

# **BUS 202**

# **International Business Operations**

S2 Day 2019

Department of Management

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#### Disclaimer

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

#### **General Information**

Unit convenor and teaching staff

**Unit Coordinator** 

Monica Ren

monica.ren@mq.edu.au

Contact via Email

Please view consultation hours via iLearn - https://ilearn.mq.edu.au/login/

Credit points

3

**Prerequisites** 

(24cp at 100 level or above) including BUS201

Corequisites

Co-badged status

Unit description

This unit introduces students to the key concepts of business operations from an international perspective. Major issues considered include: modes and patterns of international expansion; the management of international strategic cooperation; an emphasis on small to medium size businesses and how they compete on a global level; and the development of new international organisation forms and their implications for management. Structure and strategy are explored from the perspective of their roles as foundations of the organisation, with an emphasis on how all types of businesses have grappled with the operational and organisational challenges of international business.

### Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <a href="https://www.mq.edu.au/study/calendar-of-dates">https://www.mq.edu.au/study/calendar-of-dates</a>

## **Learning Outcomes**

On successful completion of this unit, you will be able to:

Understand the principles underlying the international expansion of firms

Comprehend the key features of international business operations on the scale, scope and pace of international business activity

Understand the nature of international firms specifically, their strategy, their organization, industry and nationality

Understand the main characteristics of the various foreign market entry strategies available to firms and the principles which govern the selection of these entry strategies Collaborate effectively with a team to analyse case studies and write a report with detailed analysis of a firms situation using empirical data and research

#### **Assessment Tasks**

Name	Weighting	Hurdle	Due
Individual Weekly Essay	20%	No	Week 4 & Week 8
Group Report	30%	No	Week 10
Final Examination	50%	No	Examination Period

### Individual Weekly Essay

Due: Week 4 & Week 8

Weighting: 20%

Individual Weekly Essay Assessment Summary Task Description An essay requires the systematic investigation of a topic and the development of a written argument. Essays assess cognitive and research skills. Essays are expected to develop coherent arguments, be founded on thorough research, and provide insight into the topic area. Please check the weekly tutorial case and topical questions from the unit schedule. Type of Collaboration Individual Submission Please Submit Via Turnitin Link on iLearn. Format Please refer to the iLearn Unit page Length 1,000 words +/- 10% Inherent Task Requirements None Late Submission Late essays must be submitted through Turnitin. No extensions will be granted. There will be a deduction of 10% made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission incurs a 20% deduction). Late submissions will be accepted up to 96 hours after the due date and time.

This penalty does not apply for cases in which an application for <u>Special Consideration</u> is made and approved. Note: applications for <u>Special Consideration Policy</u> must be made within 5 (five) business days of the due date and time.

On successful completion you will be able to:

- Understand the principles underlying the international expansion of firms
- Comprehend the key features of international business operations on the scale, scope and pace of international business activity
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### **Group Report**

Due: Week 10 Weighting: 30%

#### **Group Report Assessment Summary Task Description**

Analyse a real Australian Pharmaceutical company's internationalisation strategies to one of the emerging countries. Use three chapters' topics from your textbook as directions of your discussion.

A group report is a written document outlining the results of a detailed analysis of a situation using empirical data and research. Reports are used to assess critical thinking, analytical and research skills. As this is a group exercise all members of the group are expected to contribute actively and substantially. While it is understood that some members of the group may have different input in the research and the written component the group will be required to acknowledge that all group members have given quality time to the project.

Type of Collaboration Group Submission Please Submit Via Turnitin Link on <u>iLearn</u> Format Please refer to the <u>iLearn</u> Unit page Length 5,000 Words Inherent Task Requirements None Late Submission

Late reports must be submitted through Turnitin. No extensions will be granted. There will be a **deduction of 10%** made from the total awarded mark for each **24 hour period** or part thereof that the submission is late (for example, 25 hours late in submission incurs a 20% deduction). Late submissions will be accepted up to 96 hours after the due date and time.

