

School of Marketing and International Business

IBUS 205 SME INTERNATIONALISATION

Trimester One 2011

COURSE OUTLINE

Names and Contact Details

Lecturer/Course coordinator:

Dr Hongzhi Gao, Victoria University, Wellington

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Office Hours: Monday, Wednesday 10.00am-11.00am

Tutors:

Stephan Gerschewski

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Trimester Dates

Teaching Period: Monday 28 February – Friday 3 June

Study Period: Monday 6 June – Thursday 9 June

Examination Period: Friday 10 June – Saturday 2 July (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:

1. Your fees will be refunded if you withdraw from this course on or before 11 March 2011.
2. The standard last date for withdrawal from this course is **14 May**. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation

The application form is available from either of the Faculty's Student Customer Service Desks.

Class Times and Room Numbers

Lectures: Tuesday and Thursday 15.40-16.30 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 and Medium-sized Enterprises (SMEs) going international. This course takes a perspective of small, open economies such as New Zealand to understand SME internationalisation and also has a particular focus on export management. It covers topics including international entrepreneurship and dealing with risk, the internationalisation process and barriers to internationalisation, and operational strategies for offshore market entry. It is complementary to IBUS 201, MARK 302 and IBUS 305.

Course Learning Objectives

By the end of this course, students should have a clear understanding of SME internationalisation strategies and 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 (LOs) are:

- Apply research and critical thinking skills required in Small- and Medium-sized Enterprises' (SMEs) problem solving in internationalisation (LO1)
- Evaluate barriers/constraints, opportunities, market entry modes and strategic choices 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).

Course Delivery

This course pursues a research-led learning approach. Students are required to learn by 'researching'. The course materials will expose students to the issues in SME internationalisation. However, the focus of student learning should be placed upon conducting desk research and/or primary research to investigate the various topics covered by the course. Apart from research-led learning, the course involves a range of other teaching and learning methods including lectures, case studies, guest speakers, 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.

Research-led learning

- Read the course materials and familiarise yourself with the key topics/issues covered in the course.
- Active participation in the discussion in the lecture.
- Reflections on the questions, concepts and issues discussed in the lectures after class.
- Conduct own research on key concepts and theories by reviewing the literature and also apply the 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): 2-3 hours per week
- Research based learning: 4-5 hours per week
- Group project: 6-8 hours per week during weeks 7-11
- Oral presentation: 4-5 hours in week 11 for preparing for the group presentation (but 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.

Chapters 7-11 in *Fletcher, R. & Crawford, H. 2011. International Marketing: An Asia-Pacific Perspective. 5th ed. Frenchs Forest NSW: Pearson.*

Chapters 7, 10, 11, 13 in *Albaum, G. & Duerr, E. 2008. International Marketing and Export Management. Essex, England: Prentice Hall.*

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.*

Parrilli, Mario Davide. 2008. High-tech development, productivity increases and networking: A systemic approach to the development of small and medium enterprises in *High Technology, Productivity and Networks: A Systemic Approach to SME Development, Mario Davide Parrilli and Patrizio Bianchi and Roger Sugden, eds. Vol. 1. New York: Palgrave Macmillan.*

Campbell-Hunt, Colin and CANZ. 2001. *World Famous in New Zealand: How New Zealand's Leading Firms Became World-class Competitors.* Auckland: Auckland University Press.

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.nzte.govt.nz/> (the official trade support website of NZTE).
<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 lecture on 7 April and comprises multiple choice questions and short answer questions. The test covers the topics addressed in the lectures prior to 7 April and the tutorials in weeks 3-6.

Group project

Twenty five percent of your total grade is related to an export project, including a written group report (15%) and an oral presentation individually assessed (10%). The export project is a group project. Each group is supposed to have three members. This project requires you to research and apply the knowledge obtained from lectures, tutorials and readings to real-life business scenarios. You might wish to contact the individual company you choose to study for this export project. However, you must comply with the ethics requirements set by the University in general and some specific requirements set for this course.

