



**Graduate  
School of Management**  
St. Petersburg State University

**MASTER PROGRAMMES**  
*Spring Semester*  
**2008/2009**

## COURSE SYLLABUS

### INTERNATIONAL BUSINESS STRATEGIES

#### Instructors:

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#### Organisation of the course

<b>Programme</b>	Master in International Business
<b>Year</b>	<i>1st year</i>
<b>Course status</b>	<i>Core</i>
<b>Workload</b>	6 ECTS, 45 hours of classes
<b>Prerequisites</b>	Managerial Economics; International Trade and Competition
<b>Teaching methods</b>	<i>Lectures, seminars, group work, exercises, presentations, case studies, home assignments</i>

#### Course objectives

- to familiarise students with the theoretical background and practical patterns for corporate and business strategy formulation and implementation in multinational corporations;
- to explain organisation design for MNCs;
- to introduce management rules used in numerous entry modes; to illustrate benefits of entry-mix formation and entry stage selection;
- to share ideas and experience in functional strategies of MNCs.

#### Course Summary

The course concerns the main considerations in international management areas. It introduces an experience of multinational corporations from numerous countries in separate regions with a help of a collection of instructive cases. The process of a foreign strategy formulation and implementation is discussed.

#### Course content

- Topic 1.** The Concept of Strategy
- Topic 2.** Communicating Organisational Purposes
- Topic 3.** Business Environment
- Topic 4.** Strategic Capability
- Topic 5.** Strategic Choice

**Topic 6.** International Business Environment, Business Operations and Business Organisations  
**Topic 7.** International Strategic Management  
**Topic 8.** International Organisation Design  
**Topic 9.** International Entry Modes: Non-investment Modes  
**Topic 10.** International Entry Modes: Investment Modes  
**Topic 11.** International Functional Strategies  
**Topic 12.** International Business Strategy Formulation and Implementation. Foreign Entry Mode Selection

**Plans of Class Sessions**

*Topics 1 and 2.*

<b>Session 1 – Olga Verkhovskaya</b>	
<p>11.02.09. 10.45 – 12.15 13.00 – 14.30</p>	<p><b><i>Topic 1. The Concept of Strategy</i></b></p> <p><u>Issues covered:</u>  The Role of Strategy in Success  The Elements of Strategic Management  The Evolution of Strategic Management Systems  Corporate Strategy and Business Strategy  Strategy Making: Design or Process?</p> <p><u>Intended learning outcomes:</u>  After this session you should be able to:</p> <ul style="list-style-type: none"> <li>• understand the role of strategy in company success;</li> <li>• list and describe the main steps of the strategic management systems development;</li> <li>• understand the difference between ways of strategy making;</li> <li>• describe the elements of strategic management.</li> </ul> <p><b><i>Topic 2. Communicating Organisational Purposes</i></b></p> <p><u>Issues covered:</u>  Purposes in Strategic Management Process  Stakeholder Expectations and Power  Mission Statement and Objectives</p> <p><u>Intended learning outcomes:</u>  After this session you should be able to:</p> <ul style="list-style-type: none"> <li>• understand the meaning of organisational stakeholders and how their expectations shape strategy;</li> <li>• undertake stakeholder mapping.</li> </ul> <p>Textbook: Johnson G., Scholes K., Whittington R. Exploring Corporate Strategy. 8<sup>th</sup> ed. Prentice Hall, 2008. – Chapters 1, 4.</p> <p><u>Assignment for Session 2:</u>  Using annual reports, press articles and the internet, identify the main future changes likely in an industry. Using five forces analysis, note key competitive forces and prepare 4 min. presentation.</p>

### ***Topic 3. Business Environment***

<b>Session 2 – Olga Verkhovskaya</b>	
25.02.09 10.45 – 12.15 13.00 – 14.30	<p><u>Issues covered:</u> External Macro-Environment From Environmental Analysis to Industry Analysis The Objectives of Industry Analysis Industry and Market Boundaries Porter’s Five Forces Framework Applying Industry Analysis Identifying Key Success Factors Strategic Group Analysis</p> <p><u>Intended learning outcomes:</u> After this session you should be able to:</p> <ul style="list-style-type: none"><li>• understand the difference between the general environment and industry environment;</li><li>• explore the different segments of the general environment;</li><li>• identify the main strategic players in industrial environment;</li><li>• apply strategic group analysis and Five Forces model.</li></ul> <p>Textbook: Johnson G., Scholes K., Whittington R. Exploring Corporate Strategy. 8<sup>th</sup> ed. Prentice Hall, 2008. – Chapter 2.</p> <p><u>Assignment for Session 3:</u> For chosen industry identify key success factors and draw strategic groups map, prepare 3 min. presentation.</p>

