

School of Marketing and International Business

IBUS205 SME INTERNATIONALISATION

Trimester One 2010

COURSE OUTLINE

Names and Contact Details

Lecturer/Course coordinator:

Dr Hongzhi Gao, Victoria University, Wellington
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Office Hours: Tuesday, Wednesday 10.00am-11.00am

Tutor:

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Trimester Dates

Teaching period: Monday 1st March - Friday 4th June 2010
Study period: Monday 7th June – Thursday 10th June 2010
Final examination period: Monday 11th June to Wednesday 30th June 2010 (inclusive)

Please note that students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

Withdrawal from Courses:

Information available via

Withdrawal dates: Late withdrawals with Associate Dean (Students) permission
(See Section 8: Withdrawals - from the Personal Courses of Study Statute)

<http://policy.vuw.ac.nz/Amphora!~~policy.vuw.ac.nz~POLICY~000000001743.pdf>

Withdrawal dates: refunds:

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

Class Times and Room Numbers

Lectures: Monday 13.40-15.30 and Thursday 13.40-14.30 in GBLT1

Tutorials: Six tutorials (starting week 3). Tentative days and times for tutorials will be posted on Blackboard along with a link to the S-cubed tutorial sign-up system. Further instructions will be provided in class.

Course Content

This course aims to provide you with theoretical and practical understandings of issues faced by Small-Medium Enterprises (SMEs) going international. This course takes a perspective of small, open economies to understand SME internationalisation and also has a particular focus on export management. It is complementary to IBUS 201, MARK 302 and IBUS 305. The main topics covered in this course include: importance of SME internationalisation for small, open economies, barriers and constraints in SME internationalisation, internationalisation models, strategic choices for internationalised SMEs, market entry modes, operational issues of export management and other key issues for SMEs in international markets such as risk management, E-commerce and IP protection.

Course Learning Objectives

By the end of this course, students should feel confident about working in the export department of a medium-sized firm or take charge of export operation for a small-sized firm.

The learning objectives are:

- Apply skills and knowledge for Small-Medium Enterprises (SMEs) to enter a foreign market, with a focus on export management (LO1)
- Evaluate barriers, opportunities, market entry modes facing SMEs going international and the process of internationalisation (LO2)
- Apply theories and knowledge learned from the course to operational issues associated with export (LO3);
- Develop oral communication skills and the teamwork spirit (LO4)

Course Delivery/Learning Activities

The course has a practical orientation. The course involves a range of teaching and learning methods including lectures, case studies, guest speakers, library research, report writing and oral presentation. The benefits gained from the course are directly related to the quality and quantity of commitment and involvement that each individual student puts into the course.

Lecture-related Learning

- Make own notes and summaries of readings associated with each lecture before class;
- Actively participating in lectures;
- Reflections on key concepts and issues discussed in the lectures after class;
- Conduct own research and apply learned concepts and theories to examine real-life examples

Tutorial Learning

Tutorials will take place from week 3 onwards. You are required to sign up for one tutorial time weeks 1-2. Preparation and active participation are essential to its success. Tutorial participation takes up **five percent** of your total grade. You are expected to:

- read case materials and watch case videos (if applicable) prior to each tutorial, except for the first tutorial week;
- search updated information about the case scenario from the internet prior to each tutorial;
- actively participate in discussion and interact with others in the tutorials

Expected Workload

You should spend at least 10 hours per week in average for this course:

- Attendance at classes (including tutorials): 3-4 hours per week
- Literature reading and reviewing: 4-5 hours per week
- Group work: 4-6 hours per week (weeks 4-10)
- Oral presentation: allowing 4-5 hours in weeks 10-11 for preparing for a 4-min individual presentation (as part of a group presentation). In other words, each group member presents approximately 4 minutes on the selected part of the group report, individually assessed.

Readings

There are no compulsory textbooks for this course. However, a few key titles will be recommended and frequently referred to in the lectures.

