

MANAGEMENT OF THE MULTINATIONAL CORPORATION

IE University

Professor: **NESTOR MIRANDA CARUS**

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Academic year: 23-24

Degree course: THIRD

Semester: 2º

Category: **COMPULSORY**

Number of credits: 6.0

Language: English

PREREQUISITES

SUBJECT DESCRIPTION

In this course of management of the multinational corporation, the students will be exposed to the analysis of complex global business management situations that require a multidisciplinary approach from the perspective of top management.

OBJECTIVES AND SKILLS

The course will provide students with a thorough understanding of the internal and external factors that shape a firm's ability to create value in international contexts. Students will be familiarized with tools to analyze industries, firm resources and competitive interactions, both on the individual business and the corporate level. Perhaps more importantly, the course goal is to help student develop a strategic mindset that will allow them to go beyond a simple application of analysis frameworks to reach a deep understanding of how multinational corporations develop and implement distinctive management practices.

Through the discussion of cases and related readings, the course focuses on strategic analysis and how to manage multinational and multi business corporations to achieve global advantages. The main theories, models and tools within the field of strategic management will be covered with a strong emphasis in its application to real settings. We will use the tools that help management analyze the business environment, formulate strategies and make decisions in competitive situations.

METHODOLOGY

The course is divided in three parts.

The first part introduces tools to understand the industry structure and economics that determinate industry-wide profitability and are the base of every individual firm's business strategy, management practice and resulting profitability, focusing on both resource/organizational and positional aspects.

The second part studies firm and industry dynamics, focusing on the changes in competition and the reaction of individual firms to the changes in their environment. We will use basic game theory as a tool to analyze competitive interactions when the number of players is small and the industry is being shaped by the interactions between those players. We will look at issues such as bargaining power, price competition, entry and exit decisions, standard setting and platform and technology based competition.

In the third part of the course we will work at the corporate and multinational level and we will take a close look at the most fundamental issue in management. Why does one business meet its objectives, while another firm, apparently equally strong, fail?. The goal of any firm is to develop a winning strategy and to build a successful organization. This is a tough job. So let us begin with the most obvious of facts: every organization is different. From this simple fact we can derive something quite useful for us as strategists: different firms in the same sector will have different strategies. A key reason is that the management teams evaluate differently the competitive environment and hence decide on different strategies but success does not depend solely on selecting a winning strategy: the achievement of results depends as well on the effectiveness of management. We must ask ourselves why one firm builds a strong, adaptive organization capable of creating and responding to competitive strategy, while a second firm patches together an organization that stumbles from initiative to initiative?

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	26.67 %	40 hours
Discussions	33.33 %	50 hours
Exercises	6.67 %	10 hours
Group work	16.67 %	25 hours
Other individual studying	16.67 %	25 hours
TOTAL	100.0 %	150 hours

PROGRAM

PART I - BUSINESS LEVEL STRATEGY

SESSIONS 1 - 2 (LIVE IN-PERSON)

Introductory Conference - What is Strategy?

Article: The Five Competitive Forces that Shape Strategy (HBR Jan 2008) (HBR R0801E-PDF-ENG)

Article: Note on Microeconomics for Strategists (HBS 799128-PDF-ENG)

Book Chapters: Grant: Chapter 1 - The Concept of Strategy (Book) (See Bibliography)

SESSIONS 3 - 4 (LIVE IN-PERSON)

Building Strategy

Practical Case: ZARA: Fast Fashion (HBS 703497-PDF-ENG)

Book Chapters: Chapter 3 - Industry Analysis: The Fundamentals and Chapter 9 - Differentiation Advantage (Book) (See Bibliography)

Article: Blue Ocean Strategy. (HBR Bestseller) (HBS R0410D-PDF-ENG)

SESSIONS 5 - 6 (LIVE IN-PERSON)

Strategic Management and Strategic Transformation

Practical Case: Netflix in 2011 (HBS 615007-PDF-ENG)

Article: What is strategy? (HBR 96608-PDF-ENG)

Book Chapters: Grant: Chapter 2 - Goals, Values and Performance (Book) (See Bibliography)

Article: 5 Myths about Strategy (HBR H04WWB-PDF-ENG)

