable.

## **GRADE DISTRIBUTION**

Grades for this class will be determined by the total number of points that you earn during the semester based on the following scale:

A	100-93	C+	79-77
A-	92-90	C	76-73
B+	89-87	C-	72-70
B	86-83	D	69-60
B-	82-80	F	59- 0

## **ACADEMIC HONESTY**

The University of Houston Academic Honesty Policy is strictly enforced by the C.T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook which can be found at <http://www.uh.edu/dos/hdbk/acad/achonpol.html>. Students are expected to be familiar with this policy.

## **ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES**

The C.T. Bauer College Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

## **INSTRUCTOR EVALUATIONS**

The Bauer College of Business has a policy that requires all of its instructors to be evaluated by their students. The results of these evaluations are important to provide feedback to instructors on how their performance can be improved. In addition, these evaluations are carefully considered in promotion, salary adjustment, and other important decisions. We openly encourage students to provide feedback to the instructors and to the Bauer College of Business through the evaluation process.

## TENTATIVE COURSE SCHEDULE

<b>Mandatory Orientation</b>	April 6, 2018
<b>Trip to Berlin</b>	May 13-19, 2018
<b>Topic 1: Monday, June 4<sup>th</sup></b>	<p>Readings:</p> <ul style="list-style-type: none"> <li>• Chapter 1: Semiglobalization and strategy</li> <li>• Chapter 2: Differences across countries: The CAGE Distance Framework</li> </ul> <p>Videos:</p> <ul style="list-style-type: none"> <li>• TedTalk: Actually the world isn't flat (17 min) <a href="https://www.ted.com/talks/pankaj_ghemawat_actually_the_world_isn_t_flat">https://www.ted.com/talks/pankaj_ghemawat_actually_the_world_isn_t_flat</a></li> <li>• Intro to CAGE (3 min) <a href="https://www.youtube.com/watch?v=7FpUJaG7uMk">https://www.youtube.com/watch?v=7FpUJaG7uMk</a></li> <li>• Intro to AAA (3 min) <a href="https://www.youtube.com/watch?v=ZK6QLOYGM1s">https://www.youtube.com/watch?v=ZK6QLOYGM1s</a></li> <li>• Intro to Globalization (3:40 min) <a href="https://www.youtube.com/watch?v=tB4n4-7Otf&amp;t=114s">https://www.youtube.com/watch?v=tB4n4-7Otf&amp;t=114s</a></li> </ul> <p><i>Discussion questions posted by Instructor</i></p>
<b>Topic 2: Monday, June 11<sup>th</sup></b>	<p>Readings:</p> <ul style="list-style-type: none"> <li>• Chapter 3: Global value creation: The ADDING Value Scorecard</li> <li>• Chapter 4: Adaptation: Adjusting to differences</li> <li>• <b>Case Study – GROUP 1: “Lincoln Electric”</b></li> </ul> <p><i>Discussion Leaders: Group 1 (Case presentation and 4 discussion questions to be submitted to instructor by 10:00am on June 12).</i></p>
<b>Topic 3: Monday, June 18<sup>th</sup></b>	<p>Readings:</p> <ul style="list-style-type: none"> <li>• Chapter 5: Aggregation: Overcoming differences</li> <li>• Chapter 6: Arbitrage: Exploiting differences</li> <li>• <b>Case Study – GROUP 2: “Tata Consultancy Services: Selling certainty”</b></li> <li>• <b>Case Study – GROUP 3: “Arcor: Global strategy and local turbulence”</b></li> </ul> <p><i>Discussion Leaders: Groups 2 and 3 (Case presentation and 4 discussion questions to be submitted to instructor by 10:00am on June 19).</i></p>
<b>Topic 4: Monday, June 25<sup>th</sup></b>	<p>Readings:</p> <ul style="list-style-type: none"> <li>• Chapter 7: Playing the differences: The AAA Triangle</li> <li>• Chapter 8: Toward a better future: Getting started</li> <li>• <b>Case Study – GROUP 4: Grolsch: Growing globally</b></li> </ul> <p><i>Discussion Leaders: Group 4 (Case presentation and 4 discussion questions to be submitted to instructor by 10:00am on June 26).</i></p>
<b>Topic 5: Friday, June 29<sup>th</sup></b>	<b>Term Paper due by 10am through Turnitin.</b> Open discussion about term papers.
<b>Monday, July 2<sup>nd</sup></b>	Last day of on-line discussions. Discussion Board closes at 10am.

## APPENDIX 1

### GROUP CASE PRESENTATIONS

#### TOPIC: ADAPTATION STRATEGIES

##### “Lincoln Electric”

1. With the information at hand, what insights do you get from applying the “CAGE Distance Framework”, the “ADDING Value Scorecard”, and the “AAA Triangle” to Lincoln Electric’s expansion to India?
2. In which countries is Lincoln Electric likely to be most successful or least successful? Why? How would this guide your own choice of where to place Lincoln Electric’s production facilities abroad?
3. Should Lincoln Electric expand into India by investing in a major production facility there? Would you enter through acquisition, a greenfield site, or some type of joint venture? Which factors would inform your decision among these entry mode choices?
4. When Lincoln Electric goes to India and other countries, what factors should determine how much it adapts its core incentive pay-for-performance management practices to local labor market norms? Should Lincoln Electric follow the adage “when in Rome, do as the Romans do,” or should it seek to always replicate the recipe behind its success in the home plant in Cleveland?

#### TOPIC: ARBITRAGE/AGGREGATION STRATEGIES

##### “Tata Consultancy Services: Selling certainty”

1. With the information at hand, what insights do you get from applying the “CAGE Distance Framework”, the “ADDING Value Scorecard”, and the “AAA Triangle” to Tata’s expansion to Latin America?
2. What are the strategic advantages and disadvantages of Tata in comparison with Indian firms and with firms in developed markets? Evaluate the “Experience Certainty” strategy from Tata’s perspective?
3. Is Tata’s “Experience Certainty” strategy low cost or differentiated? What implications does this new strategy have for customer selection, contract pricing, human resources, global delivery footprint, inorganic growth (complementary versus supplementary acquisitions), and R&D at Tata?
4. Consider in greater depth the expansion of Tata’s delivery footprint, particularly in Latin America. Does this expansion make sense for Tata?

## **TOPIC: AGGREGATION/ARBITRAGE STRATEGIES**

### **“Arcor: Global strategy and local turbulence”**

1. With the information at hand, what insights do you get from applying the “CAGE Distance Framework”, the “ADDING Value Scorecard”, and the “AAA Triangle” to Arcor’s expansion to US/Canada?
2. How would you characterize Arcor’s international strategy historically? What were its sources of competitive advantage and how, if at all, did they vary across its key geographies?
3. Looking forward, how might Arcor’s strategy in a region such as the US/Canada resemble or differ from the strategy it is pursuing in Latin America in terms of: Whether to engage in local manufacturing? Which products to prioritize? Whether to sell under its own brand or as a private label supplier?
4. Which regions (US/Canada, Latin America, Europe or Asia) should Arcor prioritize given its resource constraints?

## **TOPIC: PUTTING IT ALL TOGETHER**

### **Grolsch: Growing globally**

1. With the information at hand, what insights do you get from applying the “CAGE Distance Framework”, the “ADDING Value Scorecard”, and the “AAA Triangle” to Grolsch’s global expansion?
2. Why did Grolsch globalize, and how well has it performed internationally?
3. What are the key elements and limitations of its emphasis on adaptation, in particular?
4. What lessons does Grolsch’s history afford about where to compete? What specifically do you think about the MABA process?