

School of Marketing and International Business

**IBUS 305**  
**DYNAMIC STRATEGY AND STRUCTURE IN**  
**INTERNATIONAL BUSINESS**

Trimester ONE 2007

**COURSE OUTLINE**

**Contact Details**

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Office Hours: Fridays 13.00-14.00

Tutors: Names and contact details to be found Blackboard.

**Class Times and Room Numbers**

Lectures: Mondays 16.40pm – 18.30pm, RH LT1  
Thursdays 16.40pm – 17.30pm, RH LT1

Tutorials: One hour per week for seven weeks  
(*see* lecture & tutorial schedule)

Final Examination: During Trimester 1 examination period (4-30 June 2007).

# 1. COURSE OBJECTIVES

IBUS 305 is designed to develop students' competencies in international business strategy and structure. The successful student acquires a comprehensive understanding about how the international business environment generates the context in which international business strategy is formed and realised. The student will learn to distinguish between frameworks suitable for static assessments and dynamic approaches relevant for successful international behaviour.

The more specific cognitive goals for this advanced 300-level course are:

(1) **Knowledge and comprehension** of international business concepts and methods. Provision of **proof** of knowledge and understanding of the most important concepts and methods (focus on these will be provided in **lectures**); the student who achieves this will **be able to pass the course (C, C+)**.

This level of understanding forms the basis for comprehending what internationally active organisations do to successfully adapt to and influence external environmental conditions.

(2) **Analysis of the international business context and application** of frameworks, tools and methods in solving problems, demonstrating alternative solutions and constructing suggestions for international business strategy, organisational structure and implementation. The **lectures** will provide you with insights into how to develop this type of thinking; the **tutorials**, **collaborative group work** and **assignments** will provide an opportunity to practice these capabilities. Students who sufficiently demonstrate these abilities (including what was required in 1. above) will attain final grades in the good to very good categories (**B-**, **B**, **B+**).

This level of understanding forms the basis for your professional development as an internationally-minded generalist. It will develop your cognitive capabilities to contribute to work in management and strategy consulting firms, support entrepreneurial small- and medium sized firms' top management decisions, open up a vast number of opportunities in multinational corporations and give access to opportunities in a number of related private organisations and public agencies.

(3) **Evaluation and Synthesis**. Students who want to achieve grades in the very good and excellent categories (**A-**, **A**, **A+**) will provide evidence of their learning (covered above in 1. and 2.) and will **repeatedly** demonstrate cognitive abilities of evaluation and synthesis. Evaluation means, for instance, that the student is able to judge the effectiveness of certain strategies in different environments and recommend alternative strategies. Synthesis involves, as examples, the design of a strategic proposition, the development of a sound logical hypothesis, and syntheses of different approaches in order to generate new solutions. The **lectures** will demonstrate, on regular basis, how such high level thinking can be developed and will provide you with paths that challenge your personal development in this direction. A number of **tutorials** will serve you with an interactive environment in which you will be able to practice these capabilities under the guidance of experienced tutors. All assignments and the final examination are designed to challenge you to adopt and demonstrate this way of thinking. Extensive **feedback** on all your assignments will aim to identify your *personal room* for improvement.

Achieving this very high level of cognitive capacity will provide you with **exceptional capabilities**, which will be **recognised** beyond the pure grade and will be **highly rewarded** in your

personal career. This high level thinking should be your personal aim and this course should be seen as the starting point for your life-long development to become a critically strategic thinker, who is able to communicate clearly complex ideas to an audience who might not be of the same level of understanding and thus generate the leadership that forms one of the most crucial ingredients for the international success of organisations!

**You are cordially invited to this challenge!** The IBUS 305 team commits to working hard to support your learning toward becoming an ethically thinking professional, who is able to find and use relevant information from a broad range of sources. We will try to achieve this by generating an intellectually interesting set up, which challenges you to carry out scholarly enquiry. We will require you to communicate your results and ideas to a very colourful audience, which, we believe, creates a highly beneficial atmosphere, well-positioned to begin your transformation into an internationally thinking strategist.

