



University of Cologne

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

Global Strategy

Instructor	Prof. Dr. Marc Oliver Bettzüge University of Cologne bettzuege.marc@uni-koeln.de
Admission	CEMS students only
Credit points	6 ECTS Cologne University/ 7.5 CEMS credits
Dates	Sep 2 nd (14:00 – 16:00 hrs) @ Zoom Sep 7 th (9:30 - 11:00 hrs) @ Zoom Sep 14 th (9:30 - 11:00 hrs) @ Zoom Sep 24 th , (9:30 - 13:00 hrs) @ Zoom Sep 25 th , (9:30 - 13:00 hrs; 14:00-17:30 hrs) @ Zoom Oct 5 th , (9:30 - 13:00 hrs) @ Zoom Oct 14 th , 15 th , 16 th , (9:30 - 13:00 hrs) @ Zoom Guest lectures tbd (Sep/Oct) <i>Zoom links will be provided via email prior to each session.</i>
Exam	Oct 28 st (tbd) @ tbd
Group work due	Sep 23 rd , 23:59 hrs CEST
Individual paper due	Nov 4 th , 23:59 CET
Registration	Please make sure to register for the examination in Klips2 before Sep 14 th .
Course admin	Johanna Bocklet (M.Sc) Johanna.bocklet@uni-koeln.de

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, and discusses cultural and ethical aspects.

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 8 units and an introductory session. Each unit is composed of a lecture and a student presentation on a research project related to the course content.

In the first session, we will allocate you to groups of 5-6 students. These groups will be active throughout the course for preparing and reporting on homework, case studies, and the research projects.

Requirements

In line with general CEMS guidelines, the following basic knowledge requirements are expected of CEMS students prior to beginning the Global Strategy course: Strategy as a discipline; understanding the external environment (e.g. PESTEL, Five Forces, SWOT); and understanding the internal environment (e.g. resource-based view; VRIO; SWOT; stakeholder analysis). Good examples of textbooks providing such knowledge include

Robert M. Grant (2016). Contemporary strategy analysis. Wiley

Michael Hitt et al. (2019). Strategic management: competitiveness and globalization. Cengage Learning

Gerry Johnson et. al. (2017). Exploring corporate strategy: Text and cases. Pearson

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.

Furthermore, students conduct a research project within a predetermined group. Students have to present the results of the individual parts of the group work in-class.

There will be a written exam at the end of the course. Finally, students shall write an individual reflection paper at the end of the course.

Grading

Students' grades depend on the results of the exam (40 percent), the quality of the research project presentation (40 percent), as well as on the final reflection paper (20 percent).

Exam

The exam will be a 60-minutes exam covering questions on key concepts and case studies discussed during the course. We will provide details on the specific regulations for the exam later in the term.

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 assigned in the introductory session on September 3rd. Style guidelines for the presentation will be provided at this point in time. Research projects have to be presented during the presentation days assigned to each group.

Presentations are scheduled for 10 minutes per person, allowing for further 10 minutes of in-class discussion per group. All group members have to present an individual piece of the group work. Applying University of Cologne's examination regulation, students will be graded based on their individual performances but within the context of the group presentation.

In delivering their research project, students should 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. Presentation slides need to be submitted to ILIAS no later than Sep 23rd, 23:59 hrs CEST.

Additionally, all students will have to submit a written report consisting of 1,000 – 1,500 words, summarizing and reflecting on the outcome of their individual part in the research project in the broader context of the course. Reports have to be handed in by November 4th, 23:59 hrs CET via ILIAS.

