

STRATEGIES FOR THE MULTINATIONAL CORPORATION

IE University

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Degree course: FOURTH

Semester: 2º

Category: COMPULSORY

Number of credits: 6.0

Language: English

PREREQUISITES

SUBJECT DESCRIPTION

Nowadays, business enterprise increasingly involves crossing national borders and engaging in business activities in distinct countries with very different conditions from numerous aspects. At the same time technology advancements and political alliances have significantly internationalized business. Multinational corporations account today for a considerable portion of the wealth in the globalized world and therefore, operating in a global arena provides many opportunities for the managers. Unlike purely domestic firms, the ones that compete across borders have to make choices about which product to offer across countries; where to compete within the international rivals; where to locate the various activities of the firm; and how to effectively coordinate its worldwide operations. For all these reasons, international strategy has become a stand-alone and significant subject in management literature, which deviates from the general strategic management, on which is based the core concepts.

In this course, the emphasis will be both on the formulation of business strategy and its implementation in the context of the global economy. Strategy is concerned with answering two central questions:

1. What businesses should we participate in and in which countries?
2. How should we compete?

At this stage, BBA students will be familiar with the key tools and challenges in strategic management and formulation; yet, real challenge starts after a strategy is agreed on. Most managers argue that implementing a strategy is much more difficult, time consuming and labour intensive than strategy formulation. Through a hands-on approach both in the course structure and class dynamics, built upon a high degree of involvement from students, we will look altogether into strategy implementation process, issues in organizational design, power relationships, company culture and knowledge management systems, among other aspects.

OBJECTIVES AND SKILLS

The course introduces students to the core issues, topics and perspectives facing businesses that operate in an international context, covering four main areas:

1. Challenges for global value creation, overcoming/leveraging country differences
2. Design of international strategies, based on internal and external analysis
3. Modes of expansion, best aligning growth objectives and corporate resources
4. Implementation of international strategies and management of global businesses

Throughout such 4-block program, the course aims at familiarizing students with the following topics and developing a series of skills:

- Display a sound understanding of theories of strategic management as they apply to international contexts, and be able to appraise models and evidence critically
- Determine how the international environment (economic, social, political...) conditions the strategies of an organization to create value for their stakeholders
- Explore the strategic options by which firms can make best use of the business opportunities arising in the global arena and formulate the most accurate international strategy for seizing them
- Define and implement the most suitable alternative (organic vs. inorganic) to achieve the growth objectives set in the strategic plan, leveraging internal resources and looking for external ones in operations of different kind (mergers, acquisitions, alliances...)
- Identify and properly manage the challenges and issues involved in the aforementioned business operations on a dynamic basis: post-merger integration, business portfolio management, divestitures, etc.
- Understand and learn to address the elements critically determining success/failure in the implementation of our international strategy and the strong interrelationships among them

METHODOLOGY

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	20.0 %	30 hours
Discussions	20.0 %	30 hours
Exercises	10.0 %	15 hours
Group work	30.0 %	45 hours
Other individual studying	20.0 %	30 hours
TOTAL	100.0 %	150 hours

PROGRAM

PART 1: INTRODUCTORY TOPICS

SESSION 1 (LIVE IN-PERSON)

COURSE INTRODUCTION – INTERNATIONALIZATION AND STRATEGY

Book Chapters: Textbooks: Chapter 1 from Ghemawat (See Bibliography)

Article: Finding your strategy in the new landscape. Harvard Business Review. March Issue (HBS R1003B-PDF-ENG)

SESSION 2 (LIVE IN-PERSON)

GENERAL CONCEPTS AROUND INTERNATIONALIZATION AND STRATEGY

SESSION 3 (LIVE IN-PERSON)

COUNTRY DIFFERENCES - CAGE MODEL FRAMEWORK & HOFSTEDE'S DIMENSIONS OF CULTURE

Book Chapters: Chapter 2 from Ghemawat (See Bibliography)

Article: National Culture and Management. Harvard Business Review. March Issue. (HBS 394177-PDF-ENG)

SESSION 4 (ASYNCHRONOUS)

