

Undergraduate Distance Education Review Form

(Required for all courses taught by distance education for more than one-third of teaching contact hours.)

Existing and Special Topics Course

Course: MGMT 451 International Management

Instructor(s) of Record: Hussam Al-Shammari Ph.D., Manton C. Gibbs, Ph.D. and Abbas Ali Ph.D.

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Step One: Proposers

A. Provide a brief narrative rationale for each of the items, A1- A5.

1. How is/are the instructor(s) qualified in the distance education delivery method as well as the discipline?
(see attached completed Undergraduate Distance Education Review Questionnaire)
2. How will each objective in the course be met using distance education technologies?
(see attached completed Undergraduate Distance Education Review Questionnaire)
3. How will instructor-student and student-student, if applicable, interaction take place?
(see attached completed Undergraduate Distance Education Review Questionnaire)
4. How will student achievement be evaluated?
(see attached completed Undergraduate Distance Education Review Questionnaire)
5. How will academic honesty for tests and assignments be addressed?
(see attached completed Undergraduate Distance Education Review Questionnaire)

B. Submit to the department or its curriculum committee the responses to items A1-A5, the current official syllabus of record, along with the instructor developed online version of the syllabus, and the sample lesson. This lesson should clearly demonstrate how the distance education instructional format adequately assists students to meet a course objective(s) using online or distance technology. It should relate to one concrete topic area indicated on the syllabus.

Step Two: Departmental/Dean Approval

Recommendation: Positive (The objectives of this course can be met via distance education)

Negative

Prabhakar B. V. 9/20/07
 Signature of Department Designee Date

Endorsed: [Signature] 9/20/07
 Signature of College Dean Date

Received

SEP 21 2007

Liberal Studies

Step Three: University-wide Undergraduate Curriculum Committee Approval

Recommendation: Positive (The objectives of this course can be met via distance education)

Negative

Gail S Sedquist 10/16/07
Signature of Committee Co-Chair Date

Forward form and supporting materials to the Provost within 30 calendar days after received by committee.

Step Four: Provost Approval

Approved as distance education course

Rejected as distance education course

Signature of Provost

Date

Forward form and supporting materials to Associate Provost.

Undergraduate Distance Education Review Questionnaire

MGMT 451 International Management

Step One: Proposer (Provide a brief narrative rationale for items A1 – A5)

A1 How is/are the instructor(s) qualified in the distance education delivery method as well as the discipline?

Qualifications for Distance Education Delivery Method

Hussam Al-Shammari, Ph.D.

Has participated in a WebCT training program.

Manton C. Gibbs, Ph.D.

Has used WebCT distance education delivery for MGMT 454 International Competitiveness (four semesters)

Has used WebCT distance education delivery for MGMT 459 Seminar in International Management (four semesters)

Has used WebCT as a supportive component of MGMT 451 International Management classroom setting course

In addition, has used WebCT as a supportive component of MGMT 311 Human Behavior in Organizations classroom setting course

Abbas Ali, Ph.D.

Has used WebCT distance education delivery for MGMT 495 Business Policy (ten semesters)

Also, has used WebCT as a supportive component of MGMT 451 International Management classroom setting course

Qualifications for the Discipline (MGMT 451 International Management)

Hussam Al-Shammari, Ph.D
Associate Professor of Management

Ph.D., University of

Has taught MGMT 451 International Management in a classroom setting for three semesters.

Manton C. Gibbs, Ph.D.
Professor of Management

Ph.D., Michigan State University.

Has taught MGMT 451 International Management in a classroom setting for ten semesters.

Has used WebCT as a supportive component of MGMT 451 International Management in a classroom setting course

Abbas Ali, Ph.D
Professor of Management

Ph.D., West Virginia University

Has taught MGMT 451 International Management in a classroom setting for twenty semesters.

Relevant Publications for Hussam Al-Shammari and Abbas Ali

Gibbs, Manton C. and Ling Yuan, "Leadership in Third Rome Globalization," The Impact of Globalization on World Business in the New Millennium: Competition, Cooperation, Environment and Development, The International Management Development Association Yearbook, July 2002.

Gibbs, Manton C., "Lion and Fox Leadership," Business Research Yearbook: Global Business Perspectives, Volume IX, 2002.

Gibbs, Manton C., Tami Yohe, and Brent Goff, "From Mao to Zemin, An Economic and Leadership Change Analysis with International Business Implications," Succeeding in a Turbulent Global Marketplace: Changes, Developments, Challenges and Creating Distinct Competencies, June, 2003.

Gibbs, Manton C. and Brian Levan, "A Unique Leadership Strategy of Success: Creating Optimistic or Pessimistic Cultural Pockets in an Environmental Disparate Cultural Sea," Competition Form, Volume 1 No. 1, 2003.

Gibbs, Manton C., Yoann Auberger, and Louis de Laigue, "U.S. Opportunities in the Americas: Private Enterprise or Imperialism," Global Business Coping with Uncertainty, Volume XIII, 2004.

Gibbs, Manton C. Johan P. Carlstrom, and Laura M. McCool, "Globalization without Exploitation," International Management Development Research Yearbook: Global Business Coping with Uncertainty, Volume XIII, 2004.

Ali, Abbas J., Monle Lee, Y-Ching Hsieh and Krish Krishnan, "Individualism and Collectivism in Taiwan," Cross Cultural Management: An International Journal, Volume 12, Number 4, 2005, pp. 3-16.

Ali, Abbas J., Krish Krishnan, and Robert C. Camp, "A Cross Cultural Perspective on Individualism and Collectivism Orientations," Journal of Transnational Management, Volume 11, Number 1, 2005.

Ali, A. J., and Al-Khazemi, "The Kuwaiti Manager: Work Values and Orientations," Journal of Business Ethics, Volume 60, Number 1, 2005, pp. 63-73.

Ali, A. J. and Nufrio, "Post War Iraq: Understanding and Shaping the Forces of Positive Changes," Public Administration and Management, Volume 10, No. 1, 2005, pp. 29-56.

Ali, A. J., R. C. Camp, and **Manton C. Gibbs**, "The Concept of 'Free Agency' in Montheistic Religions: Implications for Global Business," Journal of Business Ethics, 60, 2005, pp. 103-112.

Gibbs, Manton C., "Political Globalization's Evolution and Organization: Looking Beyond the Current Challenge," International Management Development Research Yearbook, XIV, 2005, pp. 595-602.

Ali, A. J., and Al-Khazemi, "Islamic Work Ethic in Kuwait," Cross Cultural Management: An International Journal, 2006.

Bell, R.G., C. Moore, and **Hussam Al-Shammari**, "Country of Origin and Foreign IPO legitimacy: Understanding the role of geographic scope and insider ownership," Entrepreneurship: Theory and Practice, forthcoming.

Al-Shammari, Hussam, and R. Hussein, "Strategic Planning in Emergent Market Organizations: Empirical Investigation," International Journal of Commerce and Management, forthcoming.

AlShebil, S., A. Rasheed, and **Hussam Al-Shammari**, "Battling Boycotts," Wall Street Journal, April 28-29, 2007, R6 and R11.

Al-Shammari, Hussam and R. Hussein, "Strategic Planning-Firm Performance Linkage: Empirical Investigation from an Emergent Market Perspective," Advances in Competitiveness Research, Vol. 15, No. 1 and 2, 2007, pp. 15-26.

Gilley, K.M., A. Rasheed, and **Hussam Al-Shammari**, "Research on outsourcing: Theoretical perspectives and empirical evidence." in Global Outsourcing Strategies: An International Reference on Effective Outsourcing Relationships, P. Barrar and R. Gervais (Editors), Burlington, VT: Gower, 2007, pp. 17-32.

Ali, A. J., and Alowaihan, "Islamic Work Ethic: A Critical Review," Cross Cultural Management, 2007, forthcoming.

A2 How will each objective in the course be met using distance education technologies?

Objective 1) It is expected that upon successful completion of the course, students will be enabled to explain how and why the world's countries differ. This objective will be met by students through (a) an understanding of **Chapters 1 and 2**, (b) accessing outside internet information sources related to national differences in political economy and national differences in culture such as:

The Globalization Website (sponsored in part by Emory University)
{<http://www.emory.edu/SOC/globalization/about.html>}

Globalization
{<http://www1.worldbank.org/economicpolicy/globalization/>}

The Outsourcing Boomerang
{http://www.businessweek.com/technology/content/aug2004/tc20040811_9584_tc024.htm}

The International Forum on Globalization
{<http://www.ifg.org/index.htm>}

Globalization: Focus on the International Monetary Fund & the World Bank:
{<http://www.ifg.org>}

Trade and Globalization: {<http://epinet.org/subjectpages/trade.html>}

Globalization Research Center: {<http://www.cio.com/research/global/>}

Globalization: Threat or Opportunity:
{<http://www.imf.org/external/np/exr/ib/2000/041200.htm>}

and, (c) by successful completion of an Assignment and Discussion related to the globalization of Starbucks as in the following case:

Distance Education Assignment and Discussion. Starbucks

The opening case describes the globalization of Starbucks. Thirty years ago, Starbucks was a single store in Seattle. Today, the company operates more than 7,600 stores, 2,000 of which are found in 34 countries outside the U.S. The company has employed a joint venture strategy for most of its international expansion believing that the local knowledge a joint venture partner can provide is important to the success of Starbucks in foreign markets. Today, the company is on a mission to bring lattes and Frappuccinos to consumers around the globe. A discussion of the case can revolve around the following questions:

QUESTION 1: How does Starbucks, Japan differ from Starbucks, USA?

ANSWER 1: Starbucks expanded into Japan in 1995, teaming up with local company Sazaby. Starbucks felt that working with a local partner was important for local expertise about the product mix, store locations, marketing strategy, and store layout that the partner could provide. The goal of the venture was to replicate the American Starbucks experience. To that end, the joint venture was initially staffed by Americans, and all Japanese store managers and employees were required to attend training classes similar to those given to American managers and employees. Starbucks expanded into other parts of Asia in the late 1990s with stores in Taiwan, China, Singapore, Thailand, South Korea and Malaysia.

QUESTION 2: What challenges faced Starbucks in its quest for a global presence?

ANSWER 2: Differences between markets have forced Starbucks to make some changes to its standard format. The company has made changes to its menu to cater to local preferences, provided more seating options in markets where in-house consumption is important, and adapted its real estate strategy to match local market conditions. However, in general Starbucks has been pleasantly surprised at how well the Starbucks' formula has transferred to foreign markets. Moreover, the company has even been able to introduce some products that were initially developed for foreign markets back to the U.S. Today, Starbucks is considered to be one of the ten global brands with the most impact. If the company's international expansion continues as planned, Starbucks will soon be as globally ubiquitous as McDonald's.

Teaching Tip: Students can track new changes in Starbucks' international expansion at the company's web site {www.starbucks.com}. This web site also provides students with an excellent opportunity to see how Starbucks has standardized certain elements of its marketing mix, while adapting others.

Objective 2) It is expected that upon successful completion of the course, students will be enabled to present a thorough review of the economics and politics of international trade and investment. This objective will be met by students through (a) an understanding of **Chapters 5, 6, 7, 8, and 9**, (b) accessing outside internet information sources related to international management, such as:

Nokia's Goal: Cell Phone Planet

http://www.businessweek.com/technology/content/sep2004/tc2004097_3567.htm

Is Europe Suffering From Productivity Paralysis?

{http://www.businessweek.com/@@Xf546lQQb6DwUhcA/magazine/content/04_31/b3894078_mz054.htm}

Strategic Management and Michael Porter: A post Modern Reading:
{<http://www.mngt.waikato.ac.nz/depts/sml/journal/special/harfield.htm>}

Jobs Abroad, Benefits At Home

{http://www.businessweek.com/bwdaily/dnflash/feb2004/nf20040224_6702_db042.htm}

Commanding Heights: Adam Smith

{http://www.pbs.org/wgbh/commandingheights/shared/minitextlo/prof_adamsmith.html}

Perilous Currents In The Offshore Shift

{http://www.businessweek.com/@@AvJwmoQQoqDwUhcA/magazine/content/03_05/b3818051.htm}

Japan's Economic Chicken Littles

{http://www.businessweek.com/bwdaily/dnflash/feb2003/nf20030227_0789.htm}

and (c) by successful completion of an Assignment and Discussion such as:

**Distance Education Assignment and Discussion related to the case:
Logitech**

The Logitech case describes the global activities of Switzerland's Logitech, one of the world's largest producers of computer mice. Although its basic R&D work still takes place in Switzerland, the company is now headquartered in California, and has operations in Taiwan and China. Discussion of the case can be based around the following questions:

QUESTION 1: In a world without trade, what would happen to the costs that American consumers would have to pay for Logitech's products?

