



GLOBE: The Globalization of Business Enterprise Fall 2015

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Course NYU Classes site: <http://newclasses.nyu.edu/>

Slides, announcements, and some course materials will be posted on NYU Classes. You are expected to check the site regularly for announcements and upload deliverables to the site (when indicated).

Course Overview and Structure

The Globalization of Business Enterprise (GLOBE) will focus on globalization and what it means for business enterprises. The emphasis will be on going beyond the “just-do-it” approach to globalization to thinking about globalization moves in a way that builds on—but extends beyond—your first-year strategy course. While the primary focus will be on globalization and strategy, implications for other key functional areas of business will also be discussed.

A one-page week-by-week outline of the GLOBE course is provided in Exhibit 1. Structurally, GLOBE is split into three modules that move from the macro to the managerial and are designed to review the basic facts about globalization, discuss the differences between countries that underlie observed levels of cross-border integration and their strategic/functional implications, and spark reflections about the future agenda for global business leaders. The three modules are described in a bit more detail below:

I. Introduction and ADDING Value through Globalization. How globalized is the world? And how can companies track the pros and cons of cross-border moves? This module both grounds our discussion of globalization in reality and presents a way of thinking about globalization opportunities from a company perspective.

II. The CAGE Distance Framework and AAA Strategies for Dealing with Differences. What differences across countries matter the most for cross-border activity in different industries? And how can companies incorporate such differences into their global strategies—and into functional policies? This module presents the CAGE Distance framework for thinking broadly but systematically about cross-border differences in terms of the cultural, administrative, geographic, and economic distance between countries, and discusses three generic strategies for dealing with differences: *Adaptation* to adjust to differences, *Aggregation* to overcome differences and *Arbitrage* to exploit differences. Implications for key functional policies are also discussed.

III. The Globalization of Management. This short module focuses on the organizational and people-related challenges that continue to confront companies that would cross borders—and discusses some of the implications for planning a global career. It also touches on some of the challenges of personal globalization.

Class Requirements and Deliverables

I have deliberately kept this description of class requirements and deliverables short rather than throwing in a lot of boilerplate. This description is essential to a satisfactory course experience, so please do read it carefully!

1. The week-by-week class schedule in Exhibit 1 is tentative. The NYU Classes platform, which you should check regularly, will be the definitive guide to what is coming up next. Synopses of the individual class/sessions and all assignment questions will be provided on the course platform no later than 5:00 p.m. on Tuesday the week before particular sessions actually take place. NYU Classes is also the delivery vehicle for required readings, assignments and most supplemental resources as well as where to post responses to pre-class assignments. Some of the supplemental materials distributed will be optional, but unless specifically labelled as such, please assume that all materials distributed are required.
2. Almost all the class sessions will be anchored in case discussions and there will typically be just one full-length case to read for each double-session. I have emphasized the cases in Exhibit1 because they will be used more extensively than in most other courses at Stern. However, there will also be **required post-class readings** every week, about 10-20 pages worth, that are critical to successful course completion. A variety of resources including optional readings and videos that support further self-study will be suggested as well. To maximize learning from the course, I hope you will engage with some of the optional materials as well as all the required ones. **So the work load for the course will be relatively heavy.**

3. To encourage full preparation, most of the sessions will involve exercises that have to be turned in before the beginning of class: a one-page written assignment, preparation of 1-2 slides or responses to a poll. During the case discussions, I will resort to frequent cold-calling. **And there will be at least one surprise quiz—probably more—in class related to the required readings.**
4. Your grade for GLOBE will be based on relative performance across different course components that have the following weights:

In-Class Contributions:	40%
Preclass/Postclass Deliverables:	30%
Final Exam:	30%

Note that the exam can cover any/all required course materials.

5. In view of the importance of the in-class discussions (and the surprise quizzes), **attendance is absolutely critical.** Please notify Samantha Pedreiro ahead of time--if at all possible--if you have to miss class, and explain briefly why. There are no excused absences from this class, although consideration will be given to religious holidays, official university engagements, documented illnesses, and emergencies. Unexcused and, in particular, unannounced absences are likely to prevent satisfactory fulfillment of course requirements. If you miss more than one class—defined as one-half of a double session—make-up work will be needed to pass the course. And if, despite attending, you are having trouble participating in class, I would like to hear about that as soon as possible.
6. Arriving late or leaving early is also strongly discouraged. If you anticipate having to do so, please try to let the TA know ahead of time. To minimize other distractions, laptops, cellphones, smartphones, etc. may not be used in class. And do bring and display your nameplate in front of you during each session.

About Me

I received my AB in Applied Math and my PhD in Business Economics from Harvard, worked briefly at McKinsey & Co. in London, taught at the Harvard Business School between 1983 and 2006 and since then, have been the Anselmo Rubiralta Professor of Global Strategy at IESE Business School in Barcelona. Since Fall 2014, I have also been the Global Professor of Management and Strategy at NYU Stern, and the Director of its Center for the Globalization of Education and Management.

For the last 20 years, most of my work has focused on globalization and strategy. While I have developed most of the concepts and materials used in this course, I want to assure you that this is far from an idiosyncratic perspective on globalization. AACSB International, the leading accreditation body for business schools, has recommended this basic course structure to its member schools and my CAGE framework, in particular, is taught at most leading business schools in North America and Europe.

**Exhibit 1. The Globalization of Business Enterprise
Course Outline**

<p align="center">Module 1</p> <p align="center">Introduction and ADDING Value through Globalization</p>	<p><i>Week 1: Course Overview and Introduction</i></p> <p>Case: Indian Software Industry</p> <p>Topics:</p> <ul style="list-style-type: none"> ○ Discussion of facts and fantasy about globalization ○ Application to supply-side globalization ○ Globalization in the service sector
	<p><i>Week 2: ADDING Value</i></p> <p>Case: Building Cemex</p> <p>Topics:</p> <ul style="list-style-type: none"> ○ Globalization of markets ○ A framework for thinking about how cross-border moves add to or detract from value creation ○ Industry and competitive analysis from a global perspective
<p align="center">Module 2</p> <p align="center">The CAGE Framework and AAA Strategies for Dealing with Differences</p>	<p><i>Week 3: The CAGE (Cultural-Administrative-Geographic-Economic) Distance Framework/Adaptation Strategies</i></p> <p>Case: Star TV</p> <p>Topics:</p> <ul style="list-style-type: none"> ○ The CAGE distance framework for thinking about the differences between countries—with a focus on cultural differences ○ <i>Adaptation</i> strategies for dealing with differences ○ Globalization and marketing
	<p><i>Week 4: Administrative Differences/Aggregation Strategies</i></p> <p>Case: Endesa de Chile Investing in Peru</p> <p>Topics:</p> <ul style="list-style-type: none"> ○ Administrative similarities and differences. Politically-sensitive industries. ○ Regional and other <i>Aggregation</i> strategies ○ Globalization and finance/governance
	<p><i>Week 5: Geographic and Economic Differences/Arbitrage Strategies</i></p> <p>Case: Haier in the US</p> <p>Topics:</p> <ul style="list-style-type: none"> ○ Economic differences versus geographic distance. ○ Strategies for entering a new market ○ <i>Arbitrage</i> strategies and their sustainability.
<p align="center">Module 3</p> <p align="center">The Globalization of Management</p>	<p><i>Weeks 6 & 7: Globalization of Management</i></p> <p>Reading: The Globalization of Firms in Cross-Functional Perspective</p> <p>Topics:</p> <ul style="list-style-type: none"> ○ Current practices in the management of global firms ○ Organizational and people challenges ○ Your own career planning