*All pieces of assessment will be directed towards the identification of these three groups of cognitive capabilities. You will get extensive feedback for your personal development. For this 300-level course you need to consistently demonstrate a certain level of understanding (as outlined above) in order to attain a range of grades (as outlined above). Aside from the demonstrated capabilities through your internal course work and examination performance, your final grade will be determined according to your development throughout the course!*

## 2. COURSE CONTENT

The course aims at generating a holistic picture of the strategic challenges of internationally operating organisations in order to understand, assess and utilise the opportunities and threats found in the environment and to translate them into feasible and promising ways of achieving international business success. In order to achieve this learning result, we will cover the following contents and questions during lectures, tutorials, discussion boards and assignments. They will become our input to developing the cognitive objectives outlined above:

- (1) **The firm and strategy.** What is the firm and what does it do? Why are firms different? What is strategy? Why do we need to study global strategy? What is globalisation? [CH1]
- (2) **Competition in industries.** What is an industry? How do firms find their position? How do they decide ‘where the value comes from?’ [CH2]
- (3) **Leveraging resources and capabilities.** How can a firm’s internal resources be used to create value to external stakeholders? [CH3]
- (4) **Institutional environments, strategic choices and ethics.** How can the institutional framework influence the task environment of an industry and structure and the strategic choices of firms? [CH4]

- (5) **Internationalisation of the entrepreneurial firm.** What is entrepreneurship and what are entrepreneurial strategies? How do these firms internationalise? [CH5]
- (6) **International entry modes.** Why to go international? Who is likely to enter foreign markets? Which markets? How do firms enter foreign markets? When? [CH6]
- (7) **Inter-firm organisation, networks and alliances.** Why do firms cooperate? With whom do they choose to cooperate? How do they cooperate? What are the benefits/problems? [CH7]
- (8) **Managing global competitive dynamics.** How do firms challenge their competitors? What are the ways in which they react to these challenges? In what ways do firms align with their competitors? [CH8]
- (9) **Corporate strategies.** How do corporations decide which businesses to engage in? What is the role of acquisitions? What are the challenges of restructuring of portfolios? [CH9]
- (10) **Global integration, local responsiveness, learning and innovation.** A framework for international strategies and structures. [CH10]
- (11) **Stakeholders, governance and social responsibility.** Who are the stakeholders of a corporation? How do they affect corporate strategies? How are they formally and informally represented in the corporation? What is the social responsibility of a corporation? [CH11&12]
- (12) **Looking ahead.** What is global strategy? What is your personal prospect in the globalising world? Which trends should we keep an eye on? [CH1-12+]

### 3. COURSE STRUCTURE

#### 3.1 Lectures

In order to succeed getting a sustainable advantage for your personal development out of this course, there is absolutely no substitute for attendance in lectures! Lectures are not compulsory but highly recommended for those who wish to prepare themselves for a meaningful professional career.

**Preparation for lectures:** A meaningful way to prepare for lectures is by reading the opening cases for each chapter found in our textbook (Peng, 2006).

**Structure of lectures:** The lectures are structured to commence with a set of opening questions, which build the framework for the week's work. We then discuss briefly the implications of the Opening Case of the week (cf. Peng, 2006). With the understanding gained from the case we will try to develop a means for understanding the content and questions. Through developing our common knowledge and expanding on the content we will seek ways for utilising these in analysing given situations, elaborate on ways to apply them to useful purposes and develop means for constructing our own synthesis or evaluating others.

The lectures will close with a **key question** that it is recommended to discuss together with your collaborative group from the tutorial.

#### 3.2 Textbook and Readings

We will use: Peng, Michael W. (2006) **Global Strategy**. Thompson South-Western.

Additional: Any books which contain '*international business strategy*', '*multinational strategy and structure*', '*transnational strategy and structure*', '*global strategy*', '*international business*', '*world business*', etc. provide valuable background information or can be used as additional sources for reference.

Articles: The high aiming student is encouraged to use our library's electronic database to find electronic journal articles. Practicing this will be **highly rewarded** in terms of obtaining information literacy skills (important for life-long learning) and will result in substantial rewards in every assessment!

Blackboard: Additional materials will be found on Blackboard (Sections: '*Related Journal Articles*', and '*In the News*').