Technical note: Business Model Innovation. When the Game Gets Tough, Change the Game (The Boston Consulting Group, December 2009) (CED)

SESSIONS 7 - 8 (LIVE IN-PERSON)

Resources, Capabilities and Cost Leadership Strategy

Practical Case: Amazon.com, 2021 (HBS 716402-PDF-ENG)

Book Chapters: Chapter 8 - Cost Advantage (Book) (See Bibliography)

Article: Ali-Baba and the future of business (HBR R1805F-PDF-ENG)

SESSIONS 9 - 10 (LIVE IN-PERSON)

The resource based view: Differentiation & Building organizational capabilities

Practical Case: McKinsey & Co.: Managing Knowledge and Learning (HBS 396357-PDF-ENG)

Book Chapters: Grant: Chapter 5 - Analyzing Resources and Capabilities (Book) (See Bibliography)

Technical note: Assessing Your Organization's Capabilities: Resources, Processes, and Priorities (HBS 607014-PDF-ENG)

SESSIONS 11 - 12 (LIVE IN-PERSON)

Competitive Dynamics and Game Theory

Article: Right Game – Use Game Theory to Shape Strategy (HBR 95402-PDF-ENG)

Book Chapters: Chapter 4 - Further Topics in Industry and Competitive Analysis (Book) (See Bibliography)

Practical Case: Responding to the Wii? (HBS 709448-PDF-ENG)

PART II – COMPETITIVE DYNAMICS, PLATFORM STRATEGIES & STRATEGIC FORESIGHT

SESSIONS 13 - 14 (LIVE IN-PERSON)

Network-based Industries and Sustaining Competitive Advantage

Practical Case: Apple Inc in 2015 (HBS 715456-PDF-ENG)

Book Chapters: Grant: Chapter 11 - Technology-Based Industries & the Management of Innovation and Grant: Chapter 10 - Industry Evolution (Book) (See Bibliography)

Article: Pipelines, Platforms, and the New Rules of Strategy (HBR R1604C-PDF-ENG)

SESSIONS 15 - 16 (LIVE IN-PERSON)

Scenario Planning Workshop - Looking at the Future

Article: Strategy under Uncertainty (HBR 97603-PDF-ENG)

Technical note: Note on Scenario Planning (HBS 306003-PDF-ENG)

Practical Case: Tesla Motors (HBS 714413-PDF-ENG)

Practical Case: Google Car (HBS 614022-PDF-ENG)

SESSIONS 17 - 18 (ASYNCHRONOUS)

Scenario Planning Workshop - Looking at the Future

Teamwork - Selecting a company, building future scenarios, proposing a long term strategy

SESSIONS 19 - 20 (LIVE IN-PERSON)

Scenario Planning Workshop - Group Presentations

PART III: CORPORATE-LEVEL STRATEGY

SESSIONS 21 - 22 (LIVE IN-PERSON)

Platform Competition - Multi Sided Platforms

Practical Case: Google, Inc. In 2014 (HBS 915004-PDF-ENG)

Technical note: "What's your Google Strategy?" (HBR R0904F-PDF-ENG)

SESSIONS 23 - 24 (LIVE IN-PERSON)

The Role of the Corporate Office

Practical Case: Alphabet eyes new frontiers (HBS 717418-PDF-ENG)

Book Chapters: Grant: Chapter 16 - Managing the Multibusiness Corporation (Book) (See Bibliography)

Article: Creating Corporate Advantage (HBR 98303-PDF-ENG)

SESSIONS 25 - 26 (LIVE IN-PERSON)

Global and Multidomestic Strategies & Course Wrap Up

Practical Case: Introduction to International Strategy, Module Note (HBS 706481-PDF-ENG)

Book Chapters: Grant: Chapter 14 - Global Strategies and the Multinational Corporation (Book) (See Bibliography)

SESSIONS 27 - 28 (LIVE IN-PERSON)

Group Presentations of the Final Report

SESSIONS 29 - 30 (LIVE IN-PERSON)

