



## University of Cologne

Department of Economics – Chair of Energy Economics – Prof. Dr. Marc Oliver Bettzüge

# Global Strategy

<b>Instructor</b>	Prof. Dr. Marc Oliver Bettzüge University of Cologne <a href="mailto:bettzuege.marc@uni-koeln.de">bettzuege.marc@uni-koeln.de</a>
<b>Time (course)</b>	Sep 5 <sup>th</sup> (13:00 – 19:00 hrs), @ <i>Philosophikum room S78</i> Sep 7 <sup>th</sup> , 11 <sup>th</sup> , 13 <sup>th</sup> , 14 <sup>th</sup> and 18 <sup>th</sup> (14:00 - 17:30 hrs) @ <i>Philosophikum room S78</i> Nov 19 <sup>th</sup> , 20 <sup>th</sup> and 22 <sup>nd</sup> (09:00- 13:00 hrs) @ <i>Institute of Energy Economics, Vogelsanger Straße 321a</i>
<b>Time (exam)</b>	Oct 19 <sup>th</sup> @ Wiso building, room HS XXV
<b>Admission</b>	CEMS students only
<b>Registration</b>	Please make sure to register for the examination in Klips2 in time.
<b>Credit points</b>	6 ECTS; optional: upgrade to 7.5 ECTS with additional homework

### Course description

This course provides the student with an understanding of how companies build and sustain competitive advantage in a global setting. In particular, the course examines the external conditions and challenges for multinational enterprises, including the current debate about the rise of Neo-Protectionism, and it discusses the strategic opportunities and needs arising from them. Particular emphasis is given to equipping students with the analytical capabilities to assess a corporation's global strategy from multiple angles, in particular the institution-based and the resource-based perspectives, respectively. Moreover, the course reviews strategic options for foreign market entry including varieties of strategic alliances.

Teaching draws from textbooks, research literature, and case studies. Students are encouraged to actively, creatively, and critically engage with the instructor and the group during the entire course. In-class discussions will be used extensively to clarify concepts and to discuss insights and implications from an interdisciplinary perspective.

### Course structure

The course comprises lectures, review of research papers, case studies, guest speakers, intensive in-class discussions, as well as a research project (group-based). The course will follow the detailed course outline described below.

In general, the course will be organized in two phases:

*Phase 1* (September) introduces the student to important *general concepts* from the global strategy literature. It is conducted in six 4-hour-time slots. In each of these slots, general concepts will be presented, followed by deep-dives, incl. more practice oriented discussions and guest lectures by practitioners.

*Phase 2* (October - November) is devoted to students' research projects incl. optional in-class discussion sessions as well as, potentially, further guest lectures in November. Research projects will focus on *specific issues in global strategy* and on *practical applications*.

In the first session, groups of 4-5 students will be formed. These groups will be active throughout the course for preparing and reporting on homework, case studies, and the research projects.

### **Requirements**

Students should have some familiarity with general concepts in business strategy. Those who have not should be prepared for some extra background study using the textbooks mentioned below.

### **Expectations**

Since it is impossible to benefit from in-class discussions when absent, attendance is strictly required. Moreover, students are strongly expected to have read the required texts, and to have prepared the case studies indicated *before coming to class*. Additional homework will be required from time to time. There will be a written exam at the end of Phase 1.

In Phase 2, students are expected to conduct a research project within a predetermined group. Results of the individual parts of the group work have to be presented in-class, and written summaries of the presentations have to be handed in by the end of Phase 2.

### **Grading**

Students' grades will be based on the results of the exam (40 percent), the quality of the research project presentation (30 percent), as well as on the final report (30 percent).

### **Exam**

The exam will be a 60-minutes exam covering questions on key concepts and case studies discussed during the course. No books, notes, or other material, and no consultations with other students will be allowed during the exam.

Answers to the questions will be graded according to the quality of the argument. In particular, this means that the richness, the depth, the clarity, and the style of the argument will be important criteria for its evaluation.

## **Research project**

Topics for research projects will be allocated in the session on September 18<sup>th</sup>. Style guidelines for the report and the presentation will be provided at this point in time. Research projects have to be presented during the presentation days in November.

Presentations are scheduled for 45 minutes per group, allowing for further 15 minutes of in-class discussion. All group members have to present an individual piece of the group work.

Additionally, all students will have to submit a written report consisting of 1,000 – 1,500 words, summarizing the outcome of their individual part in the research project. Reports have to be handed in by November 30<sup>th</sup>, 24:00 hrs.

In delivering their research project, students are expected to clearly structure the research question, put it into the context of the existing literature, develop a method, generate the data (if needed), conduct the analysis, and critically reflect upon the results. A particular emphasis should be given on a methodologically sound approach to the project.

