

School of Marketing and International Business

## **IBUS 205 SME INTERNATIONALISATION**

Trimester 1, 2013

### **COURSE OUTLINE**

---

#### **Names and Contact Details**

##### **Course coordinator:**

Dr Hongzhi Gao

Room 1125, Rutherford House

Tel: 04 463 6914

Email: [Hongzhi.gao@vuw.ac.nz](mailto:Hongzhi.gao@vuw.ac.nz)

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

Office Hours: by appointment

##### **Course Administrator:**

Asako Clear

RH 1121, Rutherford House

Telephone: (04) 463-5723

Email: [asako.clear@vuw.ac.nz](mailto:asako.clear@vuw.ac.nz)

School Office opening hours: Monday to Friday 9:00 – 16:30

##### **Tutors:**

The details of the tutors will be announced on Blackboard.

#### **Trimester Dates**

Teaching Period: Monday 4 March – Friday 7 June

Study Period: Monday 10 June – Thursday 13 June

Examination Period: Friday 14 June – Wednesday 3 July (inclusive)

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 15 March 2012.
2. The standard last date for withdrawal from this course is Friday 17 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 Friday, 9:30-10:20 RHLT1

Tutorials: Seven 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 Delivery**

This course pursues a research-based learning approach. Students are required to learn by 'researching'. The course materials will expose students to the issues in SME internationalisation and export management. 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-based 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-based 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.
- Most importantly, conducting your 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 sign-up 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.

## **Group Work**

**25%** of your total grade is related to an export research project, including a written group report (15%) and an individually assessed group oral presentation (10%). 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 for interviews or inquiries related to this assignment; 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.

### **Submission deadline:**

You need to hand in a hard copy of the group report at the IBUS 205 assignment box on the Mezzanine Floor of Rutherford House **before 10.00 am 5 June**. You are also required to submit an electronic copy of your report via Turnitin on Blackboard before the same submission deadline for the hardcopy (Specific instruction regarding this will be given in the class and also available via Blackboard).

### **Oral presentation**

Oral presentations will take place during week 11 (approximately 29-30 May). The presentation will be delivered in a group form but each group member will be individually assessed. However, the overall group performance and each presenter's cohesion with other members will also be factored in. Please note that a marking guide (assessment criteria) for oral presentations is available on Blackboard.

### **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 6-12
- Oral presentation: 4-5 hours in week 11 for preparing for the group presentation (individually assessed).

### **Course Learning Objectives**

By the end of this course, students should have a clear understanding of SME internationalisation strategies and export management process 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 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.

## 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. 5<sup>th</sup> 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](http://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)

## 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.

## Assessment

No.	Assignment	%	LO	Date
1.	Tutorial participation	5%	1	
2.	Mid-term test during the lecture	20%	2	16 April
3.	Oral presentation (individually assessed, based on group work)	10%	1	week 11 (approximately 29-30 May)
4.	Group report (15% in total) - Exporting plan	15%	1,3	Due 5 June
5.	Final examination (3 hours)	50%	1,2,3	TBA

## **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 **16 April** (Week 6) comprises multiple choice and/or short answer questions. It covers the topics addressed in the lectures prior to and including 12 April and the tutorials in weeks 3-5.

## **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.

## **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 submitted to Turnitin. A copy of submitted materials will be retained 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.

## **Examinations**

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 following period:

14 June – 3 July

## **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.

## **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.

### **Link to general information**

For general information about course-related matters, go to

<http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

### **Note to Students**

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 academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Attachments:

