

Business 202 – Syllabus Managing in the Global Economy

Ver. 1.0

Prof. Robert Chapman WOOD

Lucas Graduate School of Management, San Jose State University
2018 Fall A, Section 9, Class No. 50428

Office Hours:	By appointment (call, email, or speak to instructor to set up times to meet. I can set up a specified office hour for M.B.A. students as desired.)
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Office hours	I have scheduled office hours on the San Jose State campus (Wed. 5 to 5:40 and Thursday 4:20 to 5). I usually meet with off campus students by appointment – you call or email me, and we work out a mutually agreeable time. But I can set up regular office ours at the Bunker Hill Lane complex if desired.
	Material for this course will be posted on the Canvas Learning Management System

Course description: This course investigates the world economy, including how markets, institutions and organizations vary from country to country, and how global competition, climate change, digital and emerging economics, and shifting from manufacturing to a service economy affect management practice.

Prerequisite: Graduate standing.

We will examine business on a global level, seeing the whole global business world as a system. We will consider how to manage and win in global (and semi-global) markets and at global entrepreneurship. And we will address new (or recently recognized) global issues, like change in the natural environment, financial crises, the rise of the global information technology economy, and the problems that globalization has caused.

We seek to give students a way of thinking about large business issues in the world, and to prepare them to succeed in global business while helping to meet world needs. A guiding question is, “Can we build organizations – especially firms but also complex non-profit organizations – that **adapt successfully (strategically)** in a world of ongoing, dramatic change?”

Providing a systematic view of key business issues in the global economy requires that this course be **demanding**. It requires more reading and writing than most MBA courses. Where it is possible to suggest shortcuts, we will do so. (This is, after all, a business course, and in business we frequently need to find shorter ways to do things.) But the goal is to provide a solid way of working with global business’ possibilities, dangers, and opportunities. That inevitably demands hard work.

Required reading

The following books are required:

A custom text excerpting four chapters from Charles Hill, *International Business*, 12th e (2019!) edition. A printed version should be available from the Spartan Bookstore, ISBN [9781307290868](#). An electronic version is available at: [BUS 202 Managing The Global Economy \(San Jose State University\)](#).

If you want both print and electronic versions, the best thing to do should be to purchase the print version and then sign up for the McGraw-Hill Connect option. (McGraw Hill Connect is not required for this course. Sign up only if you want both print and ebook.)

Students will also be required to purchase three cases from Harvard Business School Press: <https://hbsp.harvard.edu/import/546496>

The following books are recommended. The essential chapters will be available in class. For at least one of the books (Brown) the reading is optional. But better understanding can be achieved if you own the whole books. Inexpensive used copies are often available on Amazon and BarnesandNoble.com.

Cynthia Stokes Brown, *Big History: From the Big Bang to the Present*, New Press, 2007/2012, ISBN 9781595588487. A Big Picture analysis. Any edition ok.

Niall Ferguson, *Civilization: The West and the Rest*, Penguin, 2011. An analysis of the unusual aspects of Western civilization that continue to affect global business today. ISBN 9781594203053. Any edition ok.

Dani Rodrick, *Straight Talk on Trade*, Princeton Univ. Press, 2018, ISBN 9780691177847. Any edition ok.

Pankaj Ghemawat, *Redefining Global Strategy: Crossing Borders in a World Where Differences Still Matter*, Harvard Business Review Press, 2007. A book often used by chief executives in thinking about global strategy. Possibly useful for the group case analysis and final project. ISBN 9781591398660. Any edition ok.

Ruchir Sharma, *The Rise and Fall of Nations*, Norton, 2013. Five years old now, but perhaps still the best guide for thinking concretely about specific countries. ISBN 9780393345407. Any edition is ok.

J.R. McNeill, *Something New Under the Sun*, Norton, 2001. A leading historian provides an integrated analysis of today's environmental crises. ISBN 978-0393321838. Any edition OK.