#### 3.3 Assessment

IBUS 305 is designed to align **Course Objectives** with **Assessment** and **Feedback!** That means that we are going to assess your level of understanding and your personal development throughout the course in terms of (a) knowledge and understanding; (b) analysis and application; and (c) evaluation and synthesis (compare with course objectives above). For each written assignment you will receive extensive feedback, which will indicate your position in this

framework, and you will get an indication for ‘areas of improvement’. The different pieces of assessment and feedback (for internal course work) are as follows:

<b>Task</b>	<b>Weight</b>	<b>Submission Due Date</b>
Group Project	20%	27 <sup>th</sup> of April 2007
Individual Assignments	25%	18 <sup>th</sup> of May 2007
Tutorial Participation	5%	Ongoing
Tutorial Collaborative Project	10%	Ongoing (Presentation in last T)
Coursework	60%	T1
Final Examination	40%	Examination Period T1 (4th-30th June)

### **3.3.1 Group Project (20%): Case Research**

A group working on this project will be comprised of 3 individuals from the same tutorial group. Your task is to choose one of the following five firms and to find a meaningful answer to the question:

***‘Which factors determined the international success of this firm?’***

In order to deliver an excellent piece of research you may consider the inclusion of the following elements:

- (1) Introduction to the firm. Analysis of the firm’s historic development over a well-chosen timeframe.
- (2) Selection and definition of measures documenting the firm’s international success (i.e. innovativeness, growth, competitiveness).
- (3) Formulate your ‘theory’ of why the firm has been successful (i.e. propose a logical set of arguments, hypotheses).
- (4) Support your ‘theory’ with evaluation of the firm’s courses of action and utilise concepts you learned in this or other courses, underline these with facts and enrich them with your own ideas.
- (5) Present a conclusion of ‘determinants of international success’ which served this firm and present implications for how these findings could be transferred, i.e. to other firms or even other industries.
- (6) A well structured text that has the power to lead the reader throughout and which indicates a high level information literacy (rich in sources, correctly referred) will be rewarded.

While your work will be evaluated on the inclusion of these criteria, the overall assessment will seek to identify your level of understanding in terms of utilisation of knowledge based on our cognitive course objectives (evaluation & synthesis; analysis & application; knowledge & understanding).

The following firms can be chosen once in each tutorial: (1) IKEA of Sweden; (2) ALDI of Germany; (3) Lenovo Group Ltd. of China; (4) Gameloft.com of France; (5) Fonterra of New Zealand.

This research paper is designed to engage a small group of students to cooperatively work on a common outcome. Free-riding is possible but not helpful. The learning from this project's process (in terms of finding, compiling and synthesising of information) will inform a significant part of your final examination (=25% or more)! The group research project is **due by the end of day on the 27<sup>th</sup> of April, 2006**. The length of the document will be appropriately chosen by the research team (previously well rounded papers consisted of around 3000 words). Submission is via Blackboard (by midnight on due day).

### ***3.3.2 Individual Assignments (25%)***

The individual assignment is designed to challenge your thinking and to produce a well-informed essay responding to the following task:

Select a globally relevant industry of your interest (i.e. automotive, PC, textile, cosmetics). Analyse the key factors that influence growth and survival of firms in this industry. Apply useful concepts, frameworks and theories in order to draw a convincing picture of this industry (i.e. what are the different forces in this particular industry; which firm resources can generate a basis for competitive advantage; how do firms structure their value chains; how do institutional environments influence the players in the industry). Evaluate trends (i.e. what are the opportunities that exist in this environment; which are threats the firm needs to address; how do long term changes such as demographics influence the industry's development; how can technological changes influence the requirements...), which you find to be most critical for the future success in this industry. Based on your assessment, create a list of requirements or a 'theory' of success (=strategy) for a firm in this industry over the next decade.

Other than the group assignment, where you try to understand success based on the history of a chosen firm, this assignment will challenge you to develop an understanding about how external environmental conditions and internal resources within a particular industry determine an array of opportunities for successful courses of action.

Excellent pieces of work will include the following aspects. Most successful students will find a way to:

- (1) Define the industry chosen and describe what characterises the industry and its players.
- (2) Apply useful concepts to build a framework for understanding the nature of this industry allowing you to categorise key factors for growth and survival in this industry.
- (3) Identify industry expert sources (i.e. academic articles, professional journals and magazines), which discuss the most influential trends that influence the future development of this industry.
- (4) Analyse these trends' implications for the individual firm in the industry.

- (5) Develop a theory of firms' success that convincingly links required internal resource endowments, industry specificities and environmental factors.
- (6) Develop a structure in your document, which assists the reader to get a quick overview of the most important core findings. Guide the reader through your arguments. Demonstrate an ability to find relevant and useful information from a variety of sources.