ANSWER 1: Logitech moved its manufacturing to Taiwan and China in an effort to save money and maintain a competitive advantage. While labor costs were a factor in the decision to shift its manufacturing, other costs were also considered. The case notes that Taiwan offered a well-developed supply base for parts, qualified people, and a rapidly developing local computer industry. In addition, the company was able to secure space for only \$200,000. In China, Logitech is able to employ workers for just \$75 per day. If Logitech were not able to take advantage of opportunities such as these, and export its product back to the United States, American consumers would pay significantly higher prices for the company's products.

QUESTION 2: Explain how trade lowers the costs of making computer peripherals such as mice and keyboards?

ANSWER 2: The theories of Smith, Ricardo, and Hecksher-Ohlin show why its beneficial for a country to engage in international trade even for products it is able to produce for itself. International trade allows a country to specialize in the manufacture and export of products that can be produced most efficiently in that country, while importing products that can be produced more efficiently in other countries.

Objective 3) It is expected that upon successful completion of the course, students will be able to examine the strategies and structures of international businesses. This objective will be met by students through (a) an understanding of **Chapter 11**, (b) accessing outside internet information sources related to international management, such as:

PricewaterhouseCoopers Research Findings: CFOs Embrace Strategic Alliances as Major Growth Tool and Alternative to Higher-Risk M&A
{<http://www.businesswire.com/photowire/pw.050704/241285485.shtml>}

Ford To Suppliers: Let's Get Cozier
{http://www.businessweek.com/magazine/content/04_38/b3900014_mz022.htm}

Autos: Not Your Father's..... Whatever
{http://www.businessweek.com/@@plu4WoQQJaTwUhcA/magazine/content/04_11/b3874090.htm}

Can Wal-Mart Woo Japan?
{http://www.businessweek.com/@@UZry5YQQgKTWUhcA/magazine/content/04_19/b3882063.htm}

and (c) by successful completion of an Assignment and Discussion related to Wal-Mart's Global Expansion, as in the following:

Distance Education Assignment and Discussion. Wal-Mart's Global Expansion

The opening case describes Wal-Mart's international expansion strategy. Wal-Mart, today the largest retailer in the world, was a purely domestic company until 1991. When the company decided to expand into Mexico, critics warned that the company was too American, that its model would not work in other where markets where infrastructure, consumer tastes and preferences vary, and where established retailers already dominated. Wal-Mart went ahead with its expansion plans anyway, opening a joint venture operation in Mexico with local retailer Cifera. Discussion of the closing can revolve around the following questions:

QUESTION 1: When Wal-Mart initially announced plans to expand internationally, critics scoffed, arguing that the company would not be able to replicate its successful business market in foreign markets. Discuss how company changed its strategy to meet the needs of its foreign markets.

ANSWER 1: Wal-Mart began its foreign operations with a joint venture in Mexico with local retailer Cifera. Initially, the company experienced difficulties replicating its efficient distribution system in Mexico. As a result, prices in Mexican Wal-Mart stores were high, making it difficult for the company to gain market share. The company also had difficulty with its merchandising. Initially, Wal-Mart stocked its stores with products that were popular in the American market, rather than products that appealed to Mexican consumers. To resolve its distribution issues, Wal-Mart formed a partnership with a local trucking company. The company also changed its product mix to better reflect local tastes. Today, Wal-Mart's operations in Mexico are strong, and the company has successfully expanded into several other foreign markets.

QUESTION 2: What are the benefits of global expansion to Wal-Mart?

ANSWER 2: Wal-Mart really had no choice but to expand internationally if the company was to continue to grow. The company had reached a saturation point in the U.S. market, and needed to expand elsewhere in order to grow revenues. However, other benefits have accrued as a result of the international expansion including the ability to reap significant economies of scale from its global buying power, and gains from the cross-flow of ideas across the eleven countries in which the company now competes.

Teaching Tip: To explore Wal-Mart's foreign operations in greater depth, students should go to {www.walmart.com}.

Objective 4) It is expected that upon successful completion of the course, students will be enabled to assess the special roles of international business's various functions. This objective will be met by students through (a) an understanding of **Chapters 1, 12, 13 and 14**, (b) accessing outside internet information sources related to international management such as:

Shipping Out

{http://www.businessweek.com/@@Ua1HPYUQQLfwUhcA/magazine/content/04_27/b3890459.htm}

http://www.businessweek.com/@@nBRnvlQQdqXwUhcA/magazine/content/04_15/b3878011_mz001.htm}

Beyond Borders. Accessing Foreign Markets Isn't As Hard As It Used To Be

{http://www.floridasmallbusiness.com/in_the_know/01.asp}

Iraq: Risky Business

{http://www.businessweek.com/@@jPxQ@oQQ7KXwUhcA/magazine/content/04_27/b3890462.htm}

Sample Irrevocable Letter Of Credit

http://www.state.wv.us/taxrev/uploads/brt_loc.pdf

and (c) by successful completion of an Assignment and Discussion related to Diebold, as in the following:

Distance Education Case Assignment and Discussion: Diebold

This feature describes Diebold, maker of bank vaults and ATMs, international operations. After initially entering foreign markets very cautiously using joint ventures, in 1997, the company decided to go it alone. Following an acquisition strategy, the company bought companies to quickly develop a manufacturing presence in Asia, Europe and Latin America. Discussion of the feature can revolve around the following questions:

QUESTION 1: Why did Diebold establish manufacturing operations in so many parts of the world?

ANSWER 1: Diebold established manufacturing operations in Asia, Europe, and Latin America because the company believed that differences in the way ATMs are used required local customization of its product. The company believed that locating manufacturing close to key markets would help facilitate local customization.

QUESTION 2: Discuss the advantages and disadvantages of Diebold's international acquisition strategy.

ANSWER 2: Diebold began its international expansion with a distribution agreement with Dutch-based Phillips NV. In 1990, the company ended the agreement, and established a new joint venture with IBM. However, by 1997, Diebold felt that IBM was not making sales of Diebold machines a top priority, and acquired IBM's share of the venture. The company then proceeded to acquire a number of additional companies in an effort to jump-start its international expansion. Diebold's acquisitions typically involved major players in the industry, giving the American company instant market share. Now, the majority of Diebold's foreign operations are wholly owned, making the company fully responsible for their success, but also giving the company the latitude to fully control the operations.

Objective 5) It is expected that upon successful completion of the course, students will be enabled to develop competencies for future managerial roles in international business. This objective will be met by students through (a) an

understanding of **Chapters 1, 8, 12 and 13**, (b) accessing outside internet information sources related to international business and future managerial roles such as:

Shipping Out

{http://www.businessweek.com/@@Ua1HPYUQQLfwUhcA/magazine/content/04_27/b3890459.htm}

Go East, Young Company

{http://www.businessweek.com/smallbiz/content/oct2003/sb20031022_6364_sb026.htm}

The China Connection

{<http://www.keepmedia.com/pubs/Forbes/2004/01/12/341485?extID=10032&olIID=213>}

TCL's Boss Talks Strategy

{http://www.businessweek.com/@@u7BkD4UQQbfwUhcA/magazine/content/03_46/b3858086.htm}

International Joint Ventures

http://www.tmglawfirm.com/documents/TMG_Newsletter_Winter_2002_Issue.pdf

Europe Hits The E-Mail

{http://www.businessweek.com/@@9y3GD4QQgaTwUhcA/magazine/content/04_28/b3891098_mz054.htm}

Exporting Basics

{<http://www.citd.org/startup/eb/page.cfm?chapter=2&sec=8>}

and (c) by successful completion of an Assignment and Discussion related to the following case:

Distance Education Case Assignment and Discussion. Exporting by Small U.S. Firms.

The case describes the challenges faced by small firms as they seek to expand their sales through exports. The case notes that there are a number of agencies, institutions, and export management companies that provide assistance to small exporters. The following questions can be helpful in directing the discussion.

QUESTION 1: Expanding into a foreign market can be a daunting prospect, especially for a small company with no international experience. Discuss how Novi, Inc became such a success story in such a short time.

ANSWER 1: Novi, a California-based producer of stereo systems for bikes, would seem to be a true export sales winner. The company went from zero to over \$1 million in export sales in a single year. The secret to its success appears to be the willingness of the company's president to take advantage of the many sources of assistance provided, and learn from those experiences. Novi found that the Small Business Administration was a valuable contributor to its efforts, the Department of Commerce provided information on the rules and regulations of exporting, and the Department of Congress' World Traders Data Reports were also helpful in offering information on potential foreign buyers.

QUESTION 2: As a small business owner facing saturated domestic markets, how would you approach foreign markets. Develop a strategic plan outlining how you would research markets, get your product to potential customers, handle the financing side of the business, and grow your sales.

ANSWER 2: This question provides students with the opportunity to examine the services provided by various institutions such as the Small Business Association and the Department of Commerce in greater depth. Students may also wish to examine some of the services offered by profit-oriented organizations offering export assistance.

A3 How will instructor-student and student-student, if applicable, interaction take place?

Assignments/Discussions (Threaded Discussions and Chat Rooms)

A variety of topics will be assigned and discussed during the semester. These discussions are where students have their greatest opportunity to demonstrate their involvement and professionalism (i.e., participation, which is worth a total of 100 points by the end of the semester.) There will be ten assignments/discussions with each assignment/discussion being worth 10 points. All assignments and discussions will be initiated by the instructor.

Typically, the length of a completed assignment is to be approximately two concise paragraphs or, in some cases, the completion of a table or a diagram.

Students earn grades on Assignments/Discussions by (1) submitting a completed assignment by the deadline provided and by (2) discussing or commenting upon other course members' submissions during the assignment period or within 24 hours after the assignment submission deadline. That is, students may comment on other assignment submissions during the assignment period and also may comment on assignments up to 24 hours after the assignment deadline has past. Therefore, the discussion component of the assignments/discussions is 24 hours longer than the assignment submission period.

The only way to earn a total of 10 points on a given assignment is by submitting a thorough assignment and by commenting on the submission of at least one other student in the course by replying to the assignment within the assignment/discussion icon.

The instructors will provide feedback to each student regarding each student's submission and each student's contribution to the discussion phase.

A4 How will student achievement be evaluated?

The final grade for the course will be determined as follows:

Examinations (3 exams at 100 points each)	300 points
Online participation (10 Assignments/Discussions at 10 points each)	100 points
	Total 400 points

The final grading scale for the course is, total points earned divided by 4 (for example, maximum of 400 points divided by 4 = 100 points):

The grading scale for the course is:

90	-	100	A
80	-	89	B
70	-	79	C
60	-	69	D
0	-	59	F

Examinations

There will be three 100-point objective examinations during the semester, each covering approximately one third of the chapters in the book. A standardized test bank will be used for the majority of questions. Make-up exams will be given only for extreme conditions and may be administered during the week at the end of the semester.

Exams will be administered during an approximate 30-hour window, beginning at 6:00 p.m. one day and ending at approximately 11:55 p.m. the following day.

Assignments/Discussions

There will be ten assignments/discussions with each assignment/discussion being worth 10 points. All assignments and discussions will be initiated by the instructor.

A5 How will academic honesty for tests and assignments be addressed?

Examinations

There will be three 100-point objective examinations during the semester, each covering approximately one third of the chapters in the book. A standardized test bank will be used for the majority of questions. Placement of the questions will randomly vary based upon the WebCT Test tool. Also, questions pertaining to specific assignments and discussions submitted by students will be included in the test.

Exams will be administered during an approximate 30-hour window, beginning at 6:00 p.m. one day and ending at approximately 11:55 p.m. the following day. Students will be allocated two and one-half hours (approximately 150 minutes) to complete 100 questions. In addition, the physical layout of the exam is white lettering on a black background, thus decreasing the likelihood that a student, completing an exam at the beginning of the examination period, will print a copy of the test and provide it to a fellow classmate.

Undergraduate Distance Education Review Questionnaire

MGMT 451 International Management

A3 How will instructor-student and student-student, if applicable, interaction take place?

The final grade for the course will be determined as follows:

Examinations (2 exams at 100 points each)	200 points
Online participation [10 Case Analysis Assignments (including 2 Group Case Assignments) at 10 points each with Interactive Discussions]	100 points
Case Analysis – Term Paper (Culminating Activity)	100 points
	Total 400 points

The final grading scale for the course is, total points earned divided by 4 (for example, maximum of 400 points divided by 4 = 100 points):

The grading scale for the course is:

90	-	100	A
80	-	89	B
70	-	79	C
60	-	69	D
0	-	59	F

Examinations

There will be two 100-point objective examinations during the semester, each covering approximately one third of the chapters in the book. A standardized test bank will be used for the majority of questions. Make-up exams will be given only for extreme conditions and may be administered during the week at the end of the semester.

Exams will be administered during an approximate 30-hour window, beginning at 6:00 p.m. one day and ending at approximately 11:55 p.m. the following day.

