

International Strategy

(MNGT-E2009, 6 cr)

SYLLABUS

Version 2023-09-04

Note: The session schedules and content are subject to change

Instructors' contact information	Course information
<p>Teacher in charge: Professor of Practice Perttu Kähäri, perttu.kahari@aalto.fi</p> <p>Co-teachers: Professor Maria De Villa and Professor Hiroshi Kanno</p> <p>Course assistant: Anna-Riikka Smolander, anna-riikka.smolander@aalto.fi</p> <p><u>Location:</u> Aalto BIZ, Ekonominaukio 1, see room numbers on the description of each day below.</p> <p>Perttu is always glad to meet whenever needed. Please contact him any time via email at perttu.kahari@aalto.fi to set up an appointment to discuss any questions you have with the course, or broader questions about your studies or career. Perttu's office is Y210.</p>	<p>Academic Year 2023-24, Period I</p> <p><u>Schedule:</u> Tuesdays and Thursdays 9:15-12:00 with a few exceptions as per the schedule in the syllabus.</p> <p><u>Language of Instruction:</u> English</p> <p><u>Course Website:</u> Please consult the course website on MyCourses for much useful information on a regular basis during the course: https://mycourses.aalto.fi/course/view.php?id=40760</p>

OVERVIEW

This course will help prepare you for making important international business decisions and acting as an effective international manager. Most managers and scholars agree that the process of starting to do business in another country is challenging and risky, but also full of opportunities. Thus, we will learn some strategies to make the internationalization process easier, criteria for foreign market selection, the different modes of entry which are at our disposal, and when those different modes are preferable. We will also investigate various key aspects of international business, such as global supply chains, location choice, geopolitical risk and sustainability.

LEARNING OUTCOMES

This course explores how firms can best start, develop, and manage their international activities. Students will learn about the internationalization process, entry strategy, entry mode choice, mergers and acquisitions, global supply chains, the management of international operations, and the role of people in international organizations. We will study both small firms and large multinationals.

CONTENT

During the course, the following questions will be examined: (1) Why and how do firms internationalize? (2) What challenges do firms have as they start, develop, and manage their international operations, and what can be done to overcome these challenges and be successful in international business? (3) What are the advantages and disadvantages of different entry modes and internationalization strategies, and how can they best be designed and managed? (4) What are some of the strategies for successfully managing international operations? (5) How is it best to design and manage mergers and acquisitions? (6) What are the key issues to consider relating to international supply chains?

The course will include guests who will share their industry experience. This course has a strong practical focus and will seek to forge links between theory and practice while illustrating practical applications of the material discussed during the course. The material covered in the course is taught in a way that it is useful in practice.

MODE AND METHODS OF INSTRUCTION

This course will be held in-person in the classroom. This will support interaction which is instrumental for achieving the learning goals of the course. A wide variety of teaching methodologies will be used in this course including lectures, discussions, case studies, guest speakers, simulations, and group work. Regardless of the method used, significant student interaction is expected. It is our belief that students learn more effectively when they are active participants in the learning process.

PREREQUISITES

The course does not have specific prerequisites.

ASSESSMENT AND GRADING

The course assessment and grading consists of three parts:

Class participation (30%):

- Class attendance (10%)
- Forum posts (10%)
- Active participation (10%)
- Course feedback (extra 2%)

Individual assignments (35%):

- Final course report (20%)
- Video presentation (15%)

Case assignment in teams (35%)

The instructor reserves the right to give different grades to individuals in one team if it is determined that group members are not contributing as they should to the group work. The final grade (0 to 5) is based on the criteria below:

0-49 points	= 0
50-59 points	= 1
60-69 points	= 2
70-79 points	= 3
80-89 points	= 4
90-100 points	= 5

ASSIGNMENTS

Class attendance and actively participating in the class (10%+10%+2% of the final grade)

Interaction is a key part of doing international business and we want to reflect this in the course. This course is very much based around active class participation. Attending each lecture gives you one point and active participation can earn you 10 more points. Students are expected to read all of the pre-readings and resultantly be able to actively participate in relevant discussions. Giving the formal feedback at the end of the course earns you 2 more points.

Forum posts (individual work) (10% of the final grade)

After each lecture, we will start a thread with a post in the MyCourses forum page. You are expected to make one comment about each lecture, or its pre-readings. You may present an opinion about the lecture, ask about something that was left unclear, or comment on anything related to the topic. We expect short comments, which should not exceed 5 sentences. This is intended to be a quick and thought-provoking exercise which should not take more than 10-15 minutes to complete. You will get one point for each satisfactory comment, providing some insight or reflection.