### ***Topic 4. Strategic Capability***

<b>Session 3 – Olga Verkhovskaya</b>	
04.03.09 10.45 – 12.15 13.00 – 14.30	<p><u>Issues covered:</u> Strategic Capabilities and Competitive Advantage The Resource-Based View of Strategy Resources and Competences Unique Resources and Core Competences Dynamic Capabilities The Value Chain and Value Network. Activity Maps SWOT Analysis Managing Strategic Capabilities of Organisation</p> <p><u>Intended learning outcomes:</u> After this session you should be able to:</p> <ul style="list-style-type: none"><li>• distinguish elements of strategic capability in organisations: resources, competences, core competences and dynamic capabilities;</li><li>• analyse how strategic capabilities might provide sustainable competitive advantage on the basis of their value, rarity, inimitability and non-substitutability;</li><li>• diagnose strategic capability by means of value chain analysis, activity mapping and SWOT analysis;</li></ul>

	<p>Textbook: Johnson G., Scholes K., Whittington R. Exploring Corporate Strategy. 8<sup>th</sup> ed. Prentice Hall, 2008. – Chapter 3.</p> <p>Readings:</p> <ul style="list-style-type: none"> <li>• S. G. Winter. Understanding dynamic capabilities // Strategic Management Journal. – 2003. – Vol.24. – no. 10. – P. 991–995.</li> <li>• D. G. Hoopes, T. L. Madsen and G. Walker. Why is there a resource-based view? // Strategic Management Journal. – 2003. – Vol.24. – no. 10. – P. 889–902.</li> <li>• D. J. Teece, G. Pisano and A. Shuen. Dynamic capabilities and strategic management// Strategic Management Journal. – 1997. – Vol.18. – no. 7. – P. 509–534.</li> </ul> <p><u>Assignment for Session 4:</u> Identify resources and competences of an organisation with which you are familiar. Identify strategic capabilities.</p>
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### *Topic 5. Strategic Choices*

<b>Session 4 – Olga Verkhovskaya</b>	
<p>11.03.09 10.45 – 12.15 13.00 – 14.30</p>	<p><u>Issues covered:</u> Identifying Strategic Business Units Sustaining Competitive Advantage Types of Competitive Advantage: Cost and Differentiation Porter’s Generic Strategies Features of Cost Leadership and Differentiation strategies Competitive Advantage from Diversification Diversification: the Evolution Management Thinking Motives for Diversification Relatedness in Diversification The costs and Benefits of Vertical Integration Managing Linkages between Businesses</p> <p><u>Intended learning outcomes:</u> After this session you should be able to:</p> <ul style="list-style-type: none"> <li>• explain how to identify strategic business units;</li> <li>• understand different bases of achieving competitive advantage;</li> <li>• understand why companies might increase their product/market diversity;</li> <li>• understand the difference between related and unrelated diversification;</li> <li>• explain different frameworks for managing linkages corporate portfolio.</li> </ul> <p>Textbook: Johnson G., Scholes K., Whittington R. Exploring Corporate Strategy. 8<sup>th</sup> ed. Prentice Hall, 2008. – Chapters 5, 6.</p> <p>Reading:</p> <ul style="list-style-type: none"> <li>• M. Goold, G. Luchs. Why diversify: four decades of management thinking// the Oxford Handbook of strategy. 2003.</li> </ul> <p><u>Assignment for Session 5:</u></p>

	<p>Task 1: Making preparations for the midterm test</p> <p>Task 2: Collecting preliminary ideas on reasons to internationalise business operations and arguments against internationalisation</p> <p>Project assignment: Studying instructions for the preparation of group reports and observing potential MNCs for analysis</p>
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***Topic 6. International Business Environment, Business Operations and Business Organisations***

<b>Session 5 – Andrey Medvedev</b>	
<p>18.03.09 09.00 – 10.30 10.45 – 12.15</p>	<p><b>Midterm test (45 minutes)</b> The test covers the first five topics of the course</p> <p><b><i>Topic 6</i></b></p> <p><u>Issues covered:</u> Reasons to Internationalise Business Operations. Arguments against Internationalisation Multinational Corporations Parent Company and Its Foreign Subsidiaries Quantitative and Qualitative Characteristics of MNCs Geographic Orientation of MNCs</p> <p><u>Intended learning outcomes:</u> After this session you should be able to understand the reasons for and arguments against internationalisation, the economic, organisational, legal, and managerial essence of MNC</p> <p>Textbook: Hill Ch. W. L. International business: competing in the global marketplace, 6<sup>th</sup> ed. McGraw-Hill / Irwin, 2007. – Chapter 1.</p> <p><u>Assignment for Session 6:</u> Task: MNC Profile. Preparation of group presentations Project assignment: Selecting an MNC for analysis</p>