Case Analysis Assignments and Group Case Analysis Assignments/Interactive Discussions

There will be ten case analysis assignments/interactive discussions with each case analysis assignment/interactive discussion being worth 10 points. Two of the case analysis assignments will be Group Case Analysis Assignments. The groups of approximately 3 – 4 students will be selected by the instructor. All case analysis assignments and interactive discussions will be initiated by the instructor.

Case Analysis – Term paper (Culminating Activity)

Throughout the semester, current international management examples will be discussed electronically by referring to recent articles in various publications such as the Wall Street Journal, USA Today, etc. Students are to analyze a specific current international management example (relevant to Chapters 10 – 14) using a framework provided in the textbook. The case analysis – final term paper is to be approximately 10 – 15 pages in length. It may also include relevant attachments. The final case analysis project is due during the day of the final exam period (week 15) and is to be submitted on WebCT to the instructor.

SYLLABUS OF RECORD

MGMT 451 International Management

3c-01-3sh

Hussam Al-Shammari, Ph.D., Manton C. Gibbs, Ph.D. and Abbas Ali, Ph.D.

I. Catalog Description

Provides a general foundation on managing multinational corporations (MNCs). Examines the macro- and structural-level issues of MNCs. Focuses on planning, organization structure, managerial decision making, and human resource management in global structures and differences between MNCs and domestic organizations. Prerequisite: MGMT 310 Principles of Management.

II. Course Outcomes/Objectives

A fundamental transition is occurring in the world economy. Growing number of companies are becoming multinational and global in scope. Moving away from a business environment in which national economies were relatively isolated and self-contained to cross-border trade and investment, managers are being increasingly challenged to analyze, develop and implement strategies within a global perspective. This course seeks to provide students with the skills and knowledge necessary to successfully manage organizations within a multinational environment. The primary objectives of this course are:

- 1) to explain how and why the world's countries differ;
- 2) to present a thorough review of the economics and politics of international trade and investment;
- 3) to examine the strategies and structures of international businesses;
- 4) to assess the special roles of international business's various functions; and,
- 5) to help students develop competencies for future managerial roles in international business.

III. Detailed Course Outline

1. Introduction and Chapter 1 – Globalization (Week 1: 3 academic hours)

This opening chapter introduces the reader to the concepts of globalization and international trade, and provides an introduction to the major issues that underlie these topics. The components of globalization are discussed, along with the drivers of globalization and the role of the General Agreement on Tariffs and Trade (GATT) and its successor the World Trade Organization (WTO) in lowering trade barriers. The role of technological change in facilitating globalization is also discussed, along with the role of multinational

firms in international business.

The chapter also describes the changing demographics of the global economy, with a special emphasis on the increasingly important role of developing countries in world trade. This discussion is complemented by a description of the changing world order, which was brought on by the collapse of communism in Eastern Europe and republics of the former Soviet Union. The chapter ends with a candid overview of the pros and cons of the trend towards globalization.

2. Chapter 2 – National Differences in Political Economy (Week 2: 3 academic hours)

This chapter focuses on how political, economic, and legal systems collectively influence a country's ability to achieve meaningful economic progress. The first half of the chapter focuses on the different political, economic, and legal systems that are influential in the world. It is made clear to the reader that these differences are significant, and must be clearly understood by the managers of international firms. The section that focuses on legal systems includes a discussion of intellectual property, including patents, copyrights, and trademarks. Protecting intellectual property is a particularly problematic issue in international trade. The second half of the chapter focuses on the determinants of economic development. The author makes the point that a country's political, economic, and legal systems have a direct impact on its economic potential. The importance of innovation, along with the types of systems that facilitate innovation, is discussed. Next, the author discusses the parts of the world that are transition from one political-economic ideology to another. Finally, the chapter ends with a discussion of the managerial implications of differing political, economic, and legal systems of a country.

3. Chapter 3 – National Differences in Culture (Week 3: 3 academic hours)

This chapter begins by introducing the concept of culture. The determinants of culture are identified, which include religion, political philosophy, economic philosophy, education, language, and social structure. The first half of the chapter focuses on the influence of social structure, religion, language, and education on culture. The section on religion is very thorough, and explains the economic implications of Christianity, Islam, Hinduism, Buddhism, and Confucianism. In addition, Geert Hofstede's model of how a society's culture impacts the values found in the workplace is presented. According to Hofstede, cultures vary along the lines of power distance, individualism versus collectivism, uncertainty avoidance, and masculinity versus femininity. The concept of ethnocentric behavior is introduced. Finally, the author reiterates the point that the value systems and norms of a country influence the costs of doing business in that country.

4. Chapter 4 – Ethics in International Business (Week 4: 3 academic hours)

This chapter focuses on how ethical issues can and should be incorporated into decision making in an international business. The chapter starts by looking at the source and nature of ethical issues and dilemmas in an international business. Then, the reasons for poor ethical decision making in international business are reviewed. Next, there is a discussion of different philosophical approaches to business ethics. Finally, the chapter concludes with a review of the different processes that managers can adopt to make sure that ethical considerations are incorporated into decision making in an international business firm.

5. Chapter 5 – International Trade Theory (Week 5: 3 academic hours)

This chapter focuses on the benefits of international trade and introduces several theories that help explain the patterns of international trade that are observed in practice. The discussion begins with an explanation of the theory of mercantilism, and then proceeds to discuss the theories of absolute advantage and comparative advantage. Four additional theories are discussed, including the Heckscher-Ohlin theory, the Product Life Cycle theory, the New Trade theory, and the theory of National Competitive Advantage. Each of these theories helps explain why certain goods are (or should be) made in certain countries. The chapter ends by discussing the link between the theories of international trade and (1) a firm's decision about where (in the world) to locate its various productive activities, (2) the importance of establishing first-mover advantages, and (3) government trade policies.

6. Chapter 6 – The Political Economy of International Trade (Week 6: 3 academic hours)

This chapter begins with a discussion of the six main instruments of trade policy, including tariffs, subsidies, import quotas, voluntary export restraints, local content requirements, and administrative policies. This section is followed by a discussion of the merits of government intervention into international trade. The author provides a balanced view of this difficult issue.

The second half of the chapter focuses on the development of the global trading system. A historical context is provided, along with a view of the global trading system as it exists today. The author acquaints the reader with the General Agreement on Trade and Tariffs (GATT) and the World Trade Organization.

7. Chapter 7 – Foreign Direct Investment (Week 7: 3 academic hours)

This chapter focuses on the topic of foreign direct investment (FDI). FDI occurs when a firm invests directly in new facilities to produce and/or market a product in a foreign country. At the outset, the chapter discusses the growth in FDI, particularly by medium-sized and small firms. The theoretical underpinnings of FDI are discussed, which describe under what circumstances it is advantageous for a firm to invest in production facilities in a foreign country. The chapter also addresses the different policies that governments have toward foreign direct investment. Some governments are opposed to FDI and some governments encourage it. Three specific ideologies of FDI are discussed, including the radical view, the free market view, and pragmatic nationalism. The chapter also provides a discussion of the costs and benefits of FDI from the perspective of both the home country and the host country involved. The chapter concludes with a review of the policy instruments that governments use to regulate FDI activity by international firms.

8. Chapter 8 – Regional Economic Integration (Week 8: 3 academic hours)

In this chapter, the topic of regional economic integration is explored. The levels of regional economic integration discussed (from least integrated to most integrated) include: a free trade area, a customs union, a common market, an economic union, and a full political union. The arguments for and against regional economic integration are provided. Many students will remember some of these arguments from the debate of the ratification of the North American Free Trade Agreement (NAFTA). The chapter also provides information about the major trade blocks of the world, including the European Union, NAFTA, the Andean Group, MERCOSUR, and several other Latin American and Asian trade alliances. In addition, the implications for business of these trade agreements and others are fully discussed.

9. Chapter 9 – The Foreign Exchange Market (Week 9: 3 academic hours)

This chapter focuses on the foreign exchange market. At the outset, the chapter explains how the foreign exchange market works. Included in this discussion is an explanation of the difference between spot exchange rates and forward exchange rates. The nature of the foreign exchange market is discussed, including an examination of the forces that determine exchange rates. In addition, the author provides a discussion of the degree to which it is possible to predict exchange rate movements. Other topics discussed in the chapter include exchange rate forecasting, currency convertibility, and the implications of exchange rate movements on business. In regard to the later, a number of implications of exchange rates for businesses are contained in the chapter. For instance, it is absolutely critical that international businesses understand the influence of exchange rates on the profitability of trade and investment deals. Adverse changes in exchange rates can make apparently profitable deals unprofitable.

10. Chapter 10 – The International Monetary System (Week 10: 3 academic hours)

The objective of this chapter is to explain how the international monetary system works to point out its implications for international business. The chapter begins by reviewing the historical evolution of the monetary system, starting with the gold standard and the Bretton Woods System. The chapter explains the role of the International Monetary Fund (IMF) and the World Bank, both of which were initiated by the Bretton Woods Conference. The fixed exchange rate system that was initiated by the Bretton Woods Conference collapsed in 1973. The majority of the chapter explains the workings of the international monetary system. The pluses and minuses of fixed exchange rates versus floating exchange rates are discussed. Scholars differ in regard to which system is best. The current role of the IMF and the World Bank is discussed, including the manner in which the IMF has helped nations restructure their debts.

11. Chapter 11 – The Strategy of International Business (Week 11: 3 academic hours)

This chapter focuses on the strategies that firms use to compete in foreign markets. At the outset, the chapter reviews the reasons that firms engage in international commerce, which range from earning a greater return from distinctive skills to realizing location economies by dispersing particular value creation activities to locations where they can be performed most efficiently. A major portion of the chapter is dedicated to the pressures that international firm's face for cost reductions and local responsiveness. These pressures place conflicting demands on firms. On the one hand, cost reductions are best achieved through product standardization and economies of scale. On the other hand, pressures for local responsiveness require firms to modify their products to suite local demands. The chapter also discusses the four basic strategies that firms utilize to compete in international markets. These strategies include an international strategy, a multidomestic strategy, a global strategy, and a transnational strategy. The advantages and disadvantages of each of these strategies are discussed. The chapter concludes with a discussion of international strategic alliances.

12. Chapter 12 – Entering Foreign Markets (Week 12: 3 academic hours)

This chapter focuses on the process of entering foreign markets. The six most common foreign entry strategies are discussed. These are: exporting, turnkey projects, licensing, franchising, establishing a joint venture with a host country firm, and setting up a wholly owned subsidiary in the host country. The advantages and disadvantages of each of these strategies are discussed. Table 12.1 (Advantages and Disadvantages of Entry Modes) is a wonderful reference point for students.

13. Chapter 13 – Exporting, Importing, and Countertrade (Week 13: 3 academic hours)

This chapter focuses on the “nuts and bolts” of exporting and importing. The promise and pitfalls of exporting are discussed, along with a discussion of the role of export management companies in the internationalization process. The chapter also provides a nice discussion of export financing. In this section, the author discusses the financial devices that have evolved to facilitate exporting including: the letter of credit, the draft (or bill of exchange), and the bill of lading. The section ends by providing an example of a typical international trade transaction. This example illustrates the complex nature of international trade transactions. Finally, the chapter explores countertrade, its growth and the pros and cons of this type of transaction.

14. Chapter 14 – Global Production, Outsourcing, and Logistics (Week 14: 3 academic hours)

This chapter explores the issues associated with global operations management. At the outset, the author defines the terms operations, production, and material management, and then goes on to discuss the importance of total quality management (TQM) and ISO 9000. Particular emphasis is placed on the topics of “where” international firms should locate their manufacturing operation and how international firms decided whether to “make-or-buy” component parts. In regard to the former, the author argues that country factors, technological factors, and product factors influence a manufacturer’s location decision. In regard to make-or-decisions, the author provides a balanced discussion of the advantages and disadvantages of buying components parts (in the world marketplace) opposed to making them in-house. The chapter concludes with separate discussion of the importance of strategic alliances, just-in-time manufacturing, and information technology to international firms.

IV. Evaluation Methods

The final grade for the course will be determined as follows:

50 % Tests. Two tests consisting of multiple choice and essay questions, with each examination worth 100 points and comprising 25% of the final course grade. Make-up tests based upon excused absences will be administered at an agreed upon time.

25 % Assignments and Attendance. Each student is expected to participate actively in class activities and come to class prepared by keeping up with the assigned readings and completing homework and in-class assignments. Students are not to have more than 3 academic hours of unexcused absence during the semester. Excessive absenteeism (i.e., more than 3 academic hours during the semester) will result in a loss of 5 points per unexcused absence toward the 100 points Assignments and Attendance grade. Fifteen percent (60 points) of the

overall course grade is based on class assignments and 10% (40 points) on attendance for a total of 100 points.