Final course report (individual work) (20% of the final grade)

The final course report is an internationalization case analysis. In the report you should make a recommendation on an internationalization activity in the following way. Team Finland has collected market opportunities from across the world on their webpage www.marketopportunities.fi. You should browse through the various *Sales leads* and *Business opportunities* and pick one of them. Then you should select a company that you think could take benefit of this opportunity. This can be any Finnish or foreign company you can identify, but it should not be from the country where the sales lead or business opportunity is located.

In your report you should describe the business opportunity, explain its potential, and make a proposal on how the company should respond to this opportunity. Among other things, you should propose a suitable internationalization mode, explain what other options there would be, and argue why the company should choose this entry mode. Based on what you have learned during the course, you should sketch an action plan using your selected entry mode. Explain what else the company should take into account in order to grasp the opportunity and execute it well. Alternatively, if you have your own business or business idea, you can use that instead of the Team Finland opportunity. In this case, please clear the idea with Perttu in advance.

The report should be written in business style, i.e. be brief and concise in your conclusions and arguments. While no academic referencing is required, do not be discouraged to refer to, and reference, relevant academic theories where applicable.

Format: Written report between 4–5 pages long in 12 point font with 1.5 spacing.

Deadline: The report must be uploaded to the assignment submission box in MyCourses by midnight on the submission day (October 20, 2023).

Evaluation: Maximum number of points for the report is 20.

Individual assignment – Video presentation (15% of the final grade)

Also, this assignment is intended to help you to reflect on the knowledge accumulated during the course. The purpose of the video assignment is to summarize key findings while bringing your own perspective to it.

For the video, select one interesting learning point from the course. This can be from the readings, lectures, guest speakers or any other course component. In the video you should explain the selected topic, what it is about and why it is interesting and useful. Use different ways to argue for your point. Make reference to relevant course materials.

Format: Video with a length of 3-5 minutes

Deadline: The video link must be uploaded to the assignment submission box in MyCourses by midnight on the submission day (October 20, 2023).

Evaluation: Maximum number of points for the video is 15.

Case Assignment (group work) (35% of the final grade)

Students will work in groups analyzing the international operations of the case company Omron Healthcare. Omron Healthcare is a leading company of home-use medical devices, which provides services over 120 countries and regions. One of its major products, home-use blood pressure monitor, has over 50% of global market share. Omron Healthcare and the details of the assignment will be presented in the first lecture.

The grade for this assignment will be based on a report in the form of PowerPoint slide deck and a presentation (including Q&A) for Omron Healthcare executives and the course faculty. The presentations should not exceed 10 minutes, and will be followed by Q&A. Students are also encouraged to engage by asking questions about other groups' presentations. The instructors reserve the right to assign different grades for individuals if group members do not equally contribute to the project work. Additional information will be provided in class.

The case assignment will be run by Hiroshi Kanno, Professor and a former senior executive at Boston Consulting Group. Each group will have an individual meeting with Hiroshi from September 22-29. In the meeting you will get feedback on your project to improve the quality of your work. You should present your ideas and the focus of your project. Groups will be able to sign up for a specific time slot for these meetings in MyCourses.

Format:

1) A report to the Case Company in the form of PowerPoint slide deck, containing analysis and potential solutions. Note that this slide deck is not meant for the oral presentation, hence the number of slides is not limited.

2) Pitch presentation (max. 10 minutes), where you may use a subset of your slide deck. It is not required that all group members present although they can.

Deadline:

Upload both slide decks (report and presentation) to MyCourses by midnight on October 11. The presentation takes place on October 12.

Evaluation:

The maximum number of points for the assignment is 35. Both the report and the presentation will be taken into account in the evaluation.

TEACHING PHILOSOPHY

In short, the philosophy of this course is based on interaction because we are convinced that interactive teaching is the most effective way for participants to learn. Thus, your preparation is important as it affects not only how much you learn, but also how much your fellow course participants learn. **Therefore, it is essential that you thoroughly prepare for each class session, and our assumption going into every class session is that you have all prepared by reading the assigned readings and have reflected on them.** Please note that completing the readings is not enough, but you need to analyze and reflect on them prior to coming to class to be prepared for class discussions.

Listening, communicating, and persuading are important general management skills which are crucially important in an international context. We want you to learn and hone these skills in this course and therefore active class participation is strongly encouraged and graded. In addition to important management skills, active participation facilitates learning. Each of the readings has been carefully selected for its quality and to supplement your learning and perspectives.