***Topic 7. International Strategic Management***

<b>Session 6 – Andrey Medvedev</b>	
<p>23.03.09 16.30 – 18.00 18.15 – 19.45</p>	<p><i>MNC Profile – Internet case analysis: team presentations</i></p> <p><u>Issues covered:</u> Benefits from Foreign Expansion Configuration of Activities Competition in Multi-Domestic and Global Industries Mixed Industries The Global Integration / Local Responsiveness Framework Typology of Strategic Alternatives <i>Exercise: Four Strategic Alternatives</i> <i>Express-analysis: Strategic Alternatives for MNCs presented in the first part of the session</i></p> <p><u>Intended learning outcomes:</u></p>

	<p>After this session you should be able to recognise multi-domestic and global sectors and products (services), to know the theoretical background for international business strategy formulation and to distinguish factors influencing selection of a specific foreign expansion strategy for MNCs</p> <p>Textbook: Hill Ch. W. L. International business: competing in the global marketplace, 6<sup>th</sup> ed. McGraw-Hill / Irwin, 2007. – Chapter 12.</p> <p>Reading: Bartlett Ch. A., Ghoshal S., Birkinshaw J. (2008). Transnational management: text, cases, and readings in cross-border management, 5<sup>th</sup> ed. – McGraw-Hill, 2008. – Pp. 1–16; 93–108; 240–259.</p> <p><u>Assignment for Session 7:</u>  Task: <i>Case P&amp;G (three parts)</i>  Project assignment: Submitting the MNC selection</p>
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### ***Topic 8. International Organisation Design***

<b>Session 7 – Andrey Medvedev</b>	
01.04.09 09.00 – 10.30 10.45 – 12.15	<p><i>Case Analysis: P &amp; G, team work and presentation</i></p> <p><u>Issues covered:</u>  Vertical and Horizontal Differentiation  Centralisation vs. Decentralisation  Typology of Global Organisation Structures  <i>Exercise: Matching Strategies and Structures</i>  Co-ordination and Controls. Roles of Subsidiaries  International Strategic Alliances.  Networks</p> <p><u>Intended learning outcomes:</u>  After this session you should be able to design an appropriate organisational structure for an MNC following a particular strategic alternative</p> <p>Textbook: Hill Ch. W. L. International business: competing in the global marketplace, 6<sup>th</sup> ed. McGraw-Hill / Irwin, 2007. – Chapters 13, 14.</p> <p><u>Assignment for Session 8:</u>  Task: <i>Cases Shell, ABB, Dow Chemical, Motorola, Unilever</i>  Project assignment: Preparing to the project development discussion</p>

### ***Topic 9. Foreign Entry Modes: Non-Investment Modes***

<b>Session 8 – Andrey Medvedev</b>	
05.05.09 10.45 – 12.15 13.00 – 14.30	<p><i>Cases Shell, ABB, Dow Chemical, Motorola, Unilever, brief group presentations of MNC's organisation structures</i></p> <p><u>Issues covered:</u></p>

	<p>Market and Industry Entry Exporting Goods, Services, and Knowledge Contractual Operations <i>Exercise: Contract Manufacturing advantages vs. disadvantages</i></p> <p><u>Intended learning outcomes:</u> After this session you should be able to recognise a spectrum of non-investment entry modes, their advantages and disadvantages</p> <p>Textbook: Hill Ch. W. L. International business: competing in the global marketplace, 6<sup>th</sup> ed. McGraw-Hill / Irwin, 2007. – Chapter 14.</p> <p><u>Assignment for Session 9:</u> Task: <i>Case Electra</i> Project assignment: Submitting the first draft of the project</p>
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### ***Topic 10. Foreign Entry Modes: Investment Modes***