25 % Case Analysis – Term paper. Throughout the semester, current international management examples will be discussed by referring to recent articles in various publications such as the Wall Street Journal, USA Today, etc. Students are to analyze a specific current international management example using a framework provided in the textbook. The case analysis – final term paper is to be approximately 10 – 15 pages in length. It may also include relevant attachments. The final case analysis project is due during the day of the final exam period (week 15).

V. Example Grading Scale

The evaluation for the course will be determined through examinations, submission of assignments, attendance and the completion of a culminating activity, that is, a case analysis – term paper, as in the following example:

Examinations (2 exams at 100 points each)	200 points
Class Participation and Attendance	100 points
Case Analysis – Term Paper	100 points
	Total 400 points

The grading scale for the course is, total points earned divided by 4 (for example, maximum of 400 points divided by 4 = 100 points):

The final grading scale for the course is:

90	-	100 points	A
80	-	89 points	B
70	-	79 points	C
60	-	69 points	D
0	-	59 points	F

VI. Undergraduate Course Attendance Policy

The University expects all students to attend class. Students are not to have more than three academic hours of unexcused absences during the semester. The instructor monitors attendance on a regular basis. Excessive absenteeism (i.e., more than three academic hours of unexcused absences during the semester) will result in a reduced class assignment and attendance grade of 5 points per unexcused absence.

VII. Required Textbook, Supplemental Books and Readings

Hill, Charles W.L., Global Business Today, (Fifth Edition), New York: McGraw Hill/Irwin, 2008. ISBN: 13-9780073210544.

Students are expected to be prepared to discuss assigned text chapters, including supportive materials and assigned readings.

VIII. Special Resource Requirements

Computer hardware and software needed for analysis will be provided through the PC lab.

IUP has instituted a communication policy regarding email. The policy reads in part:

Indiana University of Pennsylvania provides email services to all students and employees as an official method of communication. Students have a responsibility to read their IUP email accounts, and, if responding to or sending email about IUP business, use their IUP email accounts to do so. The policy can be viewed in its entirety at: <http://www.iup.edu/techzone/email/iupuseofemailpolicy.pdf>

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Eberly College of Business & Information Technology
MGMT 451 (Distance Education)
International Management
3 Credit Hours
Spring Semester 2008

Instructors:	Hussam Al-Shammari, Ph.D.	Manton C. Gibbs, Ph.D.	Abbas Ali, Ph.D.
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Office Hours:	Tues.: Noon – 1:00 p.m. Wed.: Noon – 3:00 p.m. Thurs.: Noon – 1:00 p.m.	Mon.: 11:00 a.m. – 1:00 p.m. Tues.: 2:00 – 4:00 p.m. Wed.: 11:00 a.m. – Noon	Tuesday: Noon – 1:00 p.m. Wednesday: Noon – 3:00 p.m. Friday: Noon – 1:00 p.m.

IMPORTANT

This is a distance education section. Since your contact with the instructor is limited to mostly electronic communication, there is a need to pay particular attention to the procedures established in this syllabus. Please read this syllabus in detail as soon as possible and communicate any questions to the instructor in a timely fashion. Common student errors include: improper timing of exams, not submitting assignments/discussions by the due date, not staying current of communications from the instructor, and not developing a routine for regular involvement. Please note procedures related to these issues below.

To access the Web course:

- **Go to www.iup.edu/webct**
- **Your WebCT username, as well as your initial password is the same as your four-character IUP email name (if you have used WebCT before, you must continue to use the password from the past). It is highly recommend that first-time WebCT users reset their passwords.**
- **Should you have difficulty accessing WebCT, please refer to the IT Support Center at www.iup.edu/itsupportcenter or email: it-support-center@iup.edu**

After you have accessed the course on WebCT, please pay particular attention to the Calendar regarding course assignments, discussions, chat rooms, and Examinations.

I. CATALOG COURSE DESCRIPTION

Provides a general foundation on managing multinational corporations (MNCs). Examines the macro- and structural-level issues of MNCs. Focuses on planning, organization structure, managerial decision making, and human resource management in global structures and differences between MNCs and domestic organizations.

Prerequisite: MGMT 310 Principles of Management. The university individual course withdrawal deadline date of **Friday, March 28, 2008**, will be enforced. A request for a deadline waiver must be sought through the Assistant Dean for Academic Services in Eberly Room 208. Requests will only be granted: 1) "contingent upon documentation of catastrophic circumstances" as stated in the IUP Undergraduate Catalog; and/or 2) through written feedback from the instructor noting advisement to the student to postpone withdrawing pending an additional test or assignment.

II. COURSE OBJECTIVES/OUTCOMES

A fundamental transition is occurring in the world economy. Growing number of companies are becoming multinational and global in scope. Moving away from a business environment in which national economies were relatively isolated and self-contained to cross-border trade and investment, managers are being increasingly challenged to analyze, develop and implement strategies within a global perspective. This course seeks to provide students with the skills and knowledge necessary to successfully manage organizations within a multinational environment. The primary objectives of this course are:

- 1) to explain how and why the world's countries differ;
- 2) to present a thorough review of the economics and politics of international trade and investment;
- 3) to examine the strategies and structures of international businesses;
- 4) to assess the special roles of international business's various functions; and,
- 5) to help students develop competencies for future managerial roles in international business.

III. COURSE OUTLINE

A. Introduction and Chapter 1 – Globalization (Week 1: 3 academic hours)

This opening chapter introduces the reader to the concepts of globalization and international trade, and provides an introduction to the major issues that underlie these topics. The components of globalization are discussed, along with the drivers of globalization and the role of the General Agreement on Tariffs and Trade (GATT) and its successor the World Trade Organization (WTO) in lowering trade barriers. The role of technological change in facilitating globalization is also discussed, along with the role of multinational firms in international business.

The chapter also describes the changing demographics of the global economy, with a special emphasis on the increasingly important role of developing countries in world trade. This discussion is complemented by a description of the changing world order, which was brought on by the collapse of communism in Eastern Europe and republics of the former Soviet Union. The chapter ends with a candid overview of the pros and cons of the trend towards globalization.

B. Chapter 2 – National Differences in Political Economy (Week 2: 3 academic hours)

This chapter focuses on how political, economic, and legal systems collectively influence a country's ability to achieve meaningful economic progress. The first half of the chapter focuses on the different political, economic, and legal systems that are influential in the world. It is made clear to the reader that these differences are significant, and must be clearly understood by the managers of international firms. The section that focuses on legal systems includes a discussion of intellectual property, including patents, copyrights, and trademarks. Protecting intellectual property is a particularly problematic issue in international trade. The second half of the chapter focuses on the determinants of economic development. The author makes the point that a country's political, economic, and legal systems have a direct impact on its economic potential. The importance of innovation, along with the types of systems that facilitate innovation, is discussed. Next, the author discusses the parts of the world that are transition from one political-economic ideology to another. Finally, the chapter ends with a discussion of the managerial implications of differing political, economic, and legal systems of a country.

C. Chapter 3 – National Differences in Culture (Week 3: 3 academic hours)

This chapter begins by introducing the concept of culture. The determinants of culture are identified, which include religion, political philosophy, economic philosophy, education, language, and social structure. The first half of the chapter focuses on the influence of social structure, religion, language, and education on culture. The section on religion is very thorough, and explains the economic implications of Christianity, Islam, Hinduism, Buddhism, and Confucianism. In addition, Geert Hofstede's model of how a society's culture impacts the values found in the workplace is presented. According to Hofstede,

cultures vary along the lines of power distance, individualism versus collectivism, uncertainty avoidance, and masculinity versus femininity. The concept of ethnocentric behavior is introduced. Finally, the author reiterates the point that the value systems and norms of a country influence the costs of doing business in that country.

D. Chapter 4 – Ethics in International Business (Week 4: 3 academic hours)

This chapter focuses on how ethical issues can and should be incorporated into decision making in an international business. The chapter starts by looking at the source and nature of ethical issues and dilemmas in an international business. Then, the reasons for poor ethical decision making in international business are reviewed. Next, there is a discussion of different philosophical approaches to business ethics. Finally, the chapter concludes with a review of the different processes that managers can adopt to make sure that ethical considerations are incorporated into decision making in an international business firm.

E. Chapter 5 – International Trade Theory (Week 5: 3 academic hours)

This chapter focuses on the benefits of international trade and introduces several theories that help explain the patterns of international trade that are observed in practice. The discussion begins with an explanation of the theory of mercantilism, and then proceeds to discuss the theories of absolute advantage and comparative advantage. Four additional theories are discussed, including the Heckscher-Ohlin theory, the Product Life Cycle theory, the New Trade theory, and the theory of National Competitive Advantage. Each of these theories helps explain why certain goods are (or should be) made in certain countries. The chapter ends by discussing the link between the theories of international trade and (1) a firm's decision about where (in the world) to locate its various productive activities, (2) the importance of establishing first-mover advantages, and (3) government trade policies.

F. Chapter 6 – The Political Economy of International Trade (Week 6: 3 academic hours)

This chapter begins with a discussion of the six main instruments of trade policy, including tariffs, subsidies, import quotas, voluntary export restraints, local content requirements, and administrative policies. This section is followed by a discussion of the merits of government intervention into international trade. The author provides a balanced view of this difficult issue.

The second half of the chapter focuses on the development of the global trading system. A historical context is provided, along with a view of the global trading system as it exists today. The author acquaints the reader with the General Agreement on Trade and Tariffs (GATT) and the World Trade Organization.

G. Chapter 7 – Foreign Direct Investment (Week 7: 3 academic hours)

This chapter focuses on the topic of foreign direct investment (FDI). FDI occurs when a firm invests directly in new facilities to produce and/or market a product in a foreign country. At the outset, the chapter discusses the growth in FDI, particularly by medium-sized and small firms. The theoretical underpinnings of FDI are discussed, which describe under what circumstances it is advantageous for a firm to invest in production facilities in a foreign country. The chapter also addresses the different policies that governments have toward foreign direct investment. Some governments are opposed to FDI and some governments encourage it. Three specific ideologies of FDI are discussed, including the radical view, the free market view, and pragmatic nationalism. The chapter also provides a discussion of the costs and benefits of FDI from the perspective of both the home country and the host country involved. The chapter concludes with a review of the policy instruments that governments use to regulate FDI activity by international firms.

H. Chapter 8 – Regional Economic Integration (Week 8: 3 academic hours)

In this chapter, the topic of regional economic integration is explored. The levels of regional economic integration discussed (from least integrated to most integrated) include: a free trade area, a customs union, a common market, an economic union, and a full political union. The arguments for and against regional economic integration are provided. Many students will remember some of these arguments from the debate of the ratification of the North American Free Trade Agreement (NAFTA). The chapter also provides information about the major trade blocks of the world, including the European Union, NAFTA, the Andean Group, MERCOSUR, and several other Latin American and Asian trade alliances. In addition, the implications for business of these trade agreements and others are fully discussed.

I. Chapter 9 – The Foreign Exchange Market (Week 9: 3 academic hours)

This chapter focuses on the foreign exchange market. At the outset, the chapter explains how the foreign exchange market works. Included in this discussion is an explanation of the difference between spot exchange rates and forward exchange rates. The nature of the foreign exchange market is discussed, including an examination of the forces that determine exchange rates. In addition, the author provides a discussion of the degree to which it is possible to predict exchange rate movements. Other topics discussed in the chapter include exchange rate forecasting, currency convertibility, and the implications of exchange rate movements on business. In regard to the later, a number of implications of exchange rates for businesses are contained in the chapter. For instance, it is absolutely critical that international businesses understand the influence of exchange rates on the profitability of trade and investment deals. Adverse changes in exchange rates can make apparently profitable deals unprofitable.

J. Chapter 10 – The International Monetary System (Week 10: 3 academic hours)

The objective of this chapter is to explain how the international monetary system works to point out its implications for international business. The chapter begins by reviewing the historical evolution of the monetary system, starting with the gold standard and the Bretton Woods System. The chapter explains the role of the International Monetary Fund (IMF) and the World Bank, both of which were initiated by the Bretton Woods Conference. The fixed exchange rate system that was initiated by the Bretton Woods Conference collapsed in 1973. The majority of the chapter explains the workings of the international monetary system. The pluses and minuses of fixed exchange rates versus floating exchange rates are discussed. Scholars differ in regard to which system is best. The current role of the IMF and the World Bank is discussed, including the manner in which the IMF has helped nations restructure their debts.

