

School of Marketing and International Business

IBUS 205 SME INTERNATIONALISATION

Trimester One 2012

COURSE OUTLINE

Names and Contact Details

Lecturer/Course coordinator:

Dr Hongzhi Gao

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Staff webpage: <http://www.victoria.ac.nz/smib/staff/hongzhi-gao.aspx>

Office Hours: Monday, Wednesday 10.00am-11.00am

Tutors:

The details of the tutors will be announced on Blackboard.

Trimester Dates

Teaching Period: Monday 5 March – Friday 8 June

Study Period: Monday 11 June – Thursday 14 June

Examination Period: Friday 15 June – Wednesday 4 July (inclusive).

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 16 March 2012.
2. The standard last date for withdrawal from this course is Friday 18 May 2012. 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: Mondays and Thursdays 15.10-16.00 in KKLT301

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 taking charge of export operations for a small-sized firm.

The learning objectives (LOs) are:

- Apply skills and knowledge for Small-Medium Enterprises (SMEs) to enter a foreign market, with a focus on export management (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 primary and secondary 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:

- Reading the course materials and familiarising yourself with the key topics/issues covered in the course.
- Participating actively in discussions in lectures.
- Reflecting on the questions, concepts and issues discussed in the lectures after class.
- Conducting own research on key concepts and theories by reviewing the literature and also applying the learned concepts and theories to examine real-life examples.

Tutorial Learning

Tutorial participation will contribute up to 5% of your total grade. Tutorials will take place from week three onwards with signup during weeks 1-2. Preparation and active participation are essential to tutorials' success. You are expected to:

- Read case materials prior to each tutorial.
- Search updated information about the case scenario from the internet prior to each tutorial.

- Participate actively in discussion and interact with others in the tutorials.

Expected Workload

The minimum expected workload in this course is 10 hours per week on average including:

- 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 (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.*

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).

<http://www.business.newzealand.com/> (Investment NZ, a branch of NZTE)

Mid-term Test

Up to **20%** of your total grade is made up of a mid-term test. The test which takes place during the lecture on **26 April** comprises multiple choice and/or short answer questions. It covers the topics addressed in the lectures prior to and including 23 April and the tutorials in weeks 3-7.

Group project

25% of your total grade is related to an export research project, including a written group report (15%) and an oral presentation individually assessed (10%). The export project is a group project. Each group is required to have three members. This project requires you to research and apply the knowledge obtained from lectures, tutorials and readings to a real-life business scenario.

You may wish to contact the chosen company; however, you must first seek approval from the course-coordinator. Primary research necessitates compliance with ethics requirements set by the University in general and some specific requirements set for this course as approved by the Pipitea Human Ethics Committee. The appropriate documentation can be accessed via Blackboard.

Written Report (Export Research). Your written report is an exporting plan for a chosen scenario. The report will be divided into four main sections as shown in the structure of the project report below:

1. Executive Summary and Introduction (evaluated together with the overall presentation of the report, are worth 25% of the total report mark).

The Executive Summary should be a stand-alone section (1 page). It clearly states the objectives, how you went about achieving these objectives, your key findings and recommendations. The introduction (up to 2 pages) outlines the background of the selected company, introduces its key products/services and identifies a core product/service for exporting. The introduction should also indicate the foreign market chosen for entry that the firm **has not yet entered** and justify why this market has been chosen.

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 address these issues.

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

If your company's main exports are products, critically evaluate options of transportation modes, routes, shipping terms and other extended logistics issues involved in exporting for the selected product and country market such as warehousing and distribution in the local market (if appropriate). Make managerial recommendations to tackle these issues.

or

If your company's main exports are services, critically evaluate the degree of intangibility of the service offering and customer involvement in the service delivery. Since services are less tangible than products, communicating a service offer is much more difficult than communicating a product offer. Also, services frequently must be tailored to the specific needs of the client. Evaluate to what degree you need to

standardise or adapt your service offering. Also, discuss the interpersonal skills and cultural factors you need to consider when working with the agents/clients in the host market.

4. Risk Management (worth 25% 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. Finally, suggest ways of dealing with these risks.

To avoid unexpected problems at the end, aim to complete your project report days rather than minutes ahead of the deadline. You should aim to find group members and decide the firm for your export research by Thursday 5 April. We also encourage you to make contacts with the chosen firm (after you gain the approval by the course coordinator, and also have the letter of invitation and information sheet prepared), and decide the focal product or service and destination country for the research by Friday 27 April. 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 indicates poor judgment and may incur penalties.
- Font Times New Roman *or* Calibri, 12 point
- Spacing 1.5
- Margins 2.54cm
- Referencing APA

Please refer to the SMIB Written Report Guidelines (available on Blackboard) for specific instruction for report writing and referencing.