<b>Session 9 – Andrey Medvedev</b>	
<p>06.05.09 09.00 – 10.30 10.45 – 12.15</p>	<p><i>Case Electra – brief team presentation</i></p> <p><u>Issues covered:</u> Investment modes of Industry Entry International Mergers and Acquisitions; Green-Field Projects Joint Ventures <i>Exercise: Market Entry Mode Selection</i> Entry Mix; Entry Stages</p> <p><u>Intended learning outcomes:</u> After this session you should be able to compare different investment entry modes and to use rules of foreign market entry mode selection taking account of multi-domestic vs. global nature of an industry (product) and business opportunities and risks in a target country</p> <p>Textbook: Hill Ch. W. L. International business: competing in the global marketplace, 6<sup>th</sup> ed. McGraw-Hill / Irwin, 2007. – Chapter 7.</p> <p><u>Assignment for Session 10:</u> Tasks: <i>Cases HP, GM, Boeing, Timberland, Li &amp; Fung</i> Project assignment: Submitting the final copy of the group report on MNC's foreign entry</p>

### ***Topic 10. International Functional Strategies***

<b>Class 10 – Andrey Medvedev</b>	
<p>12.05.09 10.45 – 12.15 13.00 – 14.30</p>	<p><i>Cases HP, GM, Boeing, Timberland, Li &amp; Fung, team work (2 hours)</i></p> <p><u>Issues covered:</u> MNC Operations Strategy MNC Marketing Strategy MNC HR Strategy</p>

	<p><u>Intended learning outcomes:</u> After this session you should be able to use tools to manage operations, marketing, and human resources at headquarters and overseas subsidiaries to support selected strategy of MNC</p> <p>Textbook: Hill Ch. W. L. International business: competing in the global marketplace, 6<sup>th</sup> ed. McGraw-Hill / Irwin, 2007. – Chapters 16, 17, 18.</p> <p><u>Assignment for Session 11:</u> Project assignment: Submitting the PP presentation</p>
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***Topic 12. International Business Strategy Formulation and Implementation. Foreign Entry Mode Selection***

<b>Session 11 – Andrey Medvedev</b>	
13.05.09 09.00 – 10.30 10.45 – 12.15	Case Studies: A Foreign Company in Russia or a Russian Company Abroad. Group Presentations and Discussions

<b>Session 12 – Andrey Medvedev</b>	
20.05.09 14.45 – 16.15 16.30 – 18.00	Group Presentations and Discussions Conclusions

**Assessment Output**

Current evaluation of students' results is based on the assessment of their in-class activity (brief case discussions and presentations and short exercises).

Final evaluation of students' results is based on their in-class activity, group project reports and presentations, and written exam.

Project analysis has to be undertaken by groups of 4–5 students in the format of a case study using real life situation of an MNC business strategy and market or industry entry in a selected country. The report must represent an explicit relation between the defined MNC's strategy and entry mode selected in the target country and the appropriate theoretical patterns. The presentations of all reports and following discussions take place during the last session of the course.

The written exam is based on all course issues and materials. It consists of developing a strategic entry plan for a hypothetical company trying to enter a target country. Students have to characterise existing corporate and business strategy in the company and make a proposal on entry mode and implementation steps in selected geographic direction (organisation design, co-ordination of activities, control, production and technology strategy, marketing and PR policies, personnel-mix).

**Grading System**

Activity	Weight
In-class activity 1 (sessions 1–4)	5%
Mid-term test	15 %
In-class activity 2 (sessions 5–12)	10%
Group project reports	20 %
Final written examination	50 %



## **REFERENCES**

### **Basic readings**

1. Johnson G., Scholes K., Whittington R. (2005). Exploring Corporate Strategy: text and cases, 7<sup>th</sup> ed. – Harlow [etc.]: Prentice-Hall / Financial Times. – XXXVI, 1033 p.
2. Lasserre P. (2007). Global strategic management, 2<sup>nd</sup> ed. – Basingstoke, UK; New York: Palgrave Macmillan. – XXIV, 483 p.
3. Hill Ch. W. L. International business: competing in the global marketplace, 6th. ed. – Boston [et al.]: McGraw-Hill / Irwin, 2007. – XXI, 729, [4] p.

### **Additional readings**

1. Bartlett Ch. A., Ghoshal S., Birkinshaw J. (2008). Transnational management: text, cases, and readings in cross-border management, 5<sup>th</sup> ed. – Boston, MA [et al.]: McGraw-Hill, 2008. – XV, 822 p.
2. Peng Mike W. Global strategy. – Mason, OH : Thomson/South-Western, 2006. – XXV, 582 p.

### **Cases**

1. Medvedev A. Tikkurila Business Strategy in Russia. – Stockholm School of Economics, 1999.
2. Medvedev A. A Home Market Abroad: New Departures of Fazer Bakeriers in Russia. – CEEMAN, 2007.

Other required readings are mentioned in the syllabus or included in the compendium.