K. Chapter 11 – The Strategy of International Business (Week 11: 3 academic hours)

This chapter focuses on the strategies that firms use to compete in foreign markets. At the outset, the chapter reviews the reasons that firms engage in international commerce, which range from earning a greater return from distinctive skills to realizing location economies by dispersing particular value creation activities to locations where they can be performed most efficiently. A major portion of the chapter is dedicated to the pressures that international firm's face for cost reductions and local responsiveness. These pressures place conflicting demands on firms. On the one hand, cost reductions are best achieved through product standardization and economies of scale. On the other hand, pressures for local responsiveness require firms to modify their products to suite local demands. The chapter also discusses the four basic strategies that firms utilize to compete in international markets. These strategies include an international strategy, a multidomestic strategy, a global strategy, and a transnational strategy. The advantages and disadvantages of each of these strategies are discussed. The chapter concludes with a discussion of international strategic alliances.

L. Chapter 12 – Entering Foreign Markets (Week 12: 3 academic hours)

This chapter focuses on the process of entering foreign markets. The six most common foreign entry strategies are discussed. These are: exporting, turnkey projects, licensing, franchising, establishing a joint venture with a host country firm, and setting up a wholly owned subsidiary in the host country. The advantages and disadvantages of each of these strategies are discussed. Table 12.1 (Advantages and Disadvantages of Entry Modes) is a wonderful reference point for students.

M. Chapter 13 – Exporting, Importing, and Countertrade (Week 13: 3 academic hours)

This chapter focuses on the “nuts and bolts” of exporting and importing. The promise and pitfalls of exporting are discussed, along with a discussion of the role of export management companies in the internationalization process. The chapter also provides a

nice discussion of export financing. In this section, the author discusses the financial devices that have evolved to facilitate exporting including: the letter of credit, the draft (or bill of exchange), and the bill of lading. The section ends by providing an example of a typical international trade transaction. This example illustrates the complex nature of international trade transactions. Finally, the chapter explores countertrade, its growth and the pros and cons of this type of transaction.

N. Chapter 14 – Global Production, Outsourcing, and Logistics (Week 14: 3 academic hours)

This chapter explores the issues associated with global operations management. At the outset, the author defines the terms operations, production, and material management, and then goes on to discuss the importance of total quality management (TQM) and ISO 9000. Particular emphasis is placed on the topics of "where" international firms should locate their manufacturing operation and how international firms decided whether to "make-or-buy" component parts. In regard to the former, the author argues that country factors, technological factors, and product factors influence a manufacturer's location decision. In regard to make-or-decisions, the author provides a balanced discussion of the advantages and disadvantages of buying components parts (in the world marketplace) opposed to making them in-house. The chapter concludes with separate discussion of the importance of strategic alliances, just-in-time manufacturing, and information technology to international firms.

IV. EVALUATION METHODS

The final grade for the course will be determined as follows:

Examinations (3 exams at 100 points each)	300 points
Online participation (10 Assignments/Discussions at 10 points each)	100 points
	Total 400 points

Examinations

There will be three 100-point objective examinations during the semester, each covering approximately one third of the chapters in the book. A standardized test bank will be used for the majority of questions. Students are to read the assigned chapters in the book, thoroughly and in a timely manner. Recognize that during on-line assignments and discussions it is not possible to cover everything in the book that will be on the exam. It is expected that the student will take responsibility for the majority of book learning. Note that make-up exams will be given only for extreme conditions and may be administered during the week at the end of the semester.

Exams will be administered during an approximate 30-hour window, beginning at 6:00 p.m. one day and ending at approximately 11:55 p.m. the following day.

You will be allocated two and one-half hours (approximately 150 minutes) to take each exam (block the time off from interruptions so that you may complete the exam comfortably and efficiently within the 30-hour window). Mark your calendar now for the following schedule:

- **Exam 1 (Chapters 1 – 5) starts at 6 p.m. (E.S.T.) Wednesday, 2-13-08, and ends on Thursday, 2-14-08, at 11:55 p.m. (E.S.T.)**
- **Exam 2 (Chapters 6 – 9) starts at 6 p.m. (E.D.T.) Wednesday, 3-19-08, and ends at 11:55 p.m. (E.D.T.) Thursday, 3-20-08.**
- **Exam 3 (Chapters 10 – 14) starts at 6 p.m. (E.D.T.) Wednesday, 5-7-08, and ends at 11:55 p.m. (E.D.T.) Thursday, 5-8-08.**

Assignments/Discussions

A variety of topics will be assigned and discussed during the semester. These discussions are where students have their greatest opportunity to demonstrate their involvement and professionalism (i.e., participation, which is worth a total of 100 points by the end of the semester.) There will be ten assignments/discussions with each assignment/discussion being worth 10 points. All assignments and discussions will be initiated by the instructor.

Typically, the length of a completed assignment is to be approximately two concise paragraphs or, in some cases, the completion of a table or a diagram.

Students earn grades on Assignments/Discussions by (1) submitting a completed assignment by the deadline provided and by (2) discussing or commenting upon other course members' submissions during the assignment period or within 24 hours after the assignment submission deadline. That is, students may comment on other assignment submissions during the assignment period and also may comment on assignments up to 24 hours after the assignment deadline has past. Therefore, the discussion component of the assignments/discussions is 24 hours longer than the assignment submission period.

The way to earn a total of 10 points on a given assignment is by submitting a thorough assignment and by commenting on the submission of at least one other student in the course by replying to the assignment within the assignment/discussion icon.

All electronic correspondence should be professional and "...should be properly punctuated and capitalized; ...sprinkled with emoticons and IM-standard acronyms like LOL and JK isn't exactly perceived as professional." (USA Today, 8-15-2005).

The instructors will provide feedback to each student regarding each student's submission and each student's contribution to the discussion phase.

V. EXAMPLE GRADING SCALE

The final grade for the course will be determined as follows:

Examinations (3 exams at 100 points each)	300 points
Online participation (10 Assignments/Discussions at 10 points each)	100 points
	Total 400 points

The grading scale for the course is, total points earned divided by 4 (for example, maximum of 400 points divided by 4 = 100 points):

90	-	100	A
80	-	89	B
70	-	79	C
60	-	69	D
0	-	59	F

VI. UNDERGRADUATE COURSE ATTENDANCE POLICY

While physical attendance for regular class sessions is not required for this distance education learning course, students will need to take part in activities for the course each week. As a distance education course, students are to participate electronically through the submissions of Assignments and Discussions during regularly scheduled time periods. Assignments and Discussions submitted after the scheduled time period will be subject to a two point reduced score for each day in which the Assignment or Discussion has not been submitted.

VII. REQUIRED TEXTBOOKS, SUPPLEMENTAL BOOKS AND READINGS

Required Textbook

Hill, Charles W.L., Global Business Today, (Fifth Edition), New York: McGraw Hill/Irwin, 2008. ISBN: 13-9780073210544.

Students are to monitor (on a regular basis) the Calendar provided on the WebCT course site for email messages and Assignments and Discussions. Students are expected to be prepared to discuss electronically, assigned text chapters, including supportive materials available on WebCT, and assigned readings.

VIII. SPECIAL RESOURCE REQUIREMENTS

Routine access to computer hardware and software is needed for participation in this online course.

In addition to information provided on WebCT, students may access the chapter powerpoint handouts on the IUP I Drive by accessing: I Drive, hussam, Spring 2008, MGMT 451, mgibbs, Spring 2008, MGMT 451, or aaali, Spring 2008, MGMT 451.

To access the I: Drive you will need to visit, **www.acad.iup.edu** and follow these steps:

1. Click on the I: Drive option.
2. Once the Log On popup displays, in the space where it requests User name, enter in IUPMSD\your IUP user ID – usually four letters. Then enter in your network Password.

Should you require additional assistance to access the I Drive, please contact:

IT Support Center
(724) 357-4000 Monday – Friday, 7:00 a.m. – 6:00 p.m.
Email: it-support-center@iup.edu
Website: www.iup.edu/itsupportcenter

IX. BIBLIOGRAPHY

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Jones, Gareth R., Organization Theory (Fifth Edition), Upper Saddle River, NJ: Prentice Hall, Inc. 2007. ISBN: 0-13-186542-0

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Wheelen, Thomas L. and J. David Hunger, Concepts: Strategic Management and Business Policy, (Eleventh Edition), Upper Saddle River, NJ: Pearson Prentice-Hall, Inc., 2008. ISBN-10: 0-13-232319-2

Spring Semester 2008 – Tentative Course Schedule

<u>Date</u>	<u>Topic</u>	<u>Assignment</u>
Week 1	Introduction – Globalization	Chapter 1
Week 2	National Differences in Political Economy 1. Assignment/Discussion starts at 6 p.m. (E.S.T.) Wednesday, 1-23-08 and ends at 11:55 p.m. (E.S.T.) Thursday, 1-24-08	Chapter 2
Week 3	National Differences in Culture 2. Assignment/Discussion starts at 6 p.m. (E.S.T.) Wednesday, 1-30-08 and ends at 11:55 p.m. (E.S.T.) Thursday, 1-31-08	Chapter 3
Week 4	Ethics in International Business 3. Assignment/Discussion starts at 6 p.m. (E.S.T.) Wednesday, 2-6-08 and ends at 11:55 p.m. (E.S.T.) Thursday, 2-7-08	Chapter 4
Week 5	International Trade Theory	Chapter 5
End of Week 5	Exam 1 Exam 1 starts at 6 p.m. (E.S.T.) Wednesday, 2-13-08, and ends at 11:55 p.m. (E.S.T.) Thursday, 2-14-08	Chapters 1 – 5
Week 6	The Political Economy of International Trade 4. Assignment/Discussion starts at 6 p.m. (E.S.T.) Wednesday, 2-20-08 and ends at 11:55 p.m. (E.S.T.) Thursday, 2-21-08	Chapter 6
Week 7	Foreign Direct Investment 5. Assignment/Discussion starts at 6 p.m. (E.S.T.) Wednesday, 2-27-08 and ends at 11:55 p.m. (E.S.T.) Thursday, 2-28-08	Chapter 7
Week 8	Regional Economic Integration	Chapter 8
3/10-3/16	Spring Break	No On-line Activities
Week 9	The Foreign Exchange Market	Chapter 9
End of Week 9	Exam 2 Exam 2 starts at 6 p.m. (E.D.T.) Wednesday, 3-19-08, and ends at 11:55 p.m. (E.D.T.) Thursday, 3-20-08	Chapters 6 – 9
Week 10	The International Monetary System 6. Assignment/Discussion starts at 6 p.m. (E.D.T.) Wednesday, 3-26-08 and ends at 11:55 p.m. (E.D.T.) Thursday, 3-27-08	Chapter 10

**Spring Semester 2008 – Tentative Course Schedule
(continued)**

<u>Date</u>	<u>Topic</u>	<u>Assignment</u>
Week 11	The Strategy of International Business 7. Assignment/Discussion starts at 6 p.m. (E.D.T.) Wednesday, 4-2-08 and ends at 11:55 p.m. (E.D.T.) Thursday, 4-3-08	Chapter 11
Week 12	Entering Foreign Markets 8. Assignment/Discussion starts at 6 p.m. (E.D.T.) Wednesday, 4-9-08 and ends at 11:55 p.m. (E.D.T.) Thursday, 4-10-08	Chapter 12
Week 13	Exporting, Importing, and Countertrade 9. Assignment/Discussion starts at 6 p.m. (E.D.T.) Wednesday, 4-16-08 and ends at 11:55 p.m. (E.D.T.) Thursday, 4-17-08	Chapter 13
Week 14	Global Production, Outsourcing, and Logistics 10. Assignment/Discussion starts at 6 p.m. (E.D.T.) Wednesday, 4-23-08 and ends at 11:55 p.m. (E.D.T.) Thursday, 4-24-08	Chapter 14
Finals Week	Exam 3 (Culminating Activity) Exam 3 starts at 6 p.m. (E.D.T.) Wednesday, 5-7-08, and ends at 11:55 p.m. (E.D.T.) Thursday, 5-8-08	Chapters 10 – 14

IV. EVALUATION METHODS

The grade for the course will be determined as follows:

Examinations (2 exams at 100 points each)	200 points
Online participation (10 Case Analysis Assignments – including 2 Group Case Analysis Assignments – at ten points each with Interactive Discussions)	100 points
Case Analysis – Term Paper (Culminating Activity)	100 points
	Total 400 points

Examinations

There will be two 100-point objective examinations during the semester, each covering approximately one third of the chapters in the book. This is a lot of material for each exam, so don't fall behind and you should prepare yourself mentally for the challenge. A standardized test bank will be used for the majority of questions. It's up to you to read the assigned chapters in the book, thoroughly and in a timely manner. Recognize that during on-line case analysis assignments and discussions it is not possible to cover everything in the book that will be on the exam. It is expected that the student will take responsibility for the majority of book learning. Note that make-up exams will be given only for extreme conditions and may be administered during the week at the end of the semester.

Exams will be administered during an approximate 30-hour window, beginning at 6:00 p.m. one day and ending at approximately 11:55 p.m. the following day.