In addition, students are **required to subscribe to a national or global newspaper with full business coverage (and/or to the newspaper's web site)**. This generally means the *Financial Times* (of London), the *Wall St. Journal*, or the *New York Times*. Subscriptions can be purchased as follows:

Financial Times: In many respects the Financial Times has been the best source for understanding global business. Recently the FT has been notorious for experimenting with different pricing strategies. But discounted student digital subscriptions have been available at

https://subs.ft.com/spa3_stu?utm_uk=WWACL&utm_as=wftasia&countryCode=USA&ftcamp=subs%2Fmisc%2Fexpirylink%2Fexpiry%2Fexpirylp%2Facquisition&utm_content=%2Fspa_stu&utm_campaign=expirylp&utm_source=expiry&utm_eu=WWWACP&segid=0800119&utm_medium=expiry&utm_me=WWWACT&utm_us=JNFWIH5 Home delivery of the printed newspaper is available in most of Silicon

Valley. (For this course, you can use print or digital or both.) A helpful discussion of pricing for non-digital Financial Times subscriptions (and monthly subscriptions) is at:

<http://blogs.reuters.com/felix-salmon/2012/05/03/why-is-an-ft-subscription-so-expensive/>

Wall St. Journal: Many low-cost deals have been offered. It's probably best simply to search for "Wall St. Journal student subscription" on line. In an era of political polarization, the Journal offers important voices. The opinion sections are decidedly right wing. But the news sections work hard to provide balanced coverage. If ordering a Wall St. Journal student subscription, please list your professor as Robert Wood of San Jose State University.

NY Times: Discounted student subscriptions available at

<http://homedelivery.nytimes.com/HDS/CMHome.do?mode=CMHome&CampaignCode=384XR> . Note the Times requires a university email address to get the university student rate.

Writing resources

Although this is not a "writing course," an important goal is the development of your ability to write the kind of reports, memos, and other work that will help you achieve excellence and gain recognition in your career. So excellent writing is important. If you do not own one, consider purchasing a style and grammar guide such as *The Bedford Handbook* (Bedford/St. Martin's). Work with it to improve your grammar and organizational skills.

Grading - Weighting: {This section is subject to revision}

In-class assignment(s) on trade	2%
International Trade Paper	14%
Case analysis	9%
Quizzes on the global system and global business strategy	26%
Final Project	24%
Class Participation	25%

The final project includes both a written report and an oral presentation. Two-thirds of the grading weight for the final project will be on the written report and one-third on the oral presentation.

Groups

Because teams are central to management and entrepreneurship, and team members can help each other learn, this course uses teams as learning and working units. Teams should have 3 or 4 members. For the first paper, team members will discuss the topic and then write individual papers. The second assignment (a case analysis) and the final project are group assignments. (On the final project, the paper must identify at least two pages primarily written by each group member.) In an effort to create diverse groups and give students a chance to work with others different from them, we will use the online system CATME.

Note: Occasionally, a student will fail to perform for his or her team. Where this is a serious problem, groups have the option of firing a team member. A request to fire a team member must be made in writing, and it must clearly describe reasons for the proposed action. A description of the planned action must also be provided to the team member. If a team member is fired, he or she must complete each remaining assignment alone.

Citation of sources

The final project involves original research. You may choose to do original research for the first paper as well. You must provide citations indicating the sources of your information. It is recommended that you follow the style of the Publication Manual of the American Psychological Association. It is generally not necessary to purchase the manual or to obsess over getting references exactly right. A web page such as Purdue University's: <http://owl.english.purdue.edu/owl/resource/560/01/> can provide the basics. (Note: Despite what the Purdue web page says, you need not include an abstract in papers of less than 10 pages or so. Moreover, for the final project, where a summary is required, it is appropriate to use the business term "executive summary" rather than "abstract.")

Instead of following an academic style, some students may prefer to explain their sources in a way that would be appropriate in a corporate memo. This is also acceptable. However, remember that **if you do not explain where you got your data well enough for me to believe it, you will be marked down**. If you use a corporate way of citation, think of yourself as writing for someone who is skeptical of your facts.