Final Exam

BIBLIOGRAPHY

Compulsory

- R. Grant. (2021). *Contemporary Strategy Analysis*. 11th Edition. Wiley. ISBN

EVALUATION CRITERIA

Your final grade in the course will be based on both individual and group work of different characteristics that will be weighted in the following way:

Criteria	Percentage	Comments
Final Group Presentation	25 %	
Final Exam	40 %	
Class Participation	10 %	
Scenario Planning Workshop Group Presentation	15 %	
Individual Written Memo	10 %	

A. CLASS PARTICIPATION

Before each session, the students should read the case and the article assigned for the day. Participation is an essential element in this course. To participate effectively, it is necessary to have read carefully and formed a sound opinion about the main issues raised in the case and in the reading material.

I will come to class each day with a teaching plan that will try to achieve a logical progression through the key issues in a given case. However, it is important to appreciate that the students in the class are co-producers of the class discussions. Students need to listen carefully to one another and to build on or critique prior comments. They should also try to resist the temptation to jump to topics that are not specifically open for discussion. When that happens, it is the responsibility of the class and the professor to bring the discussion back on track. The discussion should be a conversation in which all participants recognize that they have an obligation to advance our understanding of the issue at hand.

Your contributions to this learning process will be appraised in addition to the content of what you contribute.

Some of the specific aspects on which you will be graded include:

- Is the participant a good listener?
- Are the points made relevant to the discussion? Are they linked to the comments of others and to the themes that the class is exploring together?
- Do the comments add to our understanding of the situation? Are they incisive? Do they cut to the core of the problem?
- Is there a willingness to challenge the ideas that are being expressed?
- Is there a willingness to test new ideas, or are the comments "safe" (such as repetition of case facts without analysis or conclusions, or of comments already made by other participants)
- Does the participant integrate material from past classes or readings where appropriate? Do the comments reflect cumulative learning over the course, or does the participant merely consider each case in isolation?

You should be prepared for every class. If for some reason you are not prepared, please let us know before the start of class.

I may open the class by asking someone to summarize the readings or cases briefly, or answer a short question. With a reading, you should be able to outline the problem that the article addresses, describe the core points of the reading, and, most importantly, offer your analysis of the strengths and weaknesses of the reading's central argument. With a case, you should be able to identify the key issues, problems, and opportunities facing the central protagonists, to articulate and evaluate alternative approaches to the problems, and to describe the course of action that you recommend and the reasons for your recommendations.

B. SCENARIO PLANNING WORKSHOP GROUP PRESENTATION

Each group will choose a relevant company within the auto industry and deliver a presentation covering the following topics:

- Analysis of factors influencing the industry in the actual moment.
- Prioritization of the identified factors according to the level of impact in the business and to the level of uncertainty about the future evolution.
- Identification of the Critical Scenario Drivers
- Scenario Matrix
- Identification of the main strategy
- Portfolio of Strategic Initiatives

C. INDIVIDUAL WRITTEN MEMO

Each student should submit a one page memo describing the potential impact in the industry of one of the factors analyzed in the Scenario Planning Workshop. The factor selected can be social, legal, technological, economical or environmental.

D. FINAL GROUP REPORT

Each group will study of one industrial sector of their own choice and select a company of interest for the group that is likely to play a mayor role in the future of the Digital Industry.

Each group should prepare two presentations, one at the industry level and one at the individual firm level. The analysis should cover the following topics.

- How is the industry today – How is the industry creating value ?
- Resources and capabilities developed within the industry
- Industry value chain / value network
- Industry Challenges – What kind of change is each industry facing ?Where are the threads coming from ?
- Which are the scenarios that the industry could face in the mid and long term ?

After analyzing the industry each group should choose a company that is likely to play a mayor role in the future configuration of the industry and:

- Define actual business model of the chosen firm.
- Describe the alternative future that the industry might face and the business model that the firm should adopt to succeed.
- Recomend a strategy and a path for the implementation of the new business model trying to anticipate the strategic moves of competitors

I will be opened to answer your questions or comments about the report or the specific topics you will be reviewing. Do not leave the tools learned in the box, use them.

The report must not be only descriptive, but it must be analytical and focused on supporting your findings, conclusions and recommendations.