The individual assignment is designed to challenge your thinking and to assist you in developing your generalist strategic mind. You will choose an appropriate length for your individual work (depending on the industry, your structure, the engagement of the six aspects discussed above). Submission will **be via Blackboard by midnight on the 18<sup>th</sup> of May, 2007.**

### **3.3.3 Tutorials (15%)**

**Tutorials** (starting in week 3, commencing on the 12<sup>th</sup> of March, consisting of 7 sessions: check schedule) are designed to support your collaborative project. Your collaborative project has the purpose of facilitating peer-learning. It is a superior way of making sense of and integrating new contents. To achieve this you will team up in groups of three students and form a learning unit for the duration of this course.

**Preparation:** In order to utilise tutorials sensibly you will arrange a meeting with your collaborative group before each tutorial! In this meeting you will review the contents of the past lectures (especially the questions), the readings and chapters in the textbook since your last meeting. You will come to a commonly agreed conclusion concerning the most relevant contents of that time period and will develop a 5 minute presentation for each tutorial reflecting upon these findings.

The tutor will ask your group to present your conclusions in the tutorials and to comment on others! The objective of this exercise is to construct new knowledge and to develop higher levels of understanding. Aside from this, it will help to identify any misconceptions that you might have, which, in turn, will be addressed at the following lectures.

Your collaborative work for tutorials will form the continuously growing understanding of the content and quality of thinking in international business strategy and it will inform your tutorial assignment, which is a professionally designed 7 minute presentation in the **last tutorial week** (21<sup>st</sup> – 25<sup>th</sup> of May, 2007). The topic guiding the development of this presentation will be an answer to the following question:

***‘How can our cognitive capabilities in international business strategy advance the success of internationally operating firms?’***

The tutor will evaluate your work ‘*on the spot*’ with the course objectives in mind. They will be collecting views of other students reflecting on presentations and will mark your group’s overall performance displayed throughout the trimester in the following way:

- (B) Good enough
- (A) Better than good
- (C) Worse than good



The tutors' evaluation of your learning development and participation will inform the decision on your individual overall grade for IBUS 305 (with a **weight of 10%**).

**Tutorial participation:** You are required to participate in all tutorials! Except for good reasons (i.e. physician's statement documenting your sickness, etc) not participating in all tutorials reduces your final grade by 5%! You will also be required to contribute to a 'semi-public' document on Blackboard, a *Wiki*, which will be produced by your tutorial groups. A Wiki is a document which is accessible and editable by all members of a group. The first tutorial will guide you through the process. Creation of this document will enhance your learning.

**Tutors:** IBUS 305 employs highly qualified tutors, many of whom have a long and inspiring professional track record in international business. Tutors are your first point of contact for all types of questions.

### ***3.3.4 Final Examination***

The final examination accounts for **40% of the final grade** for this course. Students who regularly attend lectures will have great advantages in the examination, because that is the place where we will have worked on developing our cognitive capabilities (as outlined in the course objectives).

Besides that, a quarter of the challenges (=25% of the exam marks) in the exam may be directly linked to the group research project (assignment one). This project will generate substantial advantages for students who have actively contributed.

Assignment two (individual) will contribute the background information that will allow you to produce outstanding responses to a further 25% of the exam marks.

### ***3.3.5 Penalties***

Late submissions of any assignment will lead to a penalty of 5%. The due date outlined above is the due date of submission. Submission will only be accepted through Blackboard on the due day (until midnight). Any submission late more than 48 hours will not be considered! All work submitted must have the course name, title and topic of the assignment, your name, ID number, and tutor's name, tutorial time and room.

Extensions **must be applied for in advance** - they will only be considered if a written application is made at least 24 hours prior to the due date, except where the student has a medical certificate, a note from the student counsellor, or some exceptional circumstance exists. Application for an extension must be made to the course coordinator.

### ***3.3.6 Mandatory Course Requirements***

In order to obtain a positive overall grade (C, C+, B-, B, B+, A-, A, A+) you need to have a **minimum of 50% in the final examination** and you need to have a **minimum of 50% overall** (the weighted sum of all assessments).

### 3.3.7 Note on Referencing

You are expected to consult the literature in preparing all assignments and tutorial work (including Wikis), to apply the concepts and theories from the course, and to reference your sources appropriately. Follow the referencing guidelines of the Journal of International Business Studies ([www.jibs.net](http://www.jibs.net)) when citing your sources. Do not rely solely on the textbook and Internet sources, but make a concerted effort to consult academic journals when writing your papers.