Fletcher, R. & Brown, L. 2008. *International Marketing: An Asia-Pacific Perspective*. 4th ed. Frenchs Forest NSW: Pearson.

Albaum, G. & Duerr, E. 2008. *International Marketing and Export Management*. Essex, England: Prentice Hall.

Major, R. editor. 2009. *NZ Export & Trade Handbook*. Auckland: Adrenalin Publishing.

Birchfield, D. editor. 2001. *New Zealand Exporter & Importer Handbook*. Auckland: Profile Publishing.

Griffiths, A., Wall, S., Zimmermann, C. & Klingebiel, R. 2007. Doing business: the nature of global trading. In Lloyd-Reason, Lester & Leigh Sear, editors, *Trading Places - SMEs in the Global Economy*. Cheltenham, UK: Edward Elgar.

Copies of these books are made available in the Commerce library (also refer to the course reserve list in the library).

Other readings on Blackboard.

Key websites for exporters in New Zealand and Australia:

<http://www.exportnz.org.nz/> (about Export New Zealand – an exporters' group)

<http://www.marketnewzealand.com/> (about New Zealand economy and export industries)

www.stats.govt.nz (the official site on trade statistics)

<http://www.austrade.gov.au> (the Australian official trade support website)

Mid-term Test

Twenty percent of your course grade is made up of a mid-term test. The test takes place at the first half of the lecture on 29 March and comprises multiple choice questions and short answer questions. The test covers the topics addressed in the lectures in weeks 1-4 and the tutorials in weeks 3-4.

Group Work

Twenty five percent of your total grade is related to a group project, including a written report (15%) and an oral presentation (10%). Please carefully read the scenarios listed on Blackboard. After familiarizing yourself with the scenarios, talk to others in the class and form a group of four (and minimum three) at the tutorial in **week 4 beginning 22 March**. Your group will then choose one scenario for the project. This project requires you to apply the knowledge obtained from lectures and tutorials to real-life business scenarios. **Do not under any circumstances contact the company.**

Written Report (Export Plan): Your written report is an export plan for the chosen scenario. The report will be divided into five main sections:

1. Executive Summary and Introduction (evaluated together with the overall presentation of the report, is worth 20% of the total report mark)

Executive Summary should be a “stand alone” section (1-2 pages). It clearly states the objectives, how you went about achieving these objectives, what you found, and what you recommend. Introduction outlines the background of the selected company, introduces its key products/services, and identifies a core product or service for exporting.

2. International Market Selection (worth 20% of the total report mark)

Choose a country market that is not presently a primary target for the selected firm in relation to the selected core product or service and justify this country choice based on the theories and concepts introduced in the lecture and the specific situation of the company scenario (e.g. competitive advantages of the company’s chosen product or service in the global market);

3. Export Planning (worth 20% of the total report mark)

Critically discuss issues facing the selected company with regard to export planning, export finance and insurance, distributor and agent selection, channel agreements for the chosen product or service based on your research; make your suggestions;

4. Export Logistics (worth 20% of the total report mark)

Critically discuss options of transportation modes, routes, shipping terms and logistics involved in exporting the selected product or service to the chosen country market based on your research; make your suggestions;

5. Risk Management (worth 20% of the total report mark)

Critically discuss terms of payment, foreign currency risks, payment risks, legal risks (liability and disclaim issues) and IP protection specific to the chosen market for the selected product or service; suggest ways of dealing with these risks.

To avoid unexpected problems at the end, aim to complete your export plan days rather than minutes ahead of the deadline. Back up your file before you print, and keep a backup copy of your disk. Follow the **report format** outlined below:

- Cover sheet: You must use the IBUS 205 Group Project Cover Sheet (available on Blackboard) for the convenience of collecting and distributing your report.
- Length: Maximum 6000 words (excluding references and **brief** appendices). Failure to adhere to this word limit will indicate poor judgment and marks will be lost.
- Font: Times New Roman 12 point
- Spacing: 1.5
- Referencing APA

Please refer to the SMIB Written Report Guidelines (available on Blackboard) for specific instruction for report writing. In addition, a marking guide (rubric) for written report is available on Blackboard.