Submission deadline:

You need to hand in a hard copy of your report at a SMIB Assignment Box (with the sign of IBUS 205) on the Mezzanine Floor of Rutherford House **before 10.00am 5 June**. You are also required to submit an electronic copy of your report via Turnitin on Blackboard before the submission deadline (Specific instruction regarding this will be given in the class).

What we will be looking for in the project:

The project is a practical example of your understanding of the export process and management principles learned in lectures, tutorials and course-related readings. It also demonstrates your ability to apply learned knowledge and techniques. Your report should be in a form suitable for presenting to the Board of the chosen company. We will be assessing:

- Based on the overall feasibility and relevance of the export plan
- Based on each mandatory section
- The depth and precision of research and analysis
- The ability to communicate findings

A marking guide (assessment criteria) for written report is available on Blackboard.

Oral presentation

Oral presentations will take place during week 11 (approximately 29-30 May).

Each group allocated **20 minutes** to present and discuss the exporting plan with the assessment panel. The panel will consist of IBUS teaching staff who assume the roles of the senior management of the chosen company. The presentation will take 14 minutes followed by a 6 minute discussion with the panel members.

The first presenter will briefly introduce the group members followed by a brief background of the firm. The first presenter will then explain the focus of the project including the chosen product/service and export market. Finally, the first presenter will discuss Section 2 (Export Planning). The other two group members will discuss sections 3 and 4. Each presenter should allow approximately 4 minutes for their respective sections, with approximately 2 minutes for the first presenter with regard to the introduction.

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 will also be factored into individual evaluation. Please note that a marking guide (assessment criteria) for oral presentations is available on Blackboard.

Examination

Students enrolled 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 **Monday 11 June – Wednesday 4 July 2012**. The final examination will be a written 3-hour examination and should be expected to cover all issues and questions addressed in lectures, tutorials, and other course material.

Summary of Assessments

No.	Assignment	%	LO	Due Date
1.	Tutorial participation	5%	1	
2.	Terms test during the lecture	20%	2	26 April
3.	Oral presentation (individually assessed, based on group work)	10%	1	week 11 (approximately 29-30 May)
4.	Written group report (15% in total) - Exporting plan	15%	1,3	5 June
5.	Final examination (3 hours)	50%	1,2,3	TBA

Quality Assurance 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

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

Penalties

Failure to inform the course coordinator or the delegated tutor regarding the results of group formation and chosen company **by 5pm on 5 April** may incur a penalty of 5% off the available grade for the assessment. Assignments received **after 10 am on 5 June** and within 24 hours after this deadline will have 10% deducted from the available grade. Assignments received 24 hours and later than the deadline will not be marked and no grade will be given unless a prior approval is given by the course coordinator or the student provides an acceptable reason (e.g. medical certificate).

Any student caught cheating on an assignment or examination will receive an automatic mark of zero (0) and/or disciplinary actions may be taken under the Statute on Student Conduct. This includes plagiarism. You are strongly advised to consult the **Academic Integrity and Plagiarism** policy website, which is mentioned in page 8.

Materials and Equipment

Students are required to have access to personal computers and the Internet in order to prepare material for assignments, presentations, and class participation.

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.