D. FINAL EXAM

Near the end of the course, there will be an exam that will consist of questions about the material covered in the course, including the book, the articles, and the cases. During the exam you will not have access to the course material. If you have not read and assimilated the books, article, and cases, you will not be well prepared to address the questions in the exam. A minimum grade of 5 is required to pass the course.

GENERAL OBSERVATIONS

Each student has four attempts over two consecutive academic years to pass this course.

For every BIR Program mandatory class aside from the IR Unplugged and BIR Electives, students are required to obtain the minimum grade of 5 required to pass the course. Students whose grade in the Final Exam (or the largest assignment) is below 5 will fail the course. The rule applies to whichever assignment carries the greatest weight to the final grade. Dates and location of the final exam will be posted in advance and will not be changed.

Students must attend at least 70% of the sessions. Students who do not comply with the 70% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in this course again the following academic year).

Students who are in the third or fourth attempt must contact the professor during the first two weeks of the course.

The Bachelor's in International Relations pursues to develop the knowledge, skills and attitudes for bringing transformative and sustainable change in today's world. Therefore, all the courses follow the principles of sustainability and diversity. Firstly, this course considers the agenda 2030 and builds upon the Sustainable Development; Goal 8 Decent Work and Economic Growth and Goal 9 Industry, Innovation and Infrastructure. Secondly, this course is committed to an inclusive learning environment and looks to be enriched and enhanced by diversity along numerous dimensions, including race, ethnicity and national origins, gender and gender identity, sexuality, class and religion.

ATTENDANCE:

In-person attendance is mandatory at IE University, as it is an essential factor of IE's learning methodology. While we do closely monitor attendance in each course, we also consider our students responsible for their own agenda and commitments, as adult university students. With that in mind, each student may miss up to 30% of the sessions within a given course and still maintain the possibility of passing that given course. This 30% "buffer" is to be used for any absences, such as: illnesses, personal emergencies, commitments, official/governmental matters, business and/or medical appointments, family situations, etc. Students should manage their various needs, and situations that may arise, within that 30% buffer. If a student is absent to more than the allowed 30% of the sessions (regardless of the reason), s/he will obtain a 0.0 grade for that course in both the ordinary and extraordinary calls of the current academic year, and s/he will have to retake the course during the following academic year.

Please pay close attention to your attendance. The program strongly encourages attending 100% of the sessions as it will improve your learning outcomes, it will increase the class performance and it will benefit your participation grade. Noncompliance with deadlines for Non-Classroom Learning activities or assignments will result in an absence for the session.

Extreme cases involving emergencies such as; extended hospitalizations, accidents, serious illnesses and other cases of force majeure; are to be consulted with the Program Management (bir.biemadrid@ie.edu) for assessment of the situation and corresponding documentation, in order to support and guide each student optimally.

For more information about the university attendance policy, please check; <https://www.ie.edu/student-guide/bir/policies-and-guidelines/attendance/>

THIRD CALL RETAKE POLICY

Any student in their third call of a course, also known as a "Retaker", is obliged to observe the following rules:

- Third call students must contact their professors before or during the first session to ask which work and or sessions will be required to obtain a passing grade. The professor will determine

which work will be required in their course.

*(e.g. when presenting group work, sitting for examinations or other work done in class)

- Retakers are exempt from failing the call due to absences; however, they are not exempt from work the professor designates as necessary to obtain a passing grade. This means some sessions may be mandatory to attend in order to complete the work within.
- Students in their third call are responsible for managing the conflicts in their schedule, should students need advice on how to manage their conflicts they should visit the program office.

EXTRAORDINARY EXAMINATION POLICY:

Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

- The retakes will consist of a comprehensive exam or equivalent assignment. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.
- Dates and location of the retakes will be posted in advance and will not be changed.
- The exam/assignment will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained is 8 out of 10.

PLAGIARISM / ACADEMIC HONESTY:

Plagiarism is the dishonest act of presenting another person's ideas, texts or words as your own. This includes in order of seriousness of the offense:

- providing faulty sources;
- copy-pasting material from your own past assignments (self-plagiarism) without the instructor's permission;
- copy-pasting material from external sources even while citing them;
- using verbatim translations from sources in other languages without citing them;
- copy-pasting material from external sources without citing them;
- and buying or commissioning essays from other parties.