EVALUATING COUNTRY DIFFERENCES IN DEPTH

SESSION 5 (LIVE IN-PERSON)

GLOBAL VALUE CREATION – ADDING VALUE SCORECARD

Book Chapters: Chapter 3 from Ghemawat (See Bibliography)

SESSION 6 (LIVE IN-PERSON)

GLOBAL VALUE CREATION – ADDING VALUE SCORECARD: Mittal Steel Case

Practical Case: Mittal Steel in 2006: Changing the Steel Game (HBS PG0002-PDF-ENG)

SESSION 7 (ASYNCHRONOUS)

SCENARIO PLANNING

SESSION 8 (ASYNCHRONOUS)

SCENARIO PLANNING

PART 2: INTERNATIONAL STRATEGIES

SESSION 9 (LIVE IN-PERSON)

TYPES OF INTERNATIONAL STRATEGIES – AAA TRIANGLE

Book Chapters: Chapter 7 from Ghemawat (See Bibliography)

SESSION 10 (LIVE IN-PERSON)

ADAPTATION – ADJUSTING TO DIFFERENCES

Book Chapters: Chapter 4 from Ghemawat (See Bibliography)

SESSION 11 (LIVE IN-PERSON)

ADAPTATION - ADJUSTING TO DIFFERENCES: Netflix Case

Practical Case: Netflix: International Expansion (HBS W16236-PDF-ENG)

SESSION 12 (LIVE IN-PERSON)

AGGREGATION – OVERCOMING DIFFERENCES

Book Chapters: Chapter 5 from Ghemawat (See Bibliography)

SESSION 13 (LIVE IN-PERSON)

AGGREGATION – OVERCOMING DIFFERENCES: Xiaomi Case

Practical Case: Xiaomi: Entering International Markets (HBS W17235-PDF-ENG)

SESSION 14 (LIVE IN-PERSON)

ARBITRAGE – EXPLOITING DIFFERENCES

Book Chapters: Chapter 6 from Ghemawat (See Bibliography)

SESSION 15 (LIVE IN-PERSON)

ARBITRAGE – EXPLOITING DIFFERENCES: LEGO Case

Practical Case: LEGO Group: An Outsourcing Journey (HBS 910M94-PDF-ENG)

PART 3: MODES OF EXPANSION

SESSION 16 (LIVE IN-PERSON)

LEVERAGING RESOURCES AND CAPABILITIES: THE OLI PARADIGM

Article: The Eclectic Paradigm in the Global Economy (International journal of the economics of business, 8(2), 173-190) (ced)

SESSION 17 (LIVE IN-PERSON)

SOLVING THE GROWTH DILEMMA: The BBB Framework

Book Chapters: Chapters 1&2 from Capron & Mitchell (See Bibliography)

SESSION 18 (LIVE IN-PERSON)

THE OLI PARADIGM: The S&H Case

Practical Case: The Internationalization Conundrum of S&H (STR010109-U-ENG-WOD)

SESSION 19 (LIVE IN-PERSON)

SOLVING THE GROWTH DILEMMA. WHEN TO BORROW/WHEN TO BUY - The Walt Disney-Pixar Case

Book Chapters: Chapters 3, 4 & 5 from Capron & Mitchell (See Bibliography)

Practical Case: The Walt Disney Company and Pixar, Inc.: To Acquire or Not to Acquire? (HBS 709462-PDF-ENG)

SESSION 20 (LIVE IN-PERSON)

SOLVING THE GROWTH DILEMMA. POST-MERGER INTEGRATION

Article: Delusions of Success: How Optimism Undermines Executives' Decisions (HBS R0307D-PDF-ENG)

Practical Case: DaimlerChrysler Post-Merger Integration (A) (HBS 703417-PDF-ENG)

SESSION 21 (LIVE IN-PERSON)

M&A Operations in Detail

PART 4: FINAL STAGE

SESSION 22 (LIVE IN-PERSON)

INTERNATIONAL STRATEGY IMPLEMENTATION

Practical Case: Matrix Management: Not A Structure, A Frame Of Mind (HBS 90401-PDF-ENG)

SESSION 23 (LIVE IN-PERSON)