Written Assignments

Assignment 1 – International Trade Paper

See Assignment to be posted on Canvas

Assignment 2 – Case Analysis

The assignment for the case analysis will be passed out in class and available on Canvas.

Final Project

For the final project, you will address either of two challenges:

A. Make a strategic business proposal that involves action across borders. Propose a new business or a new activity by an existing business that crosses international borders. Develop hypotheses about how the project should work and test them by interviewing potential customers, suppliers, etc. If the proposal is for a business you are not directly involved with, it can be a proposal for a consulting project. Show why you believe your proposal would be profitable and beneficial. Identify the barriers, especially economic, political, social/cultural, and ecological barriers related to differences among countries, that will make your project difficult. Then show how you would overcome those barriers.

B. Show how a group of businesspeople can address an issue/problem in the global economy. Develop a project that addresses a problem in the global economy (environmental, social, regional development, poverty, etc.). Develop a report and presentation that demonstrates the feasibility of your approach and gives strong evidence that it is worthwhile. Typically in these projects you will take the role of an entrepreneur in the early stages of a socially concerned business. However, you can also propose how you would/will address a problem as an activist (a businessperson who will conduct a public campaign) or an intrapreneur developing a project that will be executed within an existing firm.

For either A or B, you are not required to do a complete business plan (with financial projections, etc.). You should, however, do any research and financial projections necessary to make a plausible case that your project can work. For example, if you propose a business that will sell a product at retail, do a projection that will show what price your product can sell for and how many you have to sell to create a profitable business. Then demonstrate that you are likely to sell that many at that price. Your project may

be considered a feasibility study for the plan you might carry out.

Typical lengths would be about 20 pages for a three-person team, 25 pages for a team of 4 or more. The final report must indicate who is primarily responsible for at least some of the sections of the report – each person should be responsible for at least 2 pages.

If not all members of a team share the same interests, they may break into smaller groups with each doing a different project. Or teams may be formed with members from different groups.

Professionalism

In a business school class we obviously expect everyone to act like a professional. You arrive on time and pay attention to whoever has the floor in the classroom. **If for some reason you cannot regularly arrive on time and stay till the end of class, please discuss this with the instructor. As in an effective business, we will adapt where necessary to your professional and personal needs.** However, disruptive behavior can result in serious reductions in your class participation grade, and can result in failing the course.

Instructor's Academic Integrity Policy

Consistent with the policies of San Jose State University, the Lucas Graduate School of Business, and the Department of Organization and Management, **no academic dishonesty will be tolerated** in this course. Any evidence of plagiarism or other cheating on any written work will normally result in a grade of "F" being assigned. (Plagiarism is any effort to pass the work of someone else as your own. For example, use of material from Worldwide Web pages without attribution is plagiarism.

In addition to producing a grade of "F," academic dishonesty will also result in a report being made to the San Jose State University Office of Student Affairs and a notation on the student's permanent record. **A second offense will typically result in expulsion from the university.** See [Academic Senate Policy S04-12. http://www2.sjsu.edu/senate/S04-12.pdf](http://www2.sjsu.edu/senate/S04-12.pdf)

Tentative course calendar

(Note that the course calendar is subject to change - with appropriate notice)

PROLOGUE: World History and Today's Economies

Session 1. **Tuesday, August 21, 2018 6 pm**

A. Introduction to the Course

B. Background – The world's traditional economic systems

Lecture-discussion based primarily on Brown, Big History (optional reading for Session 2, below.)

C. Introduction to following world business news

Please obtain a copy or copies of the Financial Times, Wall St. Journal, or New York Times on the day of our class and/or over a few days previous. Try to spend an hour or two with the paper and its web site. If you can't get a copy of the paper, spend a similar amount of time exclusively on the web site. Also think about what other resources you find useful for keeping up with world business news.

MODULE I: The Global Business and Economic System

Session 2. **Tuesday, August 28, 2018 6 pm** *[we may make slight adjustments in start times]*

A. The Nature of Today's Business and Economic Systems

Required reading: Niall Ferguson, Civilization: The West and the Rest, pp.3 (bottom)-18. (This is a good book to purchase, but the required section will be available.)