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, 3-7, 12

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

Course outline and reading material

Session 0 (Sep 3 rd)	Introduction to the course and assignments of groups and tasks
Session 1 (Sep 7 th)	Institutions and the global context for international business
Compulsory:	Peng/Meyer, Chapters 1-3, 9 Ghemawat, P., 2003, Semiglobalization and international business strategy, <i>Journal of International Business Studies</i> , 34 (2), 138-152
Supporting textbook:	Collis, Chapters 1, 3 Lasserre, Ph., 2012, <i>Global Strategic Management</i> , Palgrave MacMillan, Chapter 3
Further suggestions:	Friedman, T.L., 2005, <i>The World is Flat: A Brief History of the 21st Century</i> , Farrar, Straus and Giroux, New York. Fukuyama, F., 1989, The End of History?, <i>The National Interest</i> , 16, 3-18 Ghemawat, P., 2007, <i>Redefining Global Strategy: Crossing Borders in A World Where Differences Still Matter</i> , Harvard Business School Publishing Hofstede, G., 1993, Cultural constraints in management theories, <i>Academy of Management Executive</i> , 7 (1), 8-21 North, D., 1991, <i>Institutions, Institutional Change and Economic Performance</i> , Cambridge: Cambridge University Press Peng, M.W., 2003, Institutional Transitions and Strategic Choices, <i>Academy of Management Review</i> Williamson, J., 2000,, <i>The New Institutional Economics</i> , <i>Journal of Economic Literature</i>
Session 2 (Sep 14 th)	Market entry and the liability of foreignness
Compulsory:	Peng, Chapters 5, 6
Supporting textbook:	Peng/Meyer, Chapters 5 ,6, 11, 12 Lasserre, Chapters 6, 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 Brouthers, K. D., 2013, Institutional, cultural and transaction cost influences on entry mode choice and performance, <i>Journal of international Business Studies</i> , 44, 1-13 Kim, Ch., and P. Hwang, 1992, Global Strategies and Multinational Entry Mode Choice, <i>Journal of International Business Studies</i> , 23 (1), 29-53 Kogut, B. and H. Singh, 1988, The Effect of National Culture on Choice of Entry Mode, <i>Journal fo International Business Studies</i> , 19, 411-432 Porter, M., 1990, The competitive advantage of nations, <i>Harvard Business Review</i> 68 (2), 73-93 Slangen, A., and J. F. Hennalt, 2007, Greenfield or Acquisition, <i>Journal of International Management</i> , 13 (4), 403-429 Zaheer, S. 1995, Overcoming the Liability of Foreignness, <i>Academy of Management Journal</i> , 38 (2), 341-363

Session 3 (Sep 25th)	Theory of the Multinational Enterprise (MNE)
Compulsory:	Collis, Chapter 2
Supporting textbook:	Peng/Meyer, Chapters 4, 6
Further suggestions:	<p>Dunning, J.H., 2000, The eclectic paradigm as an envelope for economic and business theories of MNE activity, <i>International Business Review</i>, 9, 163-190</p> <p>Dunning, J.H., and Lundan, S. M., 2008, Institutions and the OLI paradigm of the multinational enterprise, <i>Asia Pacific Journal of Management</i>, 25, 573–593</p> <p>Fahy, J., 2002, A resource-based analysis of sustainable competitive advantage in a global environment, <i>International Business Review</i>, 11 (1), 52-77</p> <p>Hennart, J.F., 2009, Theories of the Multinational Enterprise, in: <i>The Oxford Handbook of International Business</i>, edited by A.M. Rugman, 2nd edition, Oxford</p> <p>Johanson, J. and J.-E. Vahlne, 1977, The Internationalization Process of the Firm – A Model of Knowledge Development and Increasing Foreign Market Commitments, <i>Journal of International Business Studies</i>, 8, 23-32</p> <p>Rugman, A., 2010, Reconciling Internationalization Theory and its Eclectic Paradigm, <i>Multinational Business Review</i>, 18, 2</p>
Session 4 (Sep 25th)	Global vs. Regional Strategies
Compulsory:	<p>Osegowitsch, T. and Sammartino, A., 2008, Reassessing (home-)regionalisation. <i>Journal of International Business Studies</i>, 39, 184–196.</p> <p>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.</p>
Supporting textbook:	Lasserre, Chapter 12
Further suggestions:	<p>Buckley, P. J. and P. N. Ghauri, 2004, Globalization, economic geography and the strategy of multinational enterprises, <i>Journal of International Business Studies</i>, 35, 81-98</p> <p>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</p> <p>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.</p> <p>Wolf, J., Dunemann, T., and W.G. Egelhoff, 2012, Why MNCs tend to concentrate their activities on their home region, <i>Multinational Business Review</i>, 20 (1), 67-91</p>
Session 5 (Oct 5th)	Dynamic view on internationalization
Compulsory:	<p>Peng, Chapter 3, 10</p> <p>Palakh J., 2013, Economics behind the internationalization of Biocon India Ltd, <i>Emerald Emerging Markets Case Studies</i></p>
Further Suggestions:	<p>Cavusgil, S. T., and G. Knight, 2015, The born global firm: An entrepreneurial and capabilities perspective on early and rapid internationalization, <i>Journal of International Business Studies</i>, 46 (1), 3-16</p> <p>Coviello, N., 2015, Re-thinking research on born globals, <i>Journal of International Business Studies</i>, 46 (1), 17-26</p>