This penalty does not apply for cases in which an application for <u>Special Consideration</u> is made and approved. Note: applications for <u>Special Consideration Policy</u> must be made within 5 (five) business days of the due date and time.

On successful completion you will be able to:

- Understand the principles underlying the international expansion of firms
- Comprehend the key features of international business operations on the scale, scope and pace of international business activity
- Understand the nature of international firms specifically, their strategy, their organization, industry and nationality
- Understand the main characteristics of the various foreign market entry strategies
   available to firms and the principles which govern the selection of these entry strategies
- Collaborate effectively with a team to analyse case studies and write a report with detailed analysis of a firms situation using empirical data and research

#### **Final Examination**

Due: Examination Period

Weighting: 50%

Final Examination Assessment Summary Task Description A final examination is included as an assessment task for this unit to provide assurance that the product belongs to the student and the student has attained the knowledge and skills tested in the exam. Type of Collaboration Individual Submission You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. Format Please refer to the iLearn Unit page Length 2 Hours Inherent Task Requirements None Late Submission Please see Assessment Policy Schedule 4.

The only exception to not sitting an examination at the designated time in the University Examination Timetable is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for special consideration. This penalty does not apply for cases in which an application for <u>Special Consideration</u> is made and approved. Note: applications for <u>Special Consideration Policy</u> must be made within 5 (five) business days of the due date and time.

On successful completion you will be able to:

- · Understand the principles underlying the international expansion of firms
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   available to firms and the principles which govern the selection of these entry strategies

# **Delivery and Resources**

Required text	A custom edition has been prepared for this subject entitled:		
	<ul> <li>Cavusgil, Knight and Riesenberger, 2017, International Business: The New Realities, 4th Edition, Pearson.</li> </ul>		
	This book is available for purchase at the University Bookshop.		
Unit web page	The web page for this unit can be found at: https://ilearn.mg.edu.au/login		
Technology Used and Required	Students will need to use: Library databases to source materials for the research reports, which are accessed electronically for conducting, research for assignments; Electronic (internet) access to iLearn to download unit learning resources and upload assignments or other materials required for class activities and assignments; Microsoft word and Power point (where applicable) for the research reports and presentations).		
Delivery Format and Other Details	<ul> <li>Number and length of classes: 1 x 2 hour lecture and 1 x 1 hour tutorial, i.e. 3 hours face to face per week unless indicated otherwise in the lecture schedule. Classes may vary due to public holiday(s)</li> <li>Tutorials will commence in Week 2</li> </ul>		
	The timetable for classes can be found on the University web site at: <a href="http://www.timetables.mg.edu.au/">http://www.timetables.mg.edu.au/</a>		

# Recommended readings

- Daniels, Radebaugh, and Sullivan, 2019, International Business Environments & Operations, 16<sup>th</sup> Edition,
   Pearson.
- · Buckley, P, J., (2011) Globalization and the global factory, Cheltenham, UK: Edward Elgar
- Cassia, L., (2010) Global outsourcing strategies: The internationalisation of the electronics industry,
   Cheltenham, UK: Edward Elgar
- Daniels, J.D., Radebaugh, L. H., Sullivan, D.P., (2011) International business: Environments and operations,
   13th ed, Upper Saddle River, NJ: Pearson/Prentice Hall
- Dick, H., & Merrett, D., (2012) The internationalisation strategies of small-country firms: The Australian experience of globalization, Cheltenham, UK: Edward Elgar
- Dodgson, M. Gann, D. Salter, A., (2008) The management of technological innovation: Strategy and practice,
   Oxford: Oxford University Press
- Dolfsma, W., Duysters, G., & Costa, I (2009) Multinationals and emerging economies: The quest for innovation and sustainability, Cheltenham, UK: Edward Elgar
- Dunning, J. H., Lundan, S., (2008) Multinational enterprises and the global economy, Cheltenham, UK:
   Edward Elgar
- Forsgren, M., (2009) Theories of the multinational firm: A multidimensional creature in the global economy,
   Cheltenham, UK: Edward Elgar
- Gabrielsson, M., & Manek Kirpalani.V.H., (2012) Handbook of research on born globals, Cheltenham, UK:
   Edward Elgar
- letto-Gillies, G., (2012) Transnational corporations and international production: Concepts, theories and effects, Cheltenham, UK: Edward Elgar
- Jansson, H (2007) International business marketing in emerging country markets: The third wave of internationalisation of firms, Cheltenham, UK: Edward Elgar
- Mentzer, J.T., Myers, M. B., Stank, T.P., (2007) Handbook of global supply chain management, Thousand Oaks: Sage Publications
- Peng, M. W., (2008) Global business, Mason, Ohio: South-Western Cengage Learning
- Verbeke, A., & Merchant, A (2012) Handbook of research on international strategic management,
   Cheltenham, UK: Edward Elgar
- Welch, L.S., Benito, G.R., & Petersen, B (2007) Foreign operation methods: Theory, analysis, strategy,
   Cheltenham, UK: Edward Elgar