IEU students must contact the professor if they don't know whether the use of a document constitutes plagiarism. For help with your academic writing, contact the Writing Center (writingcenter@faculty.ie.edu). The professor will also advise the student on how to present said material. All written assignments must be submitted through Turn-it-in, which produces a similarity report and detects cases of plagiarism. Professors are required to check each student's academic work in order to guarantee its originality. If the originality of the academic work is not clear, the professor will contact the student in order to clarify any doubts. Students using external tutorial support should report it to the professor and the BIR Program from the moment they began receiving this support. In the event that the meeting with the student fails to clarify the originality of the academic work, the professor will inform the Director of the Bachelor Program about the case, who will then decide whether to bring the case forward to the BIR Academic Review Panel. Very high similarity scores will be automatically flagged and forwarded to the Academic Review Panel. Plagiarism constitutes a very serious offense and may carry penalties ranging from getting a zero for the assignment to expulsion from the university depending on the severity of the case and the number of times the student has committed plagiarism in the past.

PROFESSOR BIO

Professor: **NESTOR MIRANDA CARUS**

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NESTOR MIRANDA CARUS

Professor Néstor Miranda is specialized in Strategic Management, Innovation and Technology Management. The best letter of introduction to Professor Néstor Miranda is his long professional career as management consultant, entrepreneur and general manager combined with an academic profile as researcher and Associate Professor at the IE since 1989.

Professor Miranda holds a License degree in Law from the University Autónoma de Madrid an International MBA from the Instituto de Empresa, and has complemented his studies in International Strategy at the London Business School and in Strategic Management at IESE Business School. He initiated his professional path in Ashton-Tate Corporation as Marketing Director moving later to Paris as European Marketing Director for Borland International and finally reaching position of General Manager at Borland Ibérica. He has also been founder and General Manager of Starfish Software Ibérica and SoftMate Software and Consulting.

Academic Background

- International MBA - Instituto de Empresa
- General Management Program (PDG) - IESE Business School
- License Degree in Law - Universidad Autónoma de Madrid
- International Strategy Diploma - London Business School.
- International Banking Diploma – Instituto de Empresa

Professional Experience

- Marketing Director Ashton-Tate Corporation (1987- 1990)
- General Manager Starfish Software Corporation Ibérica (1995-1997)
- General Manager SoftMate Software and Consulting (1995-2002)
- Marketing Director Borland Europe (1993-1995)
- General Manager Borland Spain (1992-1995; 2002 - 2006)
- Managing Partner – Cycom Consulting (2006- onwards)
- Director GetIT Academic Initiative – Enter Instituto de Empresa (2006-2008)
- Director Advanced Management Program – IE Business School (2012 onwards)

Academic Experience

- Associated Professor of Innovation and Technology Management at Instituto de Empresa (1989-2003)
- Professor of Strategic Management at Instituto de Empresas (2005 onwards)
- Director Outsourcing Executive Seminar, Instituto de Empresa
- Director IT Architectures Executive Seminar, Enter Instituto de Empresa
- Project Faculty IE - Wharton Business School Consulting Practicum

OTHER INFORMATION

OFFICE HOURS; CONTACT INFORMATION

Office hours: By Appointment

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CODE OF CONDUCT IN CLASS

1. Be on time: Students arriving more than 5 minutes late will be marked as “Absent”. Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor).

2. If applicable, bring your name card and strictly follow the seating chart. It helps faculty members and fellow students learn your names.
3. If connecting remotely, leave video feed on at all times.
4. Do not leave the room during the lecture: Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re enter and, therefore, will be marked as "Absent". Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).
5. Do not engage in side conversation. As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class. If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as "Absent".
6. Use your laptop for course-related purposes only. The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as "Absent".
7. No cellular phones: IE University implements a "Phone-free Classroom" policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.
8. Escalation Policy: the first time you are asked to leave the classroom it will be counted as an absence. If it happens a second time, it will be counted as 3 absences, and an Academic Review Panel will be consulted to discuss other possible sanctions, up to an including possible failing of course and in extreme cases expulsion from program.