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/>

**Te Putahi Atawhai
Maori and Pacific Mentoring Programme**
<http://www.victoria.ac.nz/tpa/>

LECTURES SCHEDULE 2012

Date	Time	Week	Lecturer	Topics	Brief description	Readings
5 March	3:10pm-4:00pm	1	Hongzhi Gao (HG)	Introduction	Research-led learning approach; Importance of SME internationalisation for small open economies. Service vs. product exports	Ministry of Economic Development 2010; NZ Export & Trade Handbook 2010; NZ's trade history
8 March	3:10pm-4:00pm	1	HG	Drivers and motivations of SME internationalisation	Psyche of SME owners/managers; Drivers of SME internationalisation.	Albaum&Duerr 2008, pp.76-83; Griffiths et al 2007; Rammer and Schmiele 2009.
12 March	3:10pm-4:00pm	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&Crawford, pp.45-46, pp.336-339.
15 March	3:10pm-4:00pm	2	Cheyne Gillooly	A NZTE perspective of SME internationalisation and export finance	NZTE websites, NZTE export guide	To be confirmed
19 March	3:10pm-4:00pm	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.
22 March	3:10pm-4:00pm	3	Ben Wilde (VP – Marketing and Bus Dev)	A practical insight into internationalisation strategy	Unlimited Realities (A Wellington-based software innovator)	
26 March	3:10pm-4:00pm	4	HG	Competitive strategies of internationalising SMEs	Being agile and flexible – the key to success for a small high-tech firm	Fletcher&Crawford, chapters 9,10,11.
29 March	3:10pm-4:00pm	4	HG	Collaborative strategies	Networks and clusters; collective branding, piggybacking, being acquired by or affiliated with big names	Campbell-Hunt & CANZ. 2001; Etemad, Wright & Dana 2001; Chetty & Wilson 2003; Etemad 2005.
2 April	3:10pm-4:00pm	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.
5 April	3:10pm-4:00pm	5	Ulf Führer (Owner and manager of Zumwohl)	Choosing a market entry mode for a new market? Experience of Zumwohl, a Wellington-based schnapps exporter	Direct Exporting; Indirect exporting; Strategic alliances, Licensing & Franchising, IJV, wholly-owned subsidiaries	NZ Export & Trade Handbook 2010; Fletcher&Crawford, chapter 7.
Mid Trimester break						
23 April	3:10pm-4:00pm	6	HG	Mid-term review		
26 April	3:10pm-4:00pm	6	HG	Mid-term test		

30 April	3:10pm-4:00pm	7	HG	Export planning	Developing an exporting plan; Export finance. PriceTech case study: Export revenue management software to Hong Kong or Australia?	Albaum&Duerr, chapter 11; NZ Export & Trade Handbook 2010; www.nzte.govt.nz ; www.austrade.gov.au
3 May	3:10pm-4:00pm	7	HG	Export documentation, and payment and cash flow	Insurance; Processing orders and cash flow analysis; Channel management.	Albaum&Duerr, chapter 10; NZ Export & Trade Handbook 2010; www.nzte.govt.nz ; www.austrade.gov.au
7 May	3:10pm-4:00pm	8	HG	Export logistics	Export documentation; Customs; INCO terms; Transportation modes, Freight & logistics; Distribution analysis.	Albaum&Duerr, chapter 13; NZ Export & Trade Handbook 2010; www.nzte.govt.nz ; www.austrade.gov.au
10 May	3:10pm-4:00pm	8	John Vailalo (Operations Manager - CEVA Logistics Lower Hutt)	A practical insight into export logistics management		
14 May	3:10pm-4:00pm	9	Chris Chapman (Head of Business Origination, Export Credit Office)	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	
17 May	3:10pm-4:00pm	9	HG	Risk management	Product liability and product harm; Risk to brand; IP protection.	Albaum&Duerr, chapter 10, pp.145-6,447-9,200,362-5,429-30; NZ Export & Trade Handbook 2010; www.nzte.govt.nz ; www.austrade.gov.au
21 May	3:10pm-4:00pm	10	Hayden Douglas (BNZ International Trade Specialist)	A practical insight into risk management in international markets?	Terms of payment; Payment risk; Foreign exchange (currency) risk	
24 May	3:10pm-4:00pm	10	HG	E-Commerce for SME exporters		Albaum&Duerr, pp.28-37,277-279, 335-340 Fletcher&Crawford, pp.342-4, 391, 606.
28 May	3:10pm-4:00pm	11	Guest speaker	A practical insight into E-exporting development	Case study of a NZ-based SME	To be confirmed
31 May	3:10pm-4:00pm	11	HG	Outsourcing& procurement		Albaum&Duerr, pp.19,38-40,256,381-2; NZ Export & Trade Handbook 2010; www.nzte.govt.nz ; www.austrade.gov.au
4 June	3:10pm-4:00pm	12	HG	SMEs entering the China market	A legitimacy and value co-creation perspective	
7 June	3:10pm-4:00pm	12	HG	Final review		

TUTORIAL AND PRESENTATION OUTLINE 2012

Date	Week	Topic	Readings
20 or 21 March	3	Born global	Femme fatale (multi-media case study)
27 or 28 March	4	Competing with big guys	Tait case study
3 or 4 April	5	Marketing and innovation led internationalisation	Icebreaker case study
24 or 25 April	6	<i>No tutorials</i>	
1 or 2 May	7	Export project planning and discussion tutorial	
Mid Trimester break			
8 or 9 May	8	Export cost/price/breakeven analysis	Exporting NZ wine to Japan
15 or 16 May	9	Export logistics analysis	Case study in combination with last year's exam question
22 or 23 May	10	Risk Management	
29 or 30 May	11	Student presentations	