We believe responsible challenges and debates are very important for discovery and understanding, and therefore we appreciate the willingness of individuals to engage in such activities with their classmates and us. However, this “air-time” involves an obligation to really contribute to class learning and not just saying something, for the sake of saying something. Thus, you should strive to make clear, concise, quality comments. By quality we mean that your comments contribute in a manner such that:

- They provide good insights or examples to the class discussion
- They help us sort through ambiguous issues
- It integrates other participants’ ideas into a coherent framework

However, do not be disheartened if you do not understand certain discussions, theories, or perspectives. Contributing to the discussion can also come in the form of asking for clarification on certain topics which remain unclear.

ACCESSING READING MATERIAL AND PREPARING FOR CLASS

Please find below a schedule for the course. Each session has reading materials which form a basis for your learning and will help you prepare for the discussion. Please make sure that you have read, and reflected, on all the readings prior to attending the relevant class sessions.

Some of the reading materials (e.g. book chapters) are available on MyCourses under Materials and organized by session. Links to journal and press articles and videos are provided below in this syllabus. Depending on how, and where, you access these, the links may not work. If they do not work, you can access the material on campus by entering the reference information into the library's general search engine (primo.aalto.fi), or by searching with Google Scholar (scholar.google.fi). Unfortunately, university policy mandates that we cannot upload journal articles to MyCourses. We apologize for this inconvenience.

ETHICAL ISSUES

We expect adherence to the highest standards of scholastic honesty by participants in this course including all items discussed in the [Aalto University Code of Academic Integrity and Handling Violations Thereof](#). Among other things this includes avoiding plagiarism and using proper citation practices.

COURSE WORKLOAD

Contact hours	31 hours
Class preparation	54 hours
Assignments	75 hours
Total	160h (6 ECTS)

SCHEDULE

Note: This schedule is subject to change. MyCourses always has the most up-to-date version.

Session 1: Introduction to the Course and to the Case

Tuesday September 5, 9:15–12:00, room V001 (Professor Perttu Kähäri, Professor Hiroshi Kanno and OMRON representatives)

This session will have three parts. First, we will discuss the learning goals, structure and practicalities of the course, including how the course will work and what the course will cover. Second, we will discuss international business and trade as a phenomenon. Third, we will introduce the OMRON Healthcare case assignment. Lucia Prada, Senior Marketing Director at Omron Healthcare Europe will join us online to present the case and answer questions.

Readings:

1. No pre-reading for the first session

Session 1b: Team meeting for the case preparation

Friday September 8, 9:15–12:00, room F102 (NB! The session is exceptionally on Friday)

This session is reserved for your first team meeting to get started with the case assignment. Read the case materials before the session and meet with the team to plan your case work. You should produce a short plan (2-3 slides) in which you present (1) your planned tasks and schedule for the project, and (2) the responsibilities of each team member. Please submit your plan to MyCourses assignment box by midnight on September 8.

Readings:

1. OMRON Healthcare case materials.

Session 2: Internationalization strategies and entry modes

Tuesday September 12, 9:15–12:00, room V001 (Professor Maria De Villa)

In this session we will discuss different types of internationalization strategies and entry mode choices available, and their relations. We will examine the types of internationalization strategies followed by MNEs from advanced and emerging markets and from a variety of industries. We will reflect upon the question, “what is the ideal internationalization strategy?” As part of the session we will explore the Moomin case; please make sure to prepare for the case in advance.

Readings:

1. Moomin case (available in MyCourses)
2. Frynas, J. G., Mellahi, K. (2015). Introduction to global strategic management. In *Global Strategic Management*. Oxford University Press: Oxford.
3. Frynas, J. G., Mellahi, K. (2015). Managing the internationalization process. In *Global Strategic Management*. Oxford University Press: Oxford

Session 3: International Mergers and Acquisitions

Thursday September 14, 9:15–12:00, room V001 (Professor Maria De Villa)

In this session we will focus on how to design and manage international mergers and acquisitions. We will compare the traditional approaches to M&As of MNEs from advanced countries vs. MNEs from emerging countries, and discuss how these approaches are changing. We will also run a group exercise on M&A.

Readings:

1. Peng, M. W., & Meyer, K. E. (2011). Building global strategies (Chapter 14). In *International Business*. Cengage Learning EMEA.
2. Daume, P., Lundberg, T., McCurdy, P., Rudnicki, J., & Wol, L. (2021). How one approach to M&A is more likely to create value than all others. *McKinsey Quarterly*

Session 4: Geopolitical risk and international business

Tuesday September 19, 9:15–12:00, room V001 (Professor Maria De Villa)

In this session we will discuss how managers should go beyond general assessments of geopolitical risk, to identify how geopolitical risk can impact their MNE's operations. We will also discuss how geopolitical risk not only poses challenges, but can also generate opportunities for some MNEs. We will examine different political strategies that MNEs can deploy to respond to (geo)political risks, and discuss how these strategies are often used by MNEs across international markets.