CORPORATE CULTURE IN GLOBAL ORGANIZATIONS

Article: Martin de Holan, P: Out with the Old, In with the New (Financial Times, April 2006) (ced)

Practical Case: Johnson & Johnson (A) (HBS 384053-PDF-ENG)

Practical Case: Johnson & Johnson (B): Hospital Services (HBS 384054-PDF-ENG)

SESSION 24 (LIVE IN-PERSON)

FINAL GROUP PROJECT (M&A ANALYSIS) - MENTORING SESSION

SESSION 25 (ASYNCHRONOUS)

FINAL GROUP PROJECT (M&A ANALYSIS) - DOCUMENT PREPARATION & DELIVERY

SESSION 26 (ASYNCHRONOUS)

FINAL GROUP PROJECT (M&A ANALYSIS) - DOCUMENT PREPARATION & DELIVERY

SESSIONS 27 - 28 (LIVE IN-PERSON)

FINAL GROUP PROJECT (M&A ANALYSIS) - CLASS PRESENTATIONS

SESSION 29 (LIVE IN-PERSON)

FINAL WRAP-UP & CONCLUSIONS

SESSION 30 (ASYNCHRONOUS)

FINAL EXAM

BIBLIOGRAPHY

Compulsory

- P. Ghemawat. (2018). *Redefining Global Strategy. Crossing Borders in a World Where Differences Still Matter*. Harvard Business Review Press. ISBN 9781633696068 (Printed)
- L. Capron, W. Mitchell. (2012). *Build, Borrow, or Buy: Solving the Growth Dilemma*. Harvard Business Review Press. ISBN 1422143716 (Printed)

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
Class Participation	20 %	
Group Assignments	30 %	
Final Exam	50 %	

A. CLASS PARTICIPATION

Before each session, the students are expected to read the materials and the case assigned for the day; the readings are compulsory and they will be part of your evaluations. Participation is a critical 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 reading materials.

Three main criteria will be used in reaching judgment about your class participation:

- Depth and Quality of Contribution: The most important dimension of participation concerns what it is that you are saying. A high quality comment reveals depth of insight, rigorous use of case evidence, consistency of argument, and realism.
- Moving Your Peers' Understanding Forward: Great ideas can be lost through poor presentation. A high quality presentation of ideas must consider the relevance and timing of comments, and the flow and content of the ensuing class discussion. It demands comments that are concise and clear, and that are conveyed with a spirit of involvement in the discussion at hand.
- Frequency: Frequency refers to the attainment of a threshold quantity of contributions that is sufficient for making a reliable assessment of comment quality. The logic is simple: if contributions are too few, one cannot reliably assess the quality of your remarks. However, once threshold quantity has been achieved, simply increasing the number of times you talk does not automatically improve your evaluation. Beyond the threshold, it is the quality of your comments that must improve. In particular, one must be especially careful that in claiming more than a fair share of "airtime", quality is not sacrificed for quantity. Finally, your attempts at participation should not be such that the instructor has to "go looking for you". You should be attempting to get into the debate on a regular basis.

Expect cold calling. If you are not comfortable speaking in class for personal or cultural reasons, it is your responsibility to discuss this with the professor privately at the very beginning of the course (first week of class). You should be prepared for every session.

B. GROUP ASSIGNMENTS

Each group is expected to complete a final project and present it in class and hand-in in a written form. The project will give you the opportunity to reflect on what you have learnt in class and apply it to some practical problems. More details of the project will be provided by the start of the course.

Furthermore, there will be additional group work throughout the course including a business strategy simulation and further exercises that will be part of the group assignments grade.

C. FINAL EXAM

The exam will comprise essay questions and semi-structured questions to understand your level of study, including the use of tools and frameworks taught in class, as well as your personal elaboration and critical thinking on the topics under discussion.

A minimum score of 40% (40 points) will be required in this exam in order to pass the course, regardless of performance in other assessment components.

More information on the evaluation criteria will be provided during our first session.

RETAKE POLICY

Each student has four (4) chances to pass any given course distributed over two (2) consecutive academic years. Each academic year consists of two calls: one (1) ordinary call (during the semester when the course is taking place); and one (1) extraordinary call (or “re-sit”) in June/July.