1. Lectures schedule
2. Tutorials and presentation schedule

**Attachment 1:**

**LECTURES SCHEDULE 2013**

Date	Time	Week	Lecturer	Topics	Brief description	Readings
5 March	9:30 - 10:20	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 2011; NZ Export & Trade Handbook 2010; NZ's trade history
8 March	9:30 - 10:20	1	HG	Drivers and barriers in SME internationalisation	Psyche of SME owners/managers; Drivers of SME internationalisation. Structural and perceived barriers; resource constraints.	Albaum&Duerr 2008, pp.76-83; Griffiths et al 2007; Rammer and Schmiele 2009. Campbell-Hunt & CANZ. 2001; Simmons 2002; Albaum&Duerr 2008, p.27; Fletcher&Crawford, pp.45-46, pp.336-339.
12 March	9:30 - 10:20	2	Cheyne Gillooly	A NZTE perspective of SME internationalisation and export finance	NZTE websites, NZTE export guide	
15 March	9:30 - 10:20	2	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.
19 March	9:30 - 10:20	3	TBA	A practical insight into internationalisation strategy	Unlimited Realities (A Wellington-based software innovator)	An alternative speaker would be Andy Cooper of Software Education.
22 March	9:30 - 10:20	3	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.
26 March	9:30 - 10:20	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.
5 April	9:30 - 10:20	4	HG	Innovation and niche focused strategy	Niche strategies; Innovation focus.	Knight 2001; Campbell-Hunt & CANZ. 2001; Knight & Cavusgil 2004; Bell, McNaughton, Young & Crick 2003.
9 April	9:30 - 10:20	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.
12 April	9:30 - 10:20	5	HG	Mid-term review		
16 April	9:30 - 10:20	6	HG	<b>Mid-term test</b>		
19 April	9:30 - 10:20	6	HG	Export planning	Developing an exporting plan; Export finance.	Albaum&Duerr, chapter 11; NZ Export & Trade Handbook 2010; <a href="http://www.nzte.govt.nz">www.nzte.govt.nz</a> ; <a href="http://www.austrade.gov.au">www.austrade.gov.au</a>

Date	Time	Week	Lecturer	Topics	Brief description	Readings
Mid Trimester break						
30 April	9:30 - 10:20	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 2010; <a href="http://www.nzte.govt.nz">www.nzte.govt.nz</a> ; <a href="http://www.austrade.gov.au">www.austrade.gov.au</a>
3 May	9:30 - 10:20	7	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	
7 May	9:30 - 10:20	8	HG	Export logistics	Export documentation; Customs; INCO terms; Transportation modes, Freight & logistics; Distribution analysis.	Albaum&Duerr, chapter 13; NZ Export & Trade Handbook 2010; <a href="http://www.nzte.govt.nz">www.nzte.govt.nz</a> ; <a href="http://www.austrade.gov.au">www.austrade.gov.au</a>
10 May	9:30 - 10:20	8	John Vailalo (Operations Manager - CEVA Logistics Lower Hutt)	A practical insight into export logistics management		
14 May	9:30 - 10:20	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; <a href="http://www.nzte.govt.nz">www.nzte.govt.nz</a> ; <a href="http://www.austrade.gov.au">www.austrade.gov.au</a>
17 May	9:30 - 10:20	9	Hayden Douglas (BNZ International Trade Specialist)	A practical insight into risk management in international markets?	Terms of payment; Payment risk; Foreign exchange (currency) risk	
21 May	9:30 - 10:20	10	HG	E-Commerce for SME exporters		Albaum&Duerr, pp.28-37,277-279, 335-340 Fletcher&Crawford, pp.342-4, 391, 606.
24 May	9:30 - 10:20	10	TBA	A practical insight into E-exporting development	Case study of a NZ-based SME	TBA
28 May	9:30 - 10:20	11	HG	Outsourcing & procurement		Albaum&Duerr, pp.19,38-40,256,381-2; NZ Export & Trade Handbook 2010; <a href="http://www.nzte.govt.nz">www.nzte.govt.nz</a> ; <a href="http://www.austrade.gov.au">www.austrade.gov.au</a>
31 May	9:30 - 10:20	11	HG	SMEs entering the China market	A legitimacy and value co-creation perspective	
4 June	9:30 - 10:20	12	HG	Get the number right in exporting!	A review of financial and logistics planning in export plan	
7 June	9:30 - 10:20	12	HG	Final review		

**ATTACHMENT 2:**

**TUTORIALS AND PRESENTATION SCHEDULE 2013**

<b>Week</b>	<b>Topic</b>	<b>Readings</b>
3	Born global	Femme fatale (multi-media case study)
4	Competing with big guys	Tait case study
5	Marketing and innovation led internationalisation	Icebreaker case study
6	Group project planning and discussion	
7	<i>No tutorials</i>	
8	Export cost/price/breakeven analysis	Exporting NZ wine to Japan
9	Export logistics analysis	Case study in combination with last year's exam question
10	Review of group project	
11	Student presentations	

\*\*\*\*\*