Readings:

1. Dhawan, R. & West, S. (2019). The CEO as Chief Geopolitical Officer. *KPMG and Euroasia Group*.
2. De Villa, M. A. (2023). Assessing geopolitical risk: A multi-level approach for top managers of multinationals. *AIB Insights*. Please download from: <https://insights.aib.world/article/67875-assessing-geopolitical-risk-a-multi-level-approach-for-top-managers-of-multinationals>

Session 5: Sustainability and stakeholder pressures in international markets

Thursday September 21, 9:15–12:00, room V001 (Professor Maria De Villa)

In this session we will discuss how sustainability and stakeholder pressures are being confronted by MNEs in international markets. We will discuss current sustainability trends and predominant stakeholder demands around the globe. We will examine stakeholder engagement as an essential part of business sustainability. We will focus on how MNEs can integrate sustainability and stakeholder expectations into their business strategy.

Readings:

1. Rezaee, Z. (2021). Business sustainability with a focus on profit-with-purpose concept. In *Business Sustainability: Profit-with-Purpose Focus*. Harvard Business Publishing.

2. Nooyi, I, & Govindarajan, V. (2020). Becoming a better corporate citizen: How Pepsico moved toward a healthier future. *Harvard Business Review*.
3. Rigby, D., First, A., & O’Keeffe, D. (2023). How to create a stakeholder strategy. *Harvard Business Review*.

Session 5b: Case Group Feedback Meeting with Professor Hiroshi Kanno

Meeting to be booked between September 22 and 29 (rooms confirmed on booking)

To help in doing quality case projects each group will have an individual meeting with Hiroshi sometime between September 22 and 29. Further instructions on how to book a feedback session time will follow. This is a chance for you and your group to get feedback on your preliminary ideas about what to propose for the case and ask any questions you have about the case. Please note that this meeting counts as one of the teaching sessions.

Session 6: Location choice

Tuesday September 26, 9:15–12:30, room V001 (Professor Perttu Kähäri)

We will discuss the aspects of location choice in MNEs and startups based on the literature and case examples. We will also look into a research project on Headquarters locations (see <https://www.aalto.fi/en/department-of-management-studies/location-research-project>). We will have a guest speaker, who will present recent results from this research.

At the end of this session (11.30-12.30) Lucia Prada from OMRON Healthcare will join to answer your questions.

Readings:

1. Beugelsdijk, S., & Mudambi, R. 2013. MNEs as border-crossing multi-location enterprises: The role of discontinuities in geographic space. *Journal of International Business Studies*, 44: 413–426
2. HQ Location Project website: <https://www.aalto.fi/en/department-of-management-studies/location-research-project>

Session 7: Global Supply Chains

Thursday September 28, 9:15–12:00, room V001 (Professor Perttu Kähäri)

In this session we will discuss global supply chains. We will cover the aspects of global sourcing, offshoring and the logistics related to managing supply chains. We will also discuss the sustainability aspects of global supply chains. The second half of this session will be a hands-on class exercise carried out in groups.

Readings:

1. To be advised

NO SESSION

Tuesday October 3, 9:15–12:00, room T003

Session 8: Start-up and platform business internationalization

Thursday October 5, 9:15–12:00, room T003 (Professor Perttu Kähäri)

This session will focus on the internationalization of start-ups and platforms. We will discuss the effects of digitalization on international operations and how start-ups and platforms may differ from MNEs. We will also have a guest Aku Siukosaari, Program Manager for Global Support Operations and a former Launcher at Wolt, a Finnish platform business. Aku will talk about their international strategy and rapid internationalization.

Readings:

1. To be advised

Session 9: People in international business

Tuesday October 10, 9:15–12:00, room V001 (Professor Perttu Kähäri)

This session will focus on the role of people in international business. We will discuss what internationalization means for managers and employees, and how one can foster a multicultural mindset. We will also discuss diversity and inclusion, expatriation/repatriation in MNEs, and the role of language for people in international business.

Readings:

1. To be advised

Session 10: Final Case Presentations

Thursday October 12, 8:30–12:00, room V001 (NB! Timing may change)

Each group will make a 10 minute presentation followed by Q&A from the case team and fellow students. You will receive feedback from the OMRON Healthcare Case Team and Professors Hiroshi Kanno and Perttu Kähäri Further instructions will be provided in the beginning of the course. The detailed timing and other practicalities will depend on the number of students taking the course.