Optional reading: Brown, Ch. 4 and 5. This summarizes history to the emergence of "civilization" in 61 pages. Brown shows the power of global processes dating back at least 10,000 years. The processes described are still important today, especially in poor countries.

B. Trade Theory – Why International Institutions Support Free Trade

Required reading: Hill, International Business, Chapter 6 See also slides on the course's Canvas site, which may be useful for writing the trade paper – and for preparing for the quiz in Session 4.

C. The Political Economy of Trade: Free Trade's Believers and Unbelievers

Required Reading: Excerpts from, Ch. 7, "Development of the World Trading System," on international institutions: pp. 193-201, 206-213, 215-216, 219.

Dani Rodrik, Straight Talk on Trade: Ideas for a Sane World Economy, Ch 1.

Donald J. Trump, "Full transcript: Donald Trump's jobs plan speech"

<http://www.politico.com/story/2016/06/full-transcript-trump-job-plan-speech-224891>

Discussion of group work and formation of groups.

Session 3. **Saturday, September 1, 2018, 9 am** (note early meeting time)

A. International institutions – Review the reading on the "Development of the World Trading System" (Hill, International Business, Ch. 7, pp. 203-213, above) and read Hill Ch. 11, "The International Monetary System"

John Micklethwait, "Goodbye to All That"

<http://www.bloomberg.com/news/articles/2016-06-30/micklethwait-goodbye-to-all-that>

Rodrik, Ch. 10 and 11.

B. Currencies in International Trade

See slides posted on Canvas.

- C. Discussion period on the global economic system and the trade paper.** Have notes or an outline of what you want to say in the first paper.

MODULE II: Leading and Managing a Global Business

Session 4. **Tuesday, September 4, 2018, 6 pm**

- A. Quiz on the Global Economic and Business System** (*study guide to be announced*)

TRADE PAPER (OR DRAFT OF TRADE PAPER) MAY BE TURNED IN.

B. Introduction to the Concept of Strategy and to Entrepreneurship

Basic strategies for global competition, core competences

Required reading: Hill, "The Strategy of International Business," Chapter 13 of **International Business**

Hamel & Prahalad, "The Core Competence of the Corporation"

C. Video: Shenzhen: The Silicon Valley of Hardware

- D.** Short discussion periods on cases, strategy, the group case analysis, and the Final Project

Session 5. **Tuesday, September 11, 2018, 6 pm**

FINAL VERSION OF TRADE PAPER DUE

Tentative - FIELD TRIP – Probably to Plug & Play Tech Center!!!

A. Global Strategy

Ghemawat, Harvard Business Review, "Distance Still Matters"

Ghemawat, Redefining Global Strategy, pp. 105-106 and 107-127

Optional reading: Redefining Global Strategy, Introduction and Chapters 1, 5, and 6.

- B.** Amazon in Emerging Markets (Harvard case – If we do a field trip, the discussion of Amazon's international business will be brier.)

C. Discussions on analyzing the Levandary Café group case and the final project.

Read the **Levandary Café** case so you can start discussing it in your group.

Session 6. **Tuesday, September 18, 6 pm**

A. Intellectual Property

Required reading: Schilling, Strategic Management of Technological Innovation, Chapter 9

Andreas Schotter and Mary Teagarten, "Protecting Intellectual Property in China," Sloan Management Review, Summer 2014. <http://sloanreview.mit.edu/article/protecting-intellectual-property-in-china/>

B. Global Entrepreneurship

Required reading: Daniel J. Isenberg, "The Global Entrepreneur," Harvard Business Review, December 2008. (OK to skim) <https://hbr.org/2008/12/the-global-entrepreneur>

- C. **Case:** Levendary Café.
Optional reading: Ghemawat, Chapter 3.
- D. Discussions on final project