Students who do not comply with the 70% attendance requirement in each subject during the semester will automatically fail both calls (ordinary and extraordinary) for that Academic Year and have to re-take the course (i.e., re-enroll) during the next Academic Year.

The Extraordinary Call Evaluation criteria will be subject to the following rules:

- Students failing the course in the ordinary call (during the semester) will have to re-sit evaluation for the course in June / July (except those students who do not comply with the attendance rule, and therefore will not have that opportunity, since they will fail both calls and must directly re-enroll in the course during the next Academic Year).
- It is not permitted to change the format nor the date of the extraordinary call exams or deadlines under any circumstance. All extraordinary call evaluation dates will be announced in advance and must be taken into consideration before planning the summer (e.g. internships, trips, holidays, etc.).
- The June/July re-sit will consist of a comprehensive evaluation of the course. Your final grade for the course will depend on the performance in this exam or evaluation only. I.e., continuous evaluation over the semester (e.g. participation, quizzes, projects and/or other grade components over the semester) will not be taken into consideration on the extraordinary call. Students will have to achieve the minimum passing grade of 5 and the maximum grade will be capped at 8.0 (out of 10.0) – i.e., “notable” in the extraordinary call.
- Re-takers: Students who failed the subject on a previous Academic Year and are now re-enrolled as re-takers in a course will need to check the syllabus of the assigned professor, as well as contact the professor individually, regarding the specific evaluation criteria for them as re-takers in the course during that semester (ordinary call of that Academic Year). The maximum grade that may be obtained as a retaker during the ordinary call (i.e., the 3rd call) is 10.0 (out of 10.0).

After exams and other assessments are graded by the professor (on either the ordinary or extraordinary call), students will have a possibility to attend a review session (whether it be a final exam, a final project, or the final overall grade in a given course). Please be available to attend the session in order to clarify any concerns you might have regarding your grade. Your professor will inform you about the time and place of the review session.

- Students failing more than 18 ECTS credits after the June/July re-sits will be asked to leave the

Program. Please, make sure to prepare yourself well for the exams in order to pass your failed subjects.

- In case you decide to skip the opportunity to re-sit for an exam or evaluation during the June/July extraordinary call, you will need to enroll in that course again for the next Academic Year as a re-taker, and pay the corresponding tuition fees. As you know, students have a total of four (4) allowed calls to pass a given subject or course, in order to remain in the program.

PROFESSOR BIO

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JOSE ANTONIO MARTINEZ MARCOS

Bachelor of Business Administration from Deusto Business School and Executive MBA from IE Business School, Jose Antonio Martinez's professional life has always been spinning around strategy. His 15-year experience in the Strategy Department of Accenture has allowed him to develop an integrated vision of the strategic roadmap at all levels of the organization, from corporate business plans to divisional/department strategies.

With major experience in top companies from a wide range of industries (telecom, high-tech, media and entertainment...), Professor Martinez has defined strategic marketing programs (launch of P/S, loyalty, channel optimization...), operational strategy and cross-company initiatives aiming at the global transformation of the corporation and the optimization of the customer experience. And as an indispensable complement in order to develop a comprehensive understanding of the strategic process, he has worked directly on the field with the customers in the implementation of most of those strategies, leading project management and change management initiatives through a hands-on and results-driven approach, managing mixed customer-consulting work teams of a very different kind.

Professor Martinez's experience throughout his consulting career has led him to a logical, but not always so evident, conclusion: "STRATEGY is not about complex theories or frameworks; it's something we all use more often than we think, in so many aspects of life, although we may not be aware of it. It's about bringing order out of chaos, it's about collecting all that mess of ideas, facts and pieces of knowledge, and providing them with a structure and sequence which let us decide WHERE WE WANT TO REACH and HOW WE WANT TO DO IT".

Having implemented coaching and training programs in top MNCs, he is currently teaching different Strategy courses in IE Business School, both in master and undergraduate programs.

OTHER INFORMATION

Office hours: To schedule an appointment with the professor, send an e-mail.

Contact e-mails: jamm@faculty.ie.edu