#### **Unit Schedule**

Please Note: the week-by-week lecture content and/or tutorial activities below are subject to changes by the UC if required.

Week	Lecture Content	Tutorial Activities
1	Introduction to the unit	NO TUTORIAL IN WEEK 1
	PART 1: FUNDATION CONCEPTS	
	Chapter 1	
	What is International Business?	

2	Chapter 2	Overview of unit and assessments.
2	Globalization of Markets and the Internationalization of the Firm	Getting to know each other, group formation for the group assignment.
		IMPORTANT! PLEASE ATTEND TUTORIAL IN WEEK 2 for GROUP FORMATION and PRESENTATION ALLOCATIONS.
3	PART 2: STRATEGY AND OPPORTUNITY ASSESSMENT	Chapter 1 Closing Case Study: "Internationalization at Vodafone" (p.50-51 from your textbook)  1)How can Vodafone benefit from expanding internationally?
	Chapter 11 Strategy and Organization in the International Firm	2) Why did the German government and public resist the acquisition of Mannesmann by Vodafone in 1999? Are there any similarities with the lack of success of the company to acquire a local Chinese operator, or a stake in China Mobile in recent years?
		Additional discussion question  What are some of the key motivations for firms to engage in international business?
		Tutorial Case Study 1 Discussion
4		Chapter 2 Closing Case Study: "Debating the good and harm of globalization" (p.78-79 from your textbook)
	Chapter 12 Global Market Opportunity Assessment	1. Summarize the arguments in favor of globalization that the business executive made. What is the role of technology in supporting company performance in a globalizing business environment?
		<ol> <li>What is the role of education in (1) addressing the problems raised in the roundtable,</li> <li>(2) creating societies in which people can deal effectively with public policy issue, and</li> <li>(3) creating citizens who can compete effectively in the global marketplace?</li> </ol>
		AT1 submission

5	PART 3: THE INTERNATIONAL BUSINESS ENVIRONMENT	Chapter 11 Closing Case Study: "Global strategy at Lenovo" (p.340-342 from your textbook)
	Chapter 8 Understanding Emerging Markets	1. What is strategy? How does Lenovo use strategy to success in the global marketplace? What strategies does Lenovo employ to maximize company efficiency and flexibility? What does Lenovo management do to foster organizational learning?
		1. What is the nature of Lenovo's international strategy? Is the firm's strategy primarily multi-domestic or global? Justify your answer. What advantages does Lenovo derive from the particular international strategy(s) that it pursue?
		Tutorial Case Study 3 Discussion
6	Chapter 10  Financial  Management and Accounting in the Global Firm	Chapter 12 Closing Case Study: "Advanced Biomedical Devices: Accessing Readiness to Export" (p.368-369 from your textbook)
		<ol> <li>Do you believe ABD's products are in a state of readiness to begin exporting to Europe? Why or why not? Are the products ready for exporting to emerging markets (e.g., China, Mexico, Russia)? Why or why not?</li> <li>What factors suggest Speedheal products might enjoy demand in all types of foreign markets?</li> </ol>
7	PART 4: FUNCTIONAL AREA IN IB OPERATIONS	Chapter 8 Closing Case Study: "Prowling for success: the revival of Jaguar Land Rover" (p.252-254 from your textbook)
	Chapter 13  Exporting and Global Sourcing	<ol> <li>How do you believe the shift of economic activity to emerging regions affects growth in advanced economies? Discuss if a reverse shift of activity is possible.</li> </ol>
		Discuss if Jaguar could be spun back into an independent brand once again. What are the limitations of such a move?
		Tutorial Case Study 5 Discussion
MID	TERM	BREAK (2 weeks)