Submission deadline: **You need to hand in a hard copy of your report at SMIB Assignment Box 9 (with the sign of IBUS 205), the Mezzanine Floor, Rutherford House before 10.00am 24 May. You are also required to send an electronic copy of your report to Hongzhi.gao@vuw.ac.nz before the submission deadline.**

What we will be looking for in the project:

The project is a practical and applied example of your understanding of the export process and your application of knowledge and techniques learned in lectures, tutorials and required readings. Your report should be in a form suitable for presenting to a Board of the chosen company, and we will be assessing the feasibility and relevance of the export plan overall. We will be assessing you in each mandatory section in respect to the depth and precision of your research and analysis, and your ability to communicate your findings.

Oral presentation

Each group is given a 30 minutes time slot to present and discuss the export plan with the assessment panel. The panel is made up by the teaching staff in this paper who assume the roles of the senior management of the company chosen for the group project. The group presentation takes about 16 minutes – each group member is allowed for 4 minutes on his/her part of the group presentation. The group presentation will be followed by a 10 minute discussion with the panel members. Each group member's presentation will be evaluated on an individual basis; however, the overall group performance and each presenter's cohesion with other members in presentation will be factored in the individual evaluation as well. The first presenter in the group will introduce the company background and objectives of this group report, plus the International Market Selection part of the group report. The following presenters will focus on the remaining parts of the written report respectively. Oral presentation will take place during week 11 (approximately 25-26 May).

Please note that a marking guide (rubric) for oral presentation is available on Blackboard.

Examination

The final **examination** will be a written 2-hour examination and will cover the contents of the entire course (lectures, tutorials, videos, course readings).

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

Summary of Assessments

No.	Assignment	%	LO	Due Date
1.	Tutorial participation	5%	1	
2.	Terms test during first part of lecture	20%	2	29 March
3.	Written group report (15% in total) - Export plan	15%	1,3,4	24 May
4.	Oral presentation (based on group work)	10%	1, 3,4	week 11 (25-26 May; specific time to be advised)
5.	Final examination (2 hours)	50%	1,2,3	TBA

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Mandatory Course Requirements

You are required to obtain an overall mark of at least 50%, and obtain a minimum mark of 40% in the final examination to pass this course.

Penalties

Assignments received after the deadline and within 24 hours after the deadline will have 10% deducted from the available grade for the piece of assessment. Assignments received 24 hours and later than the deadline will not be marked and there will be no grade given unless a prior approval is given by the course coordinator.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication of Additional Information

Blackboard and student email addresses are the devices through which any additional information or changes regarding this course will be communicated. Please check Blackboard and your student emails frequently (every two days at least).

Use of Turnitin (if applicable)

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <<http://www.turnitin.com>>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a large database of existing material. At