Written Report (Exporting Plan). Your written report is an exporting plan for the chosen scenario. The report will be divided into four 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 page). It clearly states the objectives, how you went about achieving these objectives, what you found, and what you recommend. Introduction (1 page) outlines the background of the selected company, introduces its key products/services, and identifies a core product/service for exporting, and chooses a foreign market that the firm has not yet entered and justifies this country choice briefly.

2. Export Planning (worth 25% 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/service and export market; make managerial recommendations to tackle these issues.

3. Export Logistics (worth 25% of the total report mark).

Critically evaluate options of transportation modes, routes, shipping terms and logistics involved in exporting for the selected product/service and country market; make managerial recommendations to tackle these issues.

4. Risk Management (worth 30% 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/service; suggest ways of dealing with these risks.

To avoid unexpected problems at the end, aim to complete your exporting 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 5000 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.

Submission deadline: **You need to hand in a hard copy of your report at a SMIB Assignment Box (with the sign of IBUS 205), the Mezzanine Floor, Rutherford House before 10.00am 30 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 research and understanding of the export process and management principles and your application of knowledge and techniques learned in lectures, tutorials and course-related 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 exporting plan overall, in combination with the assessment of each mandatory section in respect to the depth and precision of your research and analysis, and your ability to communicate your findings. A marking guide (assessment criteria) for written report is available on Blackboard. Peer and self-assessment may play a part in the learning process, but may not contribute directly towards the course grade.

Oral presentation

Each group is given a 20 minutes time slot to present and discuss the exporting 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 15 minutes – the first presenter who assumes the role of introducing the group members and the background of the firm and the focus of the project including the chosen product/service and export market and is therefore given 7 mins; the other two group members are allowed for 4 minutes each on his/her part of the group presentation. It is up to the group to decide how to divide up the subtopics in presentation among group members. The group presentation will be followed by a 5 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 for the individual evaluation as well. Oral presentation will take place during week 11 (approximately 24-26 May).

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

Examination

The final **examination** will be a written 2-hour examination and will cover the issues and questions addressed in lectures, tutorials, videos and other 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. The final examination for this course will be scheduled at some time during the period from Friday 10 June – Saturday 2 July 2011.

Summary of Assessments

No.	Assignment	%	LO	Due Date
1.	Tutorial participation	5%	1	
2.	Terms test during the lecture	20%	2	7 April
3.	Oral presentation (individually assessed, based on group work)	10%	1	week 11 (24-26 May; specific time to be advised)
4.	Written group report (15% in total) - Exporting plan	15%	1,3	30 May
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 made 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

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 very 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

Find key dates, explanations of grades and other useful information at www.victoria.ac.nz/home/study

Find out about academic progress and restricted enrolment at <http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at www.victoria.ac.nz/home/about/policy, except qualification statutes, which are available via the Calendar webpage at <http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx

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

http://www.victoria.ac.nz/home/about_victoria/avcacademic/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 2011