You will be allocated two and one-half hours (approximately 150 minutes) to take each exam (block the time off from interruptions so that you may complete the exam comfortably and efficiently within the 30-hour window). Mark your calendar now for the following schedule:

- **Exam 1 (Chapters 1 – 5) starts at 6 p.m. (E.S.T.) Wednesday, 2-13-08, and ends on Thursday, 2-14-08, at 11:55 p.m. (E.S.T.)**
- **Exam 2 (Chapters 6 – 9) starts at 6 p.m. (E.D.T.) Wednesday, 3-19-08, and ends at 11:55 p.m. (E.D.T.) Thursday, 3-20-08.**

Case Analysis Assignments/Group Case Analysis Assignments/Interactive Discussions

A variety of topics will be assigned and discussed during the semester. These interactive discussions are where students have their greatest opportunity to demonstrate their involvement and professionalism (i.e., participation, which is worth a total of 100 points by the end of the semester.) There will be ten case analysis assignments/interactive discussions with each case analysis assignment/interactive discussion being worth 10 points. **(Please note that two of the case analysis assignments will be Group Case Analysis Assignments. The groups of**

approximately 3 – 4 students will be selected by the instructor.) All case analysis assignments and interactive discussions will be initiated by the instructor.

Typically, the length of a completed case analysis assignment is to be approximately two concise paragraphs or, in some cases, the completion of a table or a diagram.

Students earn grades on Case Analysis Assignments/Interactive Discussions by (1) submitting a completed case analysis assignment by the deadline provided and by (2) discussing or commenting upon other course members' submissions during the case analysis assignment period or within 24 hours after the case analysis assignment submission deadline. That is, students may comment on other case analysis assignment submissions during the case analysis assignment period and also may comment on case analysis assignments up to 24 hours after the case analysis assignment deadline has past. Therefore, the interactive discussion component of the case analysis assignments/interactive discussions is 24 hours longer than the case analysis assignment submission period.

The only way to earn a total of 10 points on a given case analysis assignment is by submitting a thorough case analysis assignment and by commenting on the submission of at least one other student in the course by replying to the case analysis assignment within the case analysis assignment/interactive discussion icon.

All electronic correspondence should be professional and "...should be properly punctuated and capitalized; ...sprinkled with emoticons and IM-standard acronyms like LOL and JK isn't exactly perceived as professional." (USA Today, 8-15-2005).

The instructors will provide feedback to each student regarding each student's submission and each student's contribution to the interactive discussion phase.

Case Analysis – Term paper (Culminating Activity)

- **Case Analysis – Term Paper (Culminating Activity) (Chapters 10 – 14) may be submitted anytime after 6 p.m. (E.D.T.) Wednesday, 5-7-08, but prior to 11:55 p.m. (E.D.T.) Thursday, 5-8-08.**

Throughout the semester, current international management examples will be discussed electronically by referring to recent articles in various publications such as the Wall Street Journal, USA Today, etc. Students are to analyze a specific current international management example (relevant to Chapters 10 – 14) using a framework provided in the textbook. The case analysis – final term paper is to be approximately 10 – 15 pages in length. It may also include relevant attachments. The final case analysis project is due during the final exam period (week 15) and is to be submitted on WebCT to the instructor.

V. EXAMPLE GRADING SCALE

Examinations (2 exams at 100 points each)	200 points
Online participation (10 Case Analysis Assignments – including 2 Group Case Analysis Assignments – at ten points each with Interactive Discussions)	100 points
Case Analysis – Term Paper (Culminating Activity)	100 points
	Total 400 points

The grading scale for the course is, total points earned divided by 4 (for example, maximum of 400 points divided by 4 = 100 points):

90	-	100	A
80	-	89	B
70	-	79	C
60	-	69	D
0	-	59	F

**MGMT 451 International Management (distance education) Lesson Plan
Chapter 1 Globalization Week 1 (3 academic hours)**

Course Objective 1: It is expected that upon successful completion of the course, students will be enabled to explain how and why the world's countries differ.

Distance Education will be utilized in this chapter to meet the following course objective: It is expected that upon successful completion of the course, students will be enabled to explain how and why the world's countries differ. This objective will be met by students through (a) an understanding of **Chapter 1 and 2**, (b) accessing outside internet information sources related to national differences in political economy and national differences in culture such as:

The Globalization Website (sponsored in part by Emory University)
{<http://www.emory.edu/SOC/globalization/about.html>}

Globalization
{<http://www1.worldbank.org/economicpolicy/globalization/>}

and, (c) by successful completion of an Assignment and Discussion related to the globalization of Starbucks.

Chapter 1 – Learning Objectives

After studying this chapter, students should be able to:

1. understand what is meant by the term globalization;
2. be familiar with the main causes of globalization;
3. understand why globalization is now proceeding at a rapid rate;
4. appreciate how changing international trade patterns, foreign direct investment flows, differences in economic growth rates among countries, and the rise of new multinational corporations are all changing the nature of the world economy;
5. have a good grasp of the main arguments in the debate over the impact of globalization on job security, income levels, labor and environmental policies, and national sovereignty; and,
6. appreciate that globalization is giving rise to numerous opportunities and challenges that business managers must confront.

CHAPTER OVERVIEW

This opening chapter introduces the reader to the concepts of globalization and international trade, and provides an introduction to the major issues that underlie these topics. The components of globalization are discussed, along with the drivers of globalization and the role of the General Agreement on Tariffs and Trade (GATT) and its

successor the World Trade Organization (WTO) in lowering trade barriers. The role of technological change in facilitating globalization is also discussed, along with the role of multinational firms in international business.

The chapter also describes the changing demographics of the global economy, with a special emphasis on the increasingly important role of developing countries in world trade. This discussion is complemented by a description of the changing world order, which was brought on by the collapse of communism in Eastern Europe and republics of the former Soviet Union. The chapter ends with a candid overview of the pros and cons of the trend towards globalization.

OPENING CASE: Planet Starbucks

Summary

The opening case describes the globalization of Starbucks. Thirty years ago, Starbucks was a single store in Seattle. Today, the company operates more than 7,600 stores, 2,000 of which are found in 34 countries outside the U.S. The company has employed a joint venture strategy for most of its international expansion believing that the local knowledge a joint venture partner can provide is important to the success of Starbucks in foreign markets. Today, the company is on a mission to bring lattes and Frappuccinos to consumers around the globe. A discussion of the case can revolve around the following questions:

QUESTION 1: How does Starbucks, Japan differ from Starbucks, USA?

ANSWER 1: Starbucks expanded into Japan in 1995, teaming up with local company Sazaby. Starbucks felt that working with a local partner was important for local expertise about the product mix, store locations, marketing strategy, and store layout that the partner could provide. The goal of the venture was to replicate the American Starbucks experience. To that end, the joint venture was initially staffed by Americans, and all Japanese store managers and employees were required to attend training classes similar to those given to American managers and employees. Starbucks expanded into other parts of Asia in the late 1990s with stores in Taiwan, China, Singapore, Thailand, South Korea and Malaysia.

QUESTION 2: What challenges faced Starbucks in its quest for a global presence?

ANSWER 2: Differences between markets have forced Starbucks to make some changes to its standard format. The company has made changes to its menu to cater to local preferences, provided more seating options in markets where in-house consumption is important, and adapted its real estate strategy to match local market conditions. However, in general Starbucks has been pleasantly surprised at how well the Starbucks' formula has transferred to foreign markets. Moreover, the company has even been able to introduce some products that were initially developed for foreign markets back to the U.S. Today, Starbucks is considered to be one of the ten global brands with the most

impact. If the company's international expansion continues as planned, Starbucks will soon be as globally ubiquitous as McDonald's.

Teaching Tip: Students can track new changes in Starbucks' international expansion at the company's web site {www.starbucks.com}. This web site also provides students with an excellent opportunity to see how Starbucks has standardized certain elements of its marketing mix, while adapting others.

Chapter Outline With Lecture Notes and Teaching Tips

INTRODUCTION

A) Globalization refers to the trend towards a more integrated global economic system.

Teaching Tip: The trend towards globalization has not gone unnoticed at many premier universities around the world. An organization called the Network of International Business Schools {<http://www.nibsnet.org/>} provides a forum for schools with international business programs to discuss their curriculums. Consider visiting this web site, and providing your students some examples of how colleges and universities are integrating the realities of globalization into their business curriculums.

Lecture Note: The U.S. Census Bureau offers an extensive web site that maintains, among other things, monthly statistics on trade between the United States and its trading partners. The web site is {<http://www.census.gov/foreign-trade/top>}.

B) The rapidly emerging global economy raises a multitude of issues for businesses including all sorts of new opportunities for business to expand their revenues, drive down their costs, and boost their profits. It also gives rise to challenges and threats such as how best to expand into a foreign market, whether and how to customize their product offerings, marketing policies, human resources practices, and business strategies in order to deal with national differences in culture and how best to deal with the threat posed by efficient foreign competitors entering their home market place.

C) The opening case on the Starbucks illustrates how one company is taking advantage of the globalization trend to expand internationally. Starbucks is hoping to apply its business formula to other nations, yet at the same time, the company realizes the need to customize aspects of its operations and marketing to local conditions. Discussion of the case, even if it involves handing out copies in class and giving students a few minutes to read them, provides a natural lead-in to the next topic - the globalization of the world economy and the drivers of globalization.

WHAT IS GLOBALIZATION?

A) **Globalization** refers to the shift towards a more integrated and interdependent world economy.

Teaching Tip: There are some short (approximately two to five minutes) clips on globalization available on the PBS web site that are well worth watching. Visit http://www.pbs.org/wgbh/commandingheights/shared/video/qt/mini_p01_02_b_300.html http://www.pbs.org/wgbh/commandingheights/shared/video/qt/mini_p03_05_300.html, and http://www.pbs.org/wgbh/commandingheights/shared/video/real/mini_p03_06_220.html.

The Globalization of Markets

B) The **globalization of markets** refers to the fact that in many industries historically distinct and separate national markets are merging into one huge global marketplace in which the tastes and preferences of consumers in different nations are beginning to converge upon some global norm. The global acceptance of Coca-Cola, Citicorp credit cards, Sony PlayStations, and McDonald's hamburgers are all examples. Yet there are still significant differences that frequently require that marketing strategies, product features, and operating practices be customized in a country. In fact, the most global markets are for industrial goods and materials that serve a universal need around the world rather than for consumer products.

Teaching Tip: The globalization of markets has provided many opportunities and challenges for business organizations. To gain some additional insight into the types of challenges that global firms confront, visit: <http://www.globalization.com/index.cfm?MyCatID=1&MySubcatID=2&pageID=1309> .

The Globalization of Production

C) The **globalization of production** refers to the tendency among many firms to source goods and services from different locations around the globe in an attempt to take advantage of national differences in the cost and quality of factors of production, thereby allowing them to compete more effectively against their rivals. The examples of Boeing and Swan Optical illustrate how production is dispersed. While part of the rationale is based on costs and finding the best suppliers in the world, there are also other factors. In Boeing's case, if it wishes to sell airliners to countries like China, these countries often demand that domestic firms be contracted to supply portions of the plane - otherwise they will find another supplier (Airbus) who is willing to support local industry.

THE EMERGENCE OF GLOBAL INSTITUTIONS

A) Over the last half century, a number of global institutions have been created to help manage, regulate, and police the global market place, as well as to promote the establishment of multinational treaties to govern the global business system. The **World Trade Organization (WTO)** is responsible for policing the world trading system and making sure that nations adhere to the rules established in WTO treaties. The **International Monetary Fund (IMF)** maintains order in the international monetary system while the **World Bank** promotes economic development. The **United Nations (UN)** maintains international peace and security, develops friendly relations among

nations, cooperates in solving international problems and promotes respect for human rights, and is a center for harmonizing the actions of nations.

DRIVERS OF GLOBALIZATION

A) Two macro factors seem to underlie the trend toward greater globalization. First, the decline in barriers to the free flow of goods, services, and capital that has occurred since the end of World War II and second, technological change.

Declining Trade and Investment Barriers

B) After WWII, the industrialized countries of the West started a process of removing barriers to the free flow of goods, services, and capital between nations. Under GATT, over 100 nations negotiated even further decreases in tariffs and made significant progress on a number of non-tariff issues (e.g. intellectual property, trade in services). With the establishment of the WTO, a mechanism now exists for dispute resolution and the enforcement of trade laws. Talks that began in late 2001 and are expected to last at least three years are focused on cutting tariffs on industrial goods, services, and agricultural products, phasing out subsidies to agricultural producers, reducing barriers to cross-border investment, and limiting the use of anti-dumping laws.

Teaching Tip: A comprehensive overview of GATT is available at {<http://www.ciesin.org/TG/PI/TRADE/gatt.html>}.