the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy>

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcademic/Publications.aspx

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/

DETAILED LECTURES SCHEDULE 2010

Date	Time	Week	Lecturer	Main Topic	Sub-topics	Readings
1 March	1:40pm-3:30pm	1	Hongzhi Gao (HG)	Introduction	Importance of SME internationalisation for small, open economies	Griffiths et al 2007 "Doing Business", in Trading Places – SMEs in the Global Economy
8 March	1:40pm-3:30pm	2	HG	Barriers and constraints in SME internationalisation; Internationalisation models	Overcoming barriers; Traditional vs. Born Globals;	Fletcher&Brown, chapter 7, pp.48,155,281; Albaun&Duerr, p.27
11 March	1:40pm-2:30pm		Guest Lecturer (GL)	A practical insight in opportunities and challenges in exporting	Note: to be confirmed	
15 March	1:40pm-3:30pm	3	HG	Strategic choices for internationalised SMEs	Niche strategies; Innovation focus; networks and clusters	Fletcher&Brown, chapters 10,11,12; NZ Export & Trade Handbook 2009, pp.14, 17-9
18 March	1:40pm-2:30pm		GL	A practical insight in success factors in international markets (Scott Riddle)	Note: to be confirmed	
22 March	1:40pm-3:30pm	4	HG	Market entry modes & International market selection	Direct Exporting; Indirect exporting; Strategic alliances, Licensing & Franchising, IJV	Fletcher&Brown, chapter 7; NZ Export & Trade Handbook 2009, p.18; NZ Exporter & Importer Handbook 2001, pp. 69, 75
25	1:40pm-2:30pm		GL	A practical insight in setting up offshore businesses	Note: to be confirmed	
29 March	1:40pm-3:30pm	5	HG & guest lecturer	Terms test		
Mid-trimester break						
19 April	1:40pm-3:30pm	6	HG	Export management (1)	Export plan; Channel management; Export finance	Albaum&Duerr, chapter 11; NZ Export & Trade Handbook 2009, pp.14-8, 69; NZ Exporter & Importer Handbook 2001, pp.13-23,40-9, 52-56, 63-4; www.nzte.govt.nz ; www.austrade.gov.au
22 April	1:40pm-2:30pm		Chris Chapman from Export Credit Office	Export finance: not something you are worried about after the acquiring of big overseas orders		
26 April	1:40pm-3:30pm	7	HG	Export management (2)	Transportation modes, Freight & logistics; INCO terms; Distribution analysis	Albaum&Duerr, chapter 13; NZ Export & Trade Handbook 2009, pp.19,30-42,48-51; NZ Exporter & Importer Handbook 2001, pp.23,32-6, 45-7,79;

29 April	1:40pm-2:30pm		Video on Hamish Wiig of Tait Electronics	Working on relationships with your dealers – the key to success for a small high-tech firm competing with big boys in international markets		
3 May	1:40pm-3:30pm	8	HG & guest lecturer	Export management (3)	Export documentation; Customs; Terms of payment; Insurance; Processing orders	Albaum&Duerr, chapter 10; NZ Exporter & Importer Handbook 2001, pp.17;
6 May	1:40pm-2:30pm		GL from the New Zealand Customs	What are the tricks in customs clearance?	Note: to be confirmed	
10 May	1:40pm-3:30pm	9	HG	Export management (4)	Risk management: Product risks; Currency risks; Payment risks; IP protection	Albaum&Duerr, chapter 10, pp.145-6,447-9,200,362-5,429-30; NZ Export & Trade Handbook 2009, pp.24-5; NZ Exporter & Importer Handbook 2001, pp.16-7,58-60;
13 May	1:40pm-2:30pm		GL	A practical insight in risk management in international markets?	Note: to be confirmed	
17 May	1:40pm-3:30pm	10	HG& Stephan Gerschewski	E-Commerce		Albaum&Duerr, pp.28-37,277-279, 335-340 Fletcher&Brown, pp.461-462, 492-493
24 May	1:40pm-3:30pm	11	HG & GL	Outsourcing&procurement	Note: to be confirmed	Fletcher&Brown, p.37, Albaum&Duerr, pp.19,38-40,256,381-2; NZ Export & Trade Handbook 2009, p.20
31 May	1:40pm-3:30pm	12	HG	Final review		

TUTORIAL OUTLINE 2010

Date	Week	Topic	Readings
16-17 March	3	Born global	Femme fatale (multi-media case study)
23-24 March	4	Creative promotion	42 Below (pp30-33, Fletcher&Brown book; pdf available on Blackboard)
30-31 March	5	International market selection	International market selection: Balancing opportunity and risk (pp.312-315, Fletcher&Brown book; pdf available on Blackboard)
Mid Trimester break			
20-21 April	6	Foreign exchange risks	Driza-bone (multi-media case study)
27-28 April	7	Export cost analysis	Jaguar Electronics (pp.645-647, Albaum&Duerr book; pdf available on Blackboard)
4-5 May	8	Export logistics analysis	Megabox (pp.647-649, Albaum&Duerr book; pdf available on Blackboard)