## **Additional ECTS**

*Incoming students* can sign up for 1.5 additional ECTS by giving written notice to ZIB by Sep 30<sup>th</sup>, 2400 hrs. After signing up, they will receive an assignment for an essay comprising 1,000 – 1,500 words. Essays have to be handed in by Dec 10<sup>th</sup>, 2400 hrs.

## **Course material**

Slides and other material will be provided via the ILIAS learning platform (within the limits set by copyright law). Apart from research papers and case studies, the course will rely on (parts of) three standard textbooks:

Collis, D., 2014, International Strategy, Wiley, Parts 1 and 2

Peng, M.W., 2014, Global Strategic Management (international Edition), Cengage, Chapters 1, 3-5, 7, 12

Peng, M., and K. Meyer, 2016, International Business, Cengage, Chapters 1-6, 9, 12

## **Trial: Digital support structure for the course**

Pending on clarification of remaining legal issues, we will hopefully be able to offer free access to an electronic version (MindTap) of the relevant material from Peng/Meyer (2016), including self-assessment quizzes.

Students can use MindTap independently for preparing for classes and for the exam. Students will be asked by the publisher to evaluate their learning experience afterwards. The self-assessment post-quizzes would be graded within the electronic system and shall serve the students to calibrate their performance relative to the course, and to improve upon their exam preparation. **They will, however, not be used by the course instructor.**

The timeline for the use of MindTap during this course is as follows:

- You will receive an invitation to register with MindTap over Ilia. Registering with MindTap will give you access to the relevant material from Peng/Meyer (2016) plus some pre-quizzes and supporting videos.
- For the session on Sep, 11<sup>th</sup>, we will ask you to prepare answers to some critical thinking questions. These questions will be provided by Sep 7<sup>th</sup>.
- Between Sep, 11<sup>th</sup> and Sep, 28<sup>th</sup>, each group may provide written answers within the MindTap application to the questions involved. The instructor will reply to such submissions. However, they will, again, not be graded by the instructor, and they will not influence the students' final grade.
- Finally, between Oct, 1<sup>st</sup>, and Oct, 15<sup>th</sup>, students are asked to participate in the post-quizzes. This will allow students to evaluate their level of understanding, and (anonymously) compare it to the group.

### **Course outline and reading material**

<b>Session 1 (Sep 5<sup>th</sup>)</b>	Institutions and the global context for international business
Compulsory:	Peng/Meyer, Chapters 1-3, 9  Ghemawat, P., 2003, Semiglobalization and international business strategy, Journal of International Business Studies, 34 (2), 138-152
Supporting textbook:	Collis, Chapters 1, 3
Further suggestions:	Friedman, T.L., 2005, The World is Flat: A Brief History of the 21 <sup>st</sup> Century, Farrar, Straus and Giroux, New York.  Fukuyama, F., 1989, The End of History?, The National Interest, 16, 3-18  Porter, M., 1990, The competitive advantage of nations, Harvard Business Review 68 (2), 73-93
Guest lecture.	Daimler AG
 <b>Session 2 (Sep 7<sup>th</sup>)</b>	 Theory of the Multinational Enterprise (MNE)
Compulsory:	Peng/Meyer, Chapters 4, 6
Supporting textbook:	Collis, Chapter 2
Further suggestions:	Dunning, J.H., and Lundan, S. M., 2008, Institutions and the OLI paradigm of the multinational enterprise, Asia Pacific Journal of Management, 25, 573–593  Fahy, J., 2002, A resource-based analysis of sustainable competitive advantage in a global environment, International Business Review, 11 (1), 52-77  Hennart, J.F., 2009, Theories of the Multinational Enterprise, in: The Oxford Handbook of International Business, edited by A.M. Rugman, 2nd edition, Oxford
 <b>Session 3 (Sep 11<sup>th</sup>)</b>	 Dynamic view on internationalization
Compulsory:	Peng, Chapter 3  Palakh J., 2013, Economics behind the internationalization of Biocon India Ltd, Emerald Emerging Markets Case Studies

- Further Suggestions: Lessard, D., Lucea, R., and L. Vives, 2012, Building your company's capabilities through global expansion, *Sloan Management Review*, 54 (2), 61-67
- Mudambi, R., and T. Swift, 2011, Leveraging knowledge and competencies across space: the next frontier in international business, *Journal of International Management*, 17 (3), 186-189
- Werr, A., and T. Stjernberg, 2003, Exploring Management Consulting Firms as Knowledge Systems, *Organization Studies*, 24 (6), 881-908