Teaching Tip: The World Trade Organization maintains an excellent web site at {<http://www.wto.org/>}. This site provides information about recent trade disputes, "hot" areas of international trade, and the status current talks.

C) This removal of barriers to trade has taken place in conjunction with increased **international trade** (the export of goods or services to consumers in another country), world output, and foreign direct investment.

D) The growth of **foreign direct investment** (the investing of resources and business activities outside a firm's home country) is a direct result of nations liberalizing their regulations to allow foreign firms to invest in facilities and acquire local companies. With their investments, these foreign firms often also bring expertise and global connections that allow local operations to have a much broader reach than would have been possible for a purely domestic company.

The Role of Technological Change

E) While the lowering of trade barriers made globalization of markets and production a theoretical possibility, technological change made it a tangible reality.

Microprocessors and Telecommunications

F) Since the end of World War II, there have been major advances in communications and information processing.

G) Moore's Law predicts the power of microprocessor technology doubles and its cost of production falls in half every 18 months. As this happens, the cost of global communication plummets, which lowers the cost of coordinating and controlling a global organization.

The Internet and the World Wide Web

H) The Internet and the World Wide Web, which have experienced explosive growth worldwide, promise to develop into the information backbone of tomorrow's global economy. Much of the growth of Web-based transactions comes not in e-commerce (business-to-consumer transactions), but in e-business (business-to-business transactions).

I) The Web is being seen as an equalizer in that it reduces some of the constraints such as location, scale, and time zones that typically limit global expansion by companies.

Transportation Technology

J) In addition to these developments, several major innovations in transportation technology have occurred since World War II. In economic terms, the most important are probably development of commercial jet aircraft and super freighters and the introduction of containerization, which greatly simplifies trans-shipment from one mode of transport to another.

Implications for the Globalization of Production

K) Improvements in transportation technology, including jet transport, temperature controlled containerized shipping, and coordinated ship-rail-truck systems have made firms better able to respond to international customer demands

Implications for the Globalization of Markets

L) As a consequence of these trends, a manager in today's firm operates in an environment that offers more opportunities, but is also more complex and competitive than that faced a generation ago. People now work with individuals and companies from many countries, and while communications technology the universality of English as the language of business has decreased the absolute level of cultural difficulties individuals face, the frequency with which they face inter-cultural and international challenges has increased.

THE CHANGING DEMOGRAPHICS OF THE GLOBAL ECONOMY

As late as the 1960s four stylized facts described the facts of the demographics economy.

The first was the U.S. dominance in the world economy and the world trade picture. The third fact was the dominance of large, multinational U.S. firms on the international business scene. The fourth was that roughly half of the globe- the centrally planned economies of the communist world, was off limits to Western international business.

The Changing World Output and the Changing World Trade Picture

B) In the early 1960s, the U.S. was still by far the world's dominant industrial power. In 1963, for example, the U.S. accounted for 40.3 percent of world manufacturing output. By 2003 the United States accounted for only 11 percent. This decline in the U.S. position was not an absolute decline, since the U.S. economy entered the new millennium stronger than ever. Rather, it was a relative decline, reflecting the faster economic growth of several other economies, most notably that of Japan.

C) Given the rapid economic growth now being experienced by countries such as China, Thailand, and Indonesia, further relative decline in the U.S. share of world output and world exports seems likely.

D) If we look 20 years into the future, most forecasts now predict a rapid rise in the share of world output accounted for by developing nations such as China, India, Indonesia, Thailand, and South Korea, and a commensurate decline in the share enjoyed by rich industrialized countries such as Britain, Japan, and the United States

The Changing Foreign Direct Investment Picture

E) As shown in Figure 1.3 in the textbook, the share of world output generated by developing countries has been on a steady increase since the 1960s, while the stock (total cumulative value of foreign investments) generated by rich industrial countries has been on a steady decline. This trend is expected to continue.

F) Similarly as shown in Fig. 1.4, there has been a sustained growth in cross-border flows of foreign direct investment, and the flow of foreign direct investment (amounts invested across national borders each year) has been directed at developing nations especially China.

The Changing Nature of Multinational Enterprise

G) A **multinational enterprise** is any business that has productive activities in two or more countries.

Non-U.S. Multinationals

H) The globalization of the world economy, together with Japan's rise to the top rank of economic power, has resulted in a relative decline in the dominance of U.S. (and, to a lesser extent, British) firms in the global marketplace. Looking to the future, we can reasonably expect the growth of new multinational enterprises (any business that has

productive activities in two or more countries) from the world's developing nations.

The Rise of Mini-Multinationals

I) Another trend in international business has been the growth of medium-sized and small multinationals. These businesses are referred to as mini-multinationals.

The Changing World Order

J) The collapse of communism in Eastern Europe represents a host of export and investment opportunities for Western businesses.

K) The economic development of China presents huge opportunities and risks, in spite of its continued Communist control.

L) For North American firms, the growth and market reforms in Mexico and Latin America also present tremendous new opportunities both as markets and sources of materials and production

The Global Economy of the 21st Century

M) The path to full economic liberalization and open markets is not without obstruction. Economic crises in Latin America, South East Asia, and Russia all caused difficulties in 1997 and 1998. While firms must be prepared to take advantage of an ever more integrated global economy, they must also prepare for political and economic disruptions that may throw their plans into disarray.

THE GLOBALIZATION DEBATE

A) Is the shift toward a more integrated and interdependent global economy a good thing? While many economists, politicians and business leaders seem to think so, globalization is not without its critics. Globalization stimulates economic growth, raises the incomes of consumers, and helps to create jobs in all countries that choose to participate in the global economy. Yet, there is a rising tide of opposition to globalization.

Anti-globalization Protests

B) Since 1999, when protesters against globalization targeted the WTO meeting in Seattle, anti-globalization protesters have turned up at almost every major meeting of a global institution. Protesters fear that globalization is forever changing the world in a negative way. However, despite their protests, most citizens seem to welcome the higher living standards that progress brings.

Globalization, Jobs, and Incomes

C) In developed countries, labor leaders lament the loss of good paying jobs to low wage countries. However, supporters of globalization argue that free trade will result in countries specializing in the production of those goods and services that they can produce most efficiently, while importing goods and services that they cannot produce as efficiently. Free trade advocates suggest that despite some job dislocation, the whole economy is better off with free trade.

Globalization, Labor Policies, and the Environment

D) A second source of concern is that free trade encourages firms from advanced nations to move manufacturing facilities offshore to less developed countries that lack adequate regulations to protect labor and the environment from abuse by the unscrupulous. Supporters of free trade and greater globalization express serious doubts about this scenario. They point out that tougher environmental regulation and stricter labor standards go hand in hand with economic progress. In general, as countries get richer, they enact tougher environmental and labor regulations.

E) Lower labor costs are only one of the reasons why a firm may seek to expand in developing countries. These countries may also have lower standards on environmental controls and workplace safety. Nevertheless, since investment typically leads to higher living standards, there is often pressure to increase safety regulations to international levels. No country wants to be known for its poor record on health and human safety. Thus supporters of globalization argue that foreign investment often helps a country to raise its standards.

Globalization and National Sovereignty

F) A final concern voiced by critics of globalization is that in today's increasingly interdependent global economy, economic power is shifting away from national governments and toward supranational organizations such as the World Trade Organization (WTO), the European Union (EU), and the United Nations. As perceived by critics, the problem is that unelected bureaucrats are now sometimes able to impose policies on the democratically elected governments of nation-states, thereby undermining the sovereignty of those states.

G) With the development of the WTO and other multilateral organizations such as the EU and NAFTA, countries and localities necessarily cede some authority over their actions.

Teaching Tip: Both the United Nations {www.un.org} and the World Trade Organization {www.wto.org} have a number of interesting statements related to the issue of globalization and national sovereignty.

Globalization and the World's Poor

H) Critics of globalization argue that over the last century the gap between rich and poor has gotten wider, that the benefits of globalization have not been shared equally.

However supporters of free trade suggest that the actions of governments have limited economic improvement in many countries. In addition, debt may also be limiting growth in some countries. Today, there are various efforts underway to encourage debt relief programs.

MANAGING IN THE GLOBAL MARKETPLACE

- A) An international business is any firm that engages in international trade or investment.
- B) As their organizations increasingly engage in cross-border trade and investment, it means managers need to recognize that the task of managing an international business (any firm that engages in international trade or investment) differs from that of managing a purely domestic business in many ways. Countries differ in their cultures, political systems, economic systems, legal systems, and levels of economic development.
- C) These differences require that business people vary their practices country by country, recognizing what changes are required to operate effectively. It is necessary to strike a balance between adaptation and maintaining global consistency, however.
- D) As a result of making local adaptations, the complexity of international business is clearly greater than that of a purely domestic firm. Firms need to decide which countries to enter, what mode of entry to use, and which countries to avoid. Rules and regulations also differ, as do currencies and languages.
- E) Managing an international business is different from managing a purely domestic business for at least four reasons: 1) countries differ, 2) the range of problems and manager faces is greater and more complex, 3) an international business must find ways to work within the limits imposed by governmental intervention and the global trading system, and 4) international transactions require converting funds and being susceptible to exchange rate changes.

Critical Discussion Questions

1. Describe the shifts in the world economy over the last 30 years. What are the implications of these shifts for international businesses based in Great Britain? North America? Hong Kong?

Answer: The world economy has shifted dramatically over the past 30 years. As late as the 1960s four stylized facts described the demographics of the global economy. The first was U.S. dominance in the world economy and world trade. The second was U.S. dominance in the world foreign direct investment picture. Related to this, the third fact was the dominance of large, multinational U.S. firms in the international business scene. The fourth was that roughly half of the globe - the centrally planned economies of the Communist world - was off-limits to Western international businesses. All of these demographic facts have changed. Although the U.S. remains the world's dominant

economic power, its share of world output and world exports have declined significantly since the 1960s. This trend does not reflect trouble in the U.S. economy, but rather reflects the growing industrialization of developing countries such as China, India, Indonesia, and South Korea. This trend is also reflected in the world foreign direct investment picture. As depicted in Figure 1.3 in the textbook, the share of world output (or the stock of foreign direct investment) generated by developing countries has been on a steady increase since the 1960s, while the share of world output generated by rich industrial countries has been on a steady decline. Shifts in the world economy can also be seen through the shifting power of multinational enterprises. Since the 1960s, there have been two notable trends in the demographics of the multinational enterprise. The first has been the rise of non-U.S. multinationals, particularly Japanese multinationals. The second has been the emergence of a growing number of small and medium-sized multinationals, called mini-multinationals. The fall of Communism in Eastern Europe and the republics of the former Soviet Union have brought about the final shift in the world economy. Many of the former Communist nations of Europe and Asia seem to share a commitment to democratic politics and free market economies. Similar developments are being observed in Latin America. If these trends continue, the opportunities for international business may be enormous. The implications of these shifts are similar for North America and Britain. The United States and Britain once had the luxury of being the dominant players in the world arena, with little substantive competition from the developing nations of the world. That has changed. Today, U.S. and British manufacturers must compete with competitors from across the world to win orders. The changing demographics of the world economy favor a city like Hong Kong. Hong Kong (which is now under Chinese rule) is well located with easy access to markets in Japan, South Korea, Indonesia, and other Asian markets. Hong Kong has a vibrant labor force that can compete on par with the industrialized nations of the world. The decline in the influence of the U.S. and Britain on the global economy provides opportunities for companies in Hong Kong to aggressively pursue export markets.

2. "The study of international business is fine if you are going to work in a large multinational enterprise, but it has no relevance for individuals who are going to work in smaller firms." Evaluate this statement.

Answer: Persons who believe in this view, and the firms that they work for, may find that they do not achieve their full potential (at best) and may ultimately fail because of their myopia. As barriers to trade decrease and state of the art technological developments take place throughout the world, new opportunities and threats exist on a worldwide basis. The rise of the mini-multinationals suggests there are global opportunities even for small firms. But staying attuned to international markets is not only important from the perspective of seeking profitable opportunities for small firms; it can also be critical for long-term competitive survival. Firms from other countries may be developing products that, if sold internationally, may wipe out small domestic competitors. Scanning international markets for the best suppliers is also important for small firms, for if a domestic competitor is able to tap into a superior supplier from a foreign country, it may be able to seriously erode a small firm's competitive position before the small firm understands the source of its competitor's competitive advantage

and can take appropriate counter actions.

3. How have changes in technology contributed to the globalization of markets and of production? Would the globalization of production and markets have been possible without these technological changes?