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

Session 6 (Oct 14th) Strategic alliances and their role in global strategy

Compulsory: Peng, Chapter 7

Al-Ali, H.A., and S.Z. Ahmad, 2014, Etihad Airlines: growth through successful strategic partnerships, *Emerald Emerging Markets Case Studies*

Supporting textbook: Lasserre, Ph., 2012, *Global Strategic Management*, Palgrave MacMillan, Chapter 8

Further suggestions: Inkpen, A., 2003, Strategic Alliances, in: *The Oxford Handbook of International Business*, edited by Rugman, A.M., and T. Brewer, Oxford, 402-427

Nielsen, B. B. and S. Nielsen, 2009, Learning and innovation in international strategic alliances: An empirical test of the role of tacitness, *Journal of Management Studies*, 46 (6), 1031-1056

Session 7 (Oct 15th) Digital perspectives on global strategy

Compulsory: Brouthers, K., et al., 2016, Internationalization of iBusiness Firms, *Journal of International Business Studies*, 47, 513-534

Further suggestions: Autio, E., and I. Zander, 2016, Leaninternationalization, *Academy of Management Proceedings*, 1, 2-27

Cao, L., Navare, J., and Z. Jin, 2018, Business model innovation: How the international retailers rebuild their core business logic in a new host country, *International Business Review*, 27 (3), 543-562

Hazarbassanova, D. B., 2016, The value creation logic and the internationalization of internet firms, *Review of International Business and Strategy*, 26 (3), 349-370

Session 8 (Oct 16th) Generic MNE strategies – a unifying framework

Compulsory: Collis, Chapters 4, 5

Supporting textbook: Lasserre, Chapter 15

Peng, Chapter 11

Further suggestions: Collis, Chapter 6

Ghemawat, P., 2007, Managing differences – The central challenge of global strategy, *Harvard Business Review*, 85 (3), 58-68

Lessard, D.R., 2003, Frameworks for Global Strategic Analysis, *Journal of Strategic Management Education*, 1 (1)

Rugman, A. M., 1993, Generic Strategies in Global Competition, *Research in Global Strategic*

Management, Vol. 4, 3-15

Group assignments

Students will prepare a research project aimed at delivering supporting material to each of the sessions 1-8. In order to assure a level-playing field, all groups have to hand their presentation slides and any accompanying material by Sep 23rd, 23:59 hrs CEST.

Presentation dates are as follows:

Sep 24 th	Supporting Session 1: Future of WTO, and impact on global strategy
Sep 24 th	Supporting Session 2: Country attractiveness and entry mode
Sep 25 th	Supporting Session 3: Global integration vs. local adaptation
Sep 25 th	Supporting Session 4: Born global firms
Oct 5 th	Supporting Session 5: Global innovation
Oct 14 th	Supporting Session 6: Stability of global strategic alliances
Oct 15 th	Supporting Session 7: Global strategies of platform businesses
Oct 16 th	Supporting Session 8: Organizing and governing the MNE

Further reading suggestions

Textbooks:	Frynas, J.G., and K. Mellahi, 2011, <i>Global Strategic Management</i> , Oxford University Press, Chapters 1, 2, 5-9, 12
	Lasserre, Ph., 2012, <i>Global Strategic Management</i> , Palgrave MacMillan
	Verbeke, A., 2013, <i>International Business Strategy</i> , Cambridge University Press
Monographs:	Dicken, P., 2007, <i>Global Shift</i> , 5th edition, especially Chapter 1
	Ghemawat, P., 2007, <i>Redefining Global Strategy: Crossing Borders in a World where Differences Still Matter</i> , Harvard Business Review Press, Boston
	Ohmae, K., 1985, <i>Triad power: The coming shape of global competition</i> . New York: The Free Press.
Research papers:	Cantwell, J., 2009, Location and the Multinational Enterprise, <i>Journal of International Business Studies</i> , 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, <i>Journal of International Business Studies</i> , 41 (4), 567-586
	Dunning, J., Fujita, M. and Yakova, N., 2007, Some macro data on the regionalisation/globalisation debate, <i>Journal of International Business Studies</i> 38(1)
	Gande, A., Schenzler, C., and L. Senbet, 2009, Valuation Effects of Global Diversification, <i>Journal of International Business Studies</i> , 40 (9), 1515-1532
	Prahalad, C.K., and S. Hart, 2002, The fortune at the bottom of the pyramid, <i>Strategy + Business</i> , 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, <i>Journal of International Business Studies</i> , 44 (7), 635-647
	Rockström, J. et al., 2009, A safe operating space for humanity. <i>Nature</i> 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