<b>Session 4 (Sep 13<sup>th</sup>)</b>	<b>Generic strategies for Multinational Enterprises (MNEs)</b>
Compulsory:	Collis, Chapters 4, 5  Bayer AG Annual Report 2017
Supporting textbook:	Peng/Meyer, Chapters 4, 6
Further suggestions:	Collis, Chapter 6  Lessard, D.R., 2003, Frameworks for Global Strategic Analysis, <i>Journal of Strategic Management Education</i> , 1 (1)  Rugman, A. M., 1993, Generic Strategies in Global Competition, <i>Research in Global Strategic Management</i> , Vol. 4, 3-15
Guest lecture:	Bayer AG
<b>Session 5 (Sep 14<sup>th</sup>)</b>	<b>Market entry and strategic alliances</b>
Compulsory:	Peng, Chapters 5, 7  Al-Ali, H.A., and S.Z. Ahmad, 2014, Etihad Airlines: growth through successful strategic partnerships, <i>Emerald Emerging Markets Case Studies</i>
Supporting textbook:	Peng/Meyer, Chapter 12  Lasserre, Ph., 2012, <i>Global Strategic Management</i> , Palgrave MacMillan, Chapters 4, 7
Further suggestions:	Andersen, O., 1997, Internationalization and Market Entry Mode: A Review of Theories and Conceptual Frameworks, <i>Management International Review</i> , 37 (2), 27-42  Inkpen, A., 2003, Strategic Alliances, in: <i>The Oxford Handbook of International Business</i> , edited by Rugman, A.M., and T. Brewer, Oxford, 402-427  Kim, Ch., and P. Hwang, 1992, Global Strategies and Multinational Entry Mode Choice, <i>Journal of International Business Studies</i> , 23 (1), 29-53
<b>Session 6 (Sep 18<sup>th</sup>)</b>	<b>Global vs. Regional Strategies</b>
Compulsory:	Osegowitsch, T. and Sammartino, A., 2008, Reassessing (home-)regionalisation. <i>Journal of International Business Studies</i> , 39, 184–196.  Rugman, A.M. and Verbeke, A., 2008, The theory and practice of regional strategy: a response to Osegowitsch and Sammartino. <i>Journal of International Business Studies</i> , 39, 326–332.
Further suggestions:	Rugman, A.M., and A. Verbeke, 2004, A perspective on regional and global strategies of multinational enterprises, <i>Journal of International Business Studies</i> , 35 (1), 3-18  Rugman, A.M. and Verbeke, A., 2007, Liabilities of foreignness and the use of firm-level versus country-level data: a response to Dunning et al. (2007). <i>Journal of International Business Studies</i> , 38, 200–205.

Wolf, J., Dunemann, T., and W.G. Egelhoff, 2012, Why MNCs tend to concentrate their activities on their home region, *Multinational Business Review*, 20 (1), 67-91

### Further reading suggestions

- Textbooks:
- Frynas, J.G., and K. Mellahi, 2011, *Global Strategic Management*, Oxford University Press, Chapters 1, 2, 5-9, 12
  - Lasserre, Ph., 2012, *Global Strategic Management*, Palgrave MacMillan
  - Verbeke, A., 2013, *International Business Strategy*, Cambridge University Press
- Monographs:
- Dicken, P., 2007, *Global Shift*, 5th edition, especially Chapter 1
  - Ghemawat, P., 2007, *Redefining Global Strategy: Crossing Borders in a World where Differences Still Matter*, Harvard Business Review Press, Boston
  - Ohmae, K., 1985, *Triad power: The coming shape of global competition*. New York: The Free Press.
- Research papers:
- Cantwell, J., 2009, Location and the Multinational Enterprise, *Journal of International Business Studies*, 40, 35-41
  - Cantwell, J., Dunning, J.H., and S.M. Lundan, 2010, An evolutionary approach to understanding international business activity: the co-evolution of MNEs and the institutional environment, *Journal of International Business Studies*, 41 (4), 567-586
  - Dunning, J., Fujita, M. and Yakova, N., 2007, Some macro data on the regionalisation/globalisation debate, *Journal of International Business Studies* 38(1)
  - Gande, A., Schenzler, C., and L. Senbet, 2009, Valuation Effects of Global Diversification, *Journal of International Business Studies*, 40 (9), 1515-1532
  - Prahalad, C.K., and S. Hart, 2002, The fortune at the bottom of the pyramid, *Strategy + Business*, 26 (1), 2-14
  - Qian, G., Li, L., and A.M. Rugman, 2013, Liability of country foreignness and liability of regional foreignness: their effects on geographic diversification and firm performance, *Journal of International Business Studies*, 44 (7), 635-647
  - Rockström, J. et al., 2009, A safe operating space for humanity. *Nature* Vol. 461 472–475.
  - Xu, D. and Shenkar, O., 2002, Institutional distance and the multinational enterprise. *Academy of Management Review*, 27, 608–618.
- Other:
- Florida, R., 2005, The world is spiky, in: *The Atlantic*, 48-51
  - Smick, D.M., 2008, *The world is curved*, Penguin Portfolio, New York
  - United Nations Development Programme (UNDP), 2016, *Human Development for Everyone*, New York