Answer: Changes in technology have contributed to the globalization of markets and of production in a very substantive manner. For instance, improvements in transportation technology have paved the way for companies like Coca-Cola, Levi Strauss, Sony and McDonalds to make their products available worldwide. Similarly, improvements in communications technology have had a major impact. The ability to negotiate across continents has been facilitated by improved communications technology, and the rapidly decreasing cost of communications has lowered the expense of coordinating and controlling a global corporation. Finally, the impact of information technology has been far reaching. Companies can now gain worldwide exposure simply by setting up a homepage on the Internet. This technology was not available just a few short years ago. The globalization of production and markets may have been possible without improvements in technology, but the pace of globalization would have been much slower. The falling cost of technology has made it affordable for many developing nations, which has been instrumental in helping these nations improve their share of world output and world exports. The inclusion of these nations, such as China, India, Thailand, and South Korea, has been instrumental in the globalization of markets and production. In addition, improvements in global transportation and communication have made it relatively easy for business executives from different countries to converse with one another. If these forms of technology, including air-travel, fax capability, e-mail, and overnight delivery of packages were not available, it would be much more difficult for businesses to conduct international trade.

4. "Ultimately, the study of international business is no different from the study of domestic business. Thus, there is no point in having a separate course on international business." Evaluate this statement.

Answer: This statement reflects a poor understanding of the unique challenges involved in international business. Managing an international business is different from managing a purely domestic business for at least four reasons. These are: (1) countries are different; (2) the range of problems confronted by a manager in an international business is wider and the problems themselves more complex than those confronted by a manager in a domestic business; (3) an international business must find ways to work within the limits imposed by government intervention in the international trade and investment system; and (4) international transactions involve converting money into different currencies. As a result of these differences, there are ample reasons for studying international business as a specific field of study or discipline.

5. How might the Internet and the associated World Wide Web impact international business activity and the globalization of the world economy?

Answer: According to the text, the Internet and World Wide Web (WWW) promise to develop into the information background of tomorrow's global economy. This improved technology will not only make it easier for individuals and companies in different countries to conduct business with one another, but will also further decrease the cost of communications. These improvements will undoubtedly hasten the already rapid pace of globalization. Another distinct attribute of the Internet and the WWW is that they act as an equalizer between large (resource rich) and small (resource poor) firms. For instance, it does not cost any more for a small software firm to gain visibility via the WWW than it does for a large software company like Microsoft. As a result, the WWW helps small companies reach the size of audience that was previously only within the reach of large, resource rich firms.

6. If current trends continue, China may emerge as the world's largest economy by 2020. Discuss the possible implications of such a development for:

- The world trading system.
- The world monetary system.
- The business strategy of today's European and U.S. based global corporations

Answer: The world trading system would clearly be affected by such a development. Currently China enjoys a somewhat privileged status within the World Trade Organization as a “developing” country. Such a rise to eminence, however, would clearly force it to become a full and equal member, with all the rights and responsibilities. China would also be in a position to actively affect the terms of trade between many countries. On the monetary front, one would expect that China would have to have fully convertible and trading currency, and it could become one of the “benchmark” currencies of the world. From the perspective of Western global firms, China would represent both a huge market, and potentially the home base of some very capable competitors.

CLOSING CASE: Ecuadorian Valentine Roses

Summary

The closing case describes Ecuador's rose industry. In the last 20 years, Ecuador has built its rose industry from virtually nothing to a thriving industry generating \$240 million in sales. Today, the industry employs tens of thousands of people at higher wages than the average Ecuadorian receives. Yet, there are concerns that in the quest for perfect flowers, the use of toxic chemicals such as pesticides may be hurting not only the environment, but also the health of the workers.

QUESTION 1: How has participation in the international rose trade helped Ecuador's economy and its people? How has the rise of Ecuador as a center for rose growing benefited consumers in developed nations who purchase the roses? What do the answers to these questions tell you about the benefits of international trade?

ANSWER 1: Ecuador is the world's fourth largest producer of roses. In fact, roses represent the country's fifth largest export. The industry is vital to Ecuador's economy,

creating tens of thousands of jobs, jobs that pay significantly above the country's minimum wage. Taxes and revenues from the rose growers have also helped to pave roads, build schools, and construct sophisticated irrigation systems. For consumers, the success of the industry means bigger, more vibrant flowers than were previously available. Most students will recognize that the conditions in Ecuador give the country a distinct advantage in rose growing, and that by focusing on the rose industry, Ecuador has been able to benefit from international trade. Consumers in other countries also benefit from Ecuador's flower exports with better products.

QUESTION 2: Why do you think that Ecuador's rose industry only began to take off 20 years ago? Why do you think it has grown so rapidly?

ANSWER 2: Ecuador's rose industry began some 20 years ago, and has been expanding rapidly ever since then. Most students will probably focus on advances in technology as a key to the industry's success. Roses are a very fragile, perishable product. Modern technology enables growers to use refrigerated air transport to get the product to markets around the globe. Without that ability, the growers would be limited to the market immediately surrounding the country.

QUESTION 3: To what extent can the alleged health problems among workers in Ecuador's rose industry be laid at the feet of consumers in the developed world and their desire for perfect Valentine's Day roses?

ANSWER 3: Students will probably be divided on this issue with some students arguing that consumers are to blame for the problems, and others placing the blame on the growers. Students taking the first perspective will probably suggest that most consumers purchase their roses with little consideration for how they are grown. Rather, most consumers simply focus on their beauty and price. Students blaming the growers might argue that growers, because they feel the effect of less-than-perfect roses in the form of smaller profits, will be motivated to find ways to produce ever more perfect flowers. Certainly, the use of pesticides and other products can produce a better crop. In the end, there is probably blame on both sides. If more consumers were aware of the health problems resulting from the improper use of pesticides, they would probably demand some changes. Similarly, if pressure were put on the growers to use pesticides safely, health problems could be reduced.

QUESTION 4: Do you think governments in the developed world should place trade sanctions on Ecuador roses if reports of health issues among Ecuadorian rose workers are verified? What else might they do to improve the situation in Ecuador?

ANSWER 4: Trade sanctions are a tool that is often employed by governments that are making a statement against a specific action or actions. In the case of Ecuador, trade sanctions certainly would be an option, as would publicizing the situation so that more consumers were aware of the conditions. In the end though, it is important to consider the effect of the sanctions or other measures on people like Maria who might lose their livelihood as a result.

CLOSING CASE: Who's Reading Your X-Ray?

Summary

This case explores the practice of outsourcing medical work to other countries. In recent years, pressures to cut costs in the medical industry have led to the practice of outsourcing. Today, not only is paperwork outsourced to countries such as India, but also the reading of x-rays. Currently, there are strict regulations limiting the practice, but there are concerns that the trend will continue to include even surgical procedures.

Teaching Tip: Students may have very strong opinions on the topic of “shipping jobs abroad.” For additional information on this trend see Offshoring: You Ain't Seen Nothin' Yet at

{http://www.businessweek.com/@@vZvaW4QQgp*wUhcA/magazine/content/04_25/b3888024_mz007.htm} and Look Who's Going Offshore at

{http://www.businessweek.com/@@vZvaW4QQgp*wUhcA/magazine/content/04_20/b3883090_mz063.htm}.

QUESTION 1: What developments have made the outsourcing of medical work—from coding to radiology—feasible in recent years?

ANSWER 1: Advances in technology are probably the key to making the outsourcing of medical work possible in recent years. In particular, the Internet makes it possible to quickly transmit large amounts of data to countries such as India where the information can be processed and returned.

QUESTION 2: Who benefits from the emerging trend to outsource medical procedures to nations where the salaries of medical professionals are lower? Who loses?

ANSWER 2: This is a difficult question. Some students might argue that the outsourcing of medical procedures to nations where salaries of medical professional are lower clearly benefits consumers. However, other students might suggest that the level of care in countries such as India may not be up to the standards found in the United States, and that the process takes some control out of the hands of the consumers. Certainly, health care professionals in the United States see the outsourcing trend in a negative light, however, medical insurance companies seem to view any means of cutting costs as a positive move.

QUESTION 3: What are the risks involved in outsourcing medical procedures such as radiology to India? How can these risks be mitigated?

ANSWER 3: At the present time, it would appear that there are significant safeguards in place to protect the consumer whose medical procedures are being outsourced. However, one might envision that as the trend to outsource gains momentum, some of the

safeguards might be mitigated or even eliminated entirely, putting the consumer at considerable risk.

QUESTION 4: Given the rising cost of health care in the United States what do you think the future holds for the outsourcing of medical procedures?

ANSWER 4: Most students will probably agree that the current trend to outsource medical procedures is just the beginning. The rising cost of health care is likely to continue to put pressure on the industry to find cheaper alternatives to handling not only direct patient care, but also the paperwork involved. Most students will probably agree that outsourcing to cut costs in the paperwork end of the process makes sense, but may draw the line at the outsourcing of medical procedures.

QUESTION 5: Do you think the government should restrict the outsourcing of medical work to other countries? What would the consequences of such restrictions be?

ANSWER 5: The answer to this question may depend on the nationality of the student. Students from countries that have national health care may already feel that since the government already controls the medical industry, issues related to the outsourcing of medical work is out of their hands. Students from countries with private health care such as the United States may believe that the government has a certain responsibility to protect its citizens, and that the issue of outsourcing of medical procedures may fall into this realm of protection. In either case, it would appear that restrictions to limit the practice would almost certainly raise costs further.

Management Focus: Homer Simpson—A Global Brand

Summary

This feature explores the global appeal of the characters of Fox Broadcasting Company's The Simpsons. The show and its characters are popular in more than 70 different countries and have become a powerful global brand. Homer and his family members have been licensed to about 50 large brand and marketing partners from around the world. Despite the popularity of The Simpsons, Fox is careful to limit the use of its characters so that the brand is not overused or used inappropriately.

Suggested Discussion Questions

1. Discuss the popularity of The Simpsons. Why does the show and its characters hold such mass global appeal?
2. While Fox has earned huge profits from the syndication of The Simpsons, the company's licensing deals have also generated significant profits. Consider the notion of Homer Simpson as a global brand. How does this concept differ from the traditional idea of a global brand? How has Fox ensured that the brand retains its value?
3. {<http://www.thesimpsons.com/index.html>}

Management Focus: Wipro Ltd—The New Face of Global Competition

Summary

This feature describes how Wipro, an Indian technology company, is reinventing itself to meet the challenges of a global economy. Just fifteen years ago, Wipro was a jumbled conglomerate selling a wide range of products. Today, the company has moved into the information technology sector, and in 2003 generated more than \$1.28 billion in sales.

Suggested Discussion Questions

1. Explain how Wipro reinvented itself from an unfocused conglomerate to a fast-growing information technology firm. What contributed to the company's ability to make the transformation? What factors forced the company to change?
2. Discuss the importance of the Internet to Wipro. Could the company succeed using traditional methods of business? Why or why not?
3. Wipro built its success on the low-margin end of the software business. Now the company is focusing more on high value-added applications. Why is Wipro moving away from the sector that proved to be so successful? In your opinion, is Wipro following the right strategy?
4. {<http://www.wipro.com/>}

Country Focus: Protesting Globalization in France

Summary

This feature describes the anti-globalization protests going on in France. The protests, led by activist Jose Bove, started when the U.S. retaliated against EU bans on beef imports by imposing a 100% tariff on some EU products. Bove and his associates targeted McDonald's, and also California winemaker Mondavi as symbols of their opposition to American investments. Still, despite the protests, foreign investment in France is at record highs, and ironically, so are French investments abroad.

Suggested Discussion Questions

1. Consider the trade war that initiated the protests led by Bove. The EU instituted restrictions on the import of hormone treated beef because it was feared that the product might lead to health problems. The WTO stated that the restrictions were prohibited under WTO agreements and ordered the EU to lift the restrictions or face retaliatory measures. In your opinion, did the WTO act appropriately? Should a government be permitted to make decisions as to what products are or are not available to consumers? Should the WTO? What do you think would have happened if the WTO had ruled in favor of the EU?
2. Why was McDonald's chosen as the target for anti-globalization protests? How can companies like McDonald's protect themselves from the actions of protesters like Bove?
3. The WTO's homepage: {www.wto.org}.

Additional Readings and Sources of Information

The Globalization Website (sponsored in part by Emory University)
<http://www.emory.edu/SOC/globalization/about.html>

One Giant Global Labor Pool?
http://www.businessweek.com/bwdaily/dnflash/mar2004/nf20040322_2619_db079.htm

Globalization
<http://www1.worldbank.org/economicpolicy/globalization/>

The Outsourcing Boomerang
http://www.businessweek.com/technology/content/aug2004/tc20040811_9584_tc024.htm

The International Forum on Globalization
<http://www.ifg.org/index.htm>

Globalization: Focus on the International Monetary Fund & the World Bank:
<http://www.ifg.org>

Trade and Globalization: <http://epinet.org/subjectpages/trade.html>

Globalization Research Center: <http://www.cio.com/research/global/>

Globalization: Threat or Opportunity:
<http://www.imf.org/external/np/exr/ib/2000/041200.htm>