## 4. COMMUNICATION

### 4.1 Blackboard

In this course we are going to use Blackboard for a number of purposes. You will find all kind of additional information, an **outline of lecture** notes (mostly consisting of questions), announcements etc. on Blackboard.

You are going to use Blackboard for submission of all your assignments! You will receive **individual feedback** for each of your assignment via Blackboard.

Further you will have chances to ‘*test yourself*’ by using an individual assessment tool (a **quiz**) that will give you an indication of your ‘*knowledge and understanding*’ of the content of the course. This quiz is going to help you with an indication of your standing and students who utilise this form of feedback and exceed 65 marks will be rewarded by an extra percentage point overall (more information will be provided during lectures).

**Discussion boards** will be used for general questions (i.e. concerning administrative matters, content, levels of understanding).

Each tutorial group will develop a **Wiki**, a continuously evolving document which responds to the many aspects of the core question of this course: ‘*What determines the international success and failure of the firm?*’

## 5. OTHER INFORMATION

### Faculty of Commerce and Administration Offices

#### Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty’s Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

#### Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

### **General University Policies and Statutes**

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar or go to [www.vuw.ac.nz/policy](http://www.vuw.ac.nz/policy).

For information on the following topics, go to the Faculty's website [www.vuw.ac.nz/fca](http://www.vuw.ac.nz/fca) under Important Information for Students:

- Academic Grievances
- Academic Integrity and Plagiarism
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support
- Notice of Turnitin Use

### **Manaaki Pihipihinga Programme**

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, email [manaaki-pihipihinga-programme@vuw.ac.nz](mailto:manaaki-pihipihinga-programme@vuw.ac.nz) or phone (04) 463 5233 ext. 8977. To contact the Pacific Support Coordinator, email [pacific-support-coord@vuw.ac.nz](mailto:pacific-support-coord@vuw.ac.nz) or phone (04) 463 5842.

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**IBUS 305**  
**Lecture and Tutorial Schedule 2007**

<b>Sessions</b>	<b>Week Beginning</b>	<b>Topic</b>	<b>Preparations</b>	<b>Tutorials</b>	<b>Deadlines &amp; Activities</b>
1	26 February 2007	INTRO to IBUS 305; The firm & strategy	Familiarise yourself with the course outline (Bb)!	NONE	<i>Tutorial Sign-up (to be advised in Lecture 1)</i>
2	5 March 2007	Competition in Industries	TXTBK: CH1&2	NONE	
3	12 March 2007	Leveraging Resources & Capabilities	TXTBK: CH3	<b>T1 Collaborative Groups</b>	
4	19 March 2007	Institutional Environments, strategic choices & ethics	TXTBK: CH4	<b>T2 Group Presentations</b>	<i>T2: Integrating Knowledge (Lecture 1-4)</i>
5	26 March 2007	Internationalisation of the Entrepreneurial Firm	TXTBK: CH5	<b>T3 Group Presentations</b>	<i>T3: Integrating Knowledge (Lecture 4-5)</i>
6	2 April 2007	International Entry Modes	TXTBK: CH 6 <b>Assignment 1 Q&amp;A</b>	NONE	
7	23 April 2007	Inter-firm Organisation, networks & alliances	TXTBK: CH7	NONE	<b>27. April Group Project</b>
8	30. April 2007	Managing Global Competitive Dynamics	TXTBK: CH8	<b>T4 Group Presentations</b>	<i>T4: Integrating Knowledge (Lecture 5-8)</i>
9	7 May 2007	Corporate Strategies	TXTBK: CH9 <b>Assignment 2 Q&amp;A</b>	<b>T5 Group Presentations</b>	<i>T5: Integrating Knowledge (Lecture 8-9)</i>
10	14. May 2007	Global Integration, Local Responsiveness, Learning & Innovation	TXTBK: CH10	<b>T6: Group Presentations</b>	<i>T6: as usual</i> <b>18. May Individual Assignment</b>
11	21 May 2007	Stakeholders, governance and social responsibility	TXTBK: CH11&12	<b>T7: Final Presentations: Tutorial Assignment</b>	<i>T7: Tutorial Assignment = Presentation</i>
12	28 May 2007	You and IB Strategy: Looking Ahead	TXTBK: CH1-12+	NONE	