Session 7. **Tuesday, September 25, 6 pm**

GROUP CASE ANALYSIS DUE

A. China and the World Economy

Required reading: Wall St. Journal, "When the World Opened the Gates of China"
<https://www.wsj.com/articles/when-the-world-opened-the-gates-of-china-1532701482?mod=searchresults&page=1&pos=3> *alternate link to come*

The Economist "China has a vastly ambitious plan to connect the world"
<https://www.economist.com/briefing/2018/07/26/china-has-a-vastly-ambitious-plan-to-connect-the-world> Alternate link:
https://www.evernote.com/l/ATKrO_RYkvRE0LRXPFFa2XfWz_iEyT5HcuY

B. Country strategy

Emerging markets and emerging market strategy

Required reading: Ruchir Sharma, Breakout Nations, Chapters 1, 2, and 5

Optional reading: Eyring, Johnson & Nair, Harvard Business Review, "New Business Models in Emerging Markets," January 2011
<https://hbr.org/2011/01/new-business-models-in-emerging-markets>
 Further reading may be announced on specific regions or countries.

MODULE III: Key Issues in Business' Global Role

C. The Global warming debate

Required reading: "The World is Losing the War against Climate Change," The Economist, Aug. 2, 2018 <https://www.economist.com/leaders/2018/08/02/the-world-is-losing-the-war-against-climate-change> (registration required)
 Alternate link: <https://www.evernote.com/l/ATKmyQXYkxFMJJLMqLD6DZGGkQZGwr19R1I>
 "India shows how hard it is to move beyond fossil fuels,"
<https://www.evernote.com/l/ATJUMsVIVXhJhrpTAUGN77R2orLwqIZpOS0>

Optional reading:

Richard A. Muller, "The Conversion of a Climate Change Skeptic," New York Times, July 28, 2012. http://www.nytimes.com/2012/07/30/opinion/the-conversion-of-a-climate-change-skeptic.html?_r=0

More analysis and complete access to the underlying data available at berkeleyearth.org.
 Optionally, you may want to look at one of the Muller Berkeley group's key papers here:
<https://www.scitechnol.com/2327-4581/2327-4581-1-101.pdf>

Optional reading: The most prominent scientific skeptic's view:

<https://science.house.gov/sites/republicans.science.house.gov/files/documents/HHRG-115-SY-WState-JChristy-20170329.pdf>

A friendly interview with the skeptics:

https://www.al.com/news/huntsville/index.ssf/2015/04/7_questions_with_john_christy.html

The multiple crises

Required reading: J.R. McNeill, Something New Under the Sun, Preface and Chap. 3.

Optional reading: Chapters 4 and 8.

D. WRITTEN SUMMARY OF FINAL PROJECT DUE.

“Elevator sell” required this session or at one of the following two.

Discussions of final project

Session 8. **Saturday, September 29, 9 am** [*Note early meeting time*]

A. Video: Young and Restless In China.

Note: This video was produced in 2008. It makes the point that China was then changing at a faster pace than any society in history. Obviously ten years is a long time in China and many other developing countries, and China is a very different country today. However, few media producers have documented how developing countries are changing today. I will ask the class to consider whether the video remains relevant for understanding how developing countries as a group are changing.

B. Case: IKEA’s Global Sourcing Challenge: Indian Rugs and Child Labor (A)

This case gives an opportunity to think about all of IKEA’s very comprehensive approach to environmental and social issues.

Study question: Is IKEA’s approach to environmental and social problems appropriate?

C. Group discussions on the final project

OUTLINE OF FINAL PROJECT DUE.

Be ready to do an ‘elevator sell’ of your project.

Session 9. **Tuesday, October 2, 6 pm**

A. Quiz on Leading and Managing a Global Business and (possibly) Emerging Markets
(Study guide to be announced.)

B. Dynamics of Global Competition; Business Clusters

Video – Michael Porter: ‘The Diamond at Work’ [XS 1686]

Optional Reading: Porter, “The Competitive Advantage of Nations” (available from the instructor if desired)

C. Silicon Valley’s role as a business cluster – Class discussion

Session 10. **Tuesday, October 9 6 pm**

Final project due

Student presentations – final project

Further topics of student interest.