Date	Time	Week	Lecturer	Topics	Brief description	Readings
1 March	3:40pm-4:30pm	1	Hongzhi Gao (HG)	Introduction	Research-led learning approach; Importance of SME internationalisation for small open economies.	Parrilli 2008; Ministry of Economic Development 2010; Kroes, 2010.
3 March	3:40pm-4:30pm	1	HG	Drivers and motivations of SME internationalisation	Psyche of SME owners/managers; Drivers of SME internationalisation.	Griffiths et al 2007; Rammer and Schmiele 2009.
8 March	3:40pm-4:30pm	2	HG	Barriers and constraints in SME internationalisation	Structural and perceived barriers; resource constraints.	Campbell-Hunt & CANZ. 2001; Simmons 2002; Albaum&Duerr 2008, p.27; Fletcher&Brown 2011, pp.45-46, p.338.
10 March	3:40pm-4:30pm	2	HG	Supporting environments for SME internationalisation	Case study of the Christchurch Chamber of Commerce	To be confirmed
15 March	3:40pm-4:30pm	3	HG	Internationalisation models	Traditional/incremental vs. Born Globals.	Johanson & Vahlne 1977; Deng, Duffy and Harrison 1995; Bilkey and Tesar 1977; Campbell-Hunt & CANZ. 2001; Chetty & Campbell-Hunt 2004; Bell, McNaughton & Young 2001.
17 March	3:40pm-4:30pm	3	Guest speaker	A practical insight in 'incremental internationalising' strategy	Richard Shirtcliffe of Phil&Teds	
22 March	3:40pm-4:30pm	4	HG	Competitive strategies of internationalising SMEs	Being agile and flexible – the key to success for a small high-tech firm	NZ Export & Trade Handbook 2009, pp.14, 17-9; Fletcher&Brown 2011, chapters 9,10,11.
24 March	3:40pm-4:30pm	4	HG	Collaborative strategies	Networks and clusters; collective branding, piggybacking, trade show/display platform.	Campbell-Hunt & CANZ. 2001; Etemad, Wright & Dana 2001; Chetty & Wilson 2003; Etemad 2005.
29 March	3:40pm-4:30pm	5	HG	Innovation and niche focused strategy	Niche strategies; Innovation focus.	Knight 2001; Campbell-Hunt & CANZ. 2001; Knight & Cavusgil 2004; Bell, McNaughton, Young & Crick 2003.
31 March	3:40pm-4:30pm	5	HG	Market entry modes	Direct Exporting; Indirect exporting; Strategic alliances, Licensing & Franchising, IJV.	NZ Export & Trade Handbook 2009, p.18; NZ Exporter & Importer Handbook 2001, pp. 69, 75; Fletcher&Brown 2011, chapter 7.
5 April	3:40pm-4:30pm	6	Conal McMahon	Strategies for entering China	A SME perspective.	
7 April	3:40pm-4:30pm	6	HG	Mid-term test		
12 April	3:40pm-4:30pm	7	HG	Export planning	Developing an exporting 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
14 April	3:40pm-4:30pm	7	HG	Export documentation, and payment and cash flow	Export documentation; Customs; Terms of payment; Insurance; Processing orders and cash flow analysis.	Albaum&Duerr, chapter 10; NZ Exporter & Importer Handbook 2001, pp.17.
Mid Trimester break						
3 May	3:40pm-4:30pm	7	HG	Export logistics	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.
5 May	3:40pm-4:30pm	7	Guest speaker	A practical insight in export logistics management	DHL	To be confirmed
10 May	3:40pm-4:30pm		Chris Chapman	Export finance: not something you are worried about after the acquiring of big overseas orders	Export finance methods and how New Zealand Credit Office can support	
12 May	3:40pm-4:30pm	9	HG	Risk management	Product liability and product harm; Risk to brand; Currency risks; Payment risk; 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.
17 May	3:40pm-4:30pm	Worksh op 7	GL	A practical insight in risk management in international markets?	Case study of a NZ-based SME	
19 May	3:40pm-4:30pm	10	HG& Stephan Gerschew-ski	E-Commerce		Albaum&Duerr, pp.28-37,277-279, 335-340 Fletcher&Brown, pp.461-462, 492-493.
24 May	3:40pm-4:30pm	11		A practical insight into E-commerce development	Case study of a NZ-based SME	
26 May	3:40pm-4:30pm	11	HG	Outsourcing& procurement		Fletcher&Brown, p.37, Albaum&Duerr, pp.19,38-40,256,381-2; NZ Export & Trade Handbook 2009, p.20.
31 May	3:40pm-4:30pm	12	HG	A practical insight into engaging in the global supply chain	Case study of a NZ-based SME	
2 June	3:40pm-4:30pm	12	HG	Final review		

TUTORIAL OUTLINE 2010

Date	Week	Topic	Readings
16 March	3	Born global	Femme fatale (multi-media case study)
23 March	4	Competing with big guys	Tait case study
30 March	5	Icebreaker	Icebreaker case study
6 April	6	<i>No tutorials</i>	
13 April	7	Export strategic planning	NZTE toolkit plus a new case study
Mid Trimester break			
4 May	8	Export cost/price/breakeven/cash flow analysis	NZTE toolkit plus a new case study
11 May	9	Export logistics analysis	case study in combination with last year's exam question