8	Chapter 14	
Ü	Foreign Direct Investment and Collaborative Ventures	Chapter 10 Closing Case Study: "International Financial Management at Tektronix" (p.307-308 from your textbook)
		1. What are the implications for currency risk of TEK focusing its manufacturing in the US but generating most of its sales abroad? Competitors such as HP and Kodak are more geographically diversified in their sourcing. What advantages does this create for them?
		1. The case describes approaches TEK follows to minimize its international tax liability. Based on your reading and understanding of the chapter, how would you advise TEK management to reduce its taxes around the world further?
		AT1 submission
9	Chapter 16	Chapter 13 Closing Case Study: "Barrett Farm Foods: A small firm's international launch" (p.401-402 from your textbook)
	Marketing in the Global Firm	Why does Austrade want Australian firms to focus on exporting processed foods? Why is exporting high value-added products good for Australia?
		1. Why did Barrett choose exporting as its entry strategy for Europe, as opposed to foreign direct investment or licensing? What advantages does exporting provide to Barrett? What are the potential drawbacks of exporting for Barrett?
		Tutorial Case Study 7 Discussion
10	Chapter 17	AT2 GROUP REPORT DUE IN WEEK 10
	Human Resource Management in the Global Firm	(FRIDAY BY 8pm ON TURNITIN)
		Chapter 14 Closing Case Study: "China's Going Out Strategy" (p.429-431 from your textbook)
		Analyze Chinese FDIs overall trend, and compare the case of USA and the EU. How do the two trends related one to another, if any?
		1. Over the last decade Chinese investments in the EU have been welcomed. How would you assess the EU's likely attitude to Chinese investment in the longer term?
		Tutorial Case Study 8 Discussion

11	Daniels, Radebaugh and Sullivan, 2019, 16 <sup>th</sup> edition. Chapter 18	Chapter 16 Closing Case Study: "H&M: International Marketing Success Story (p.485-486 from your textbook)
	(p. 537-560)  Global Production and Supply Chains	1. How does management at H&M use global branding and global product development to create and offer its fashions? How does the firm use marketing mix elements to market it offerings around the world?
		How does H&M strike a balance between standardization and adaptation of its marketing program? What advantages does H&M gain from standardization? From adaptation? What factors drive management to adapt offering in particular markets?
		Tutorial Case Study 9 Discussion
12	Guest Lecture	Chapter 17 Closing Case Study: "Human Resource Challenges at Sony (p.511-512 from your textbook)
		What is your view of Sony's training efforts? What steps could Sony take to improve its training in light of its multi-country operations?
		1. Sony has experienced labor relations problems in Indonesia and elsewhere. What strategies should management follow to improve labor relations? What can it do to reduce the number and severity of labor difficulties the firm might face in the future?
		Tutorial Case Study 10 Discussion
13	Revision Lecture	Visit the Toyota Motor Corporation (www.toyota-global.com) and click on "Company". Toyota has a complex value chain. Based on the information provided at the Web site, address the following questions:
		1. What types of upstream (for example, R&D, sourcing, manufacturing) global supply chain activities does Toyota perform?
		2. What types of downstream global supply chain activities (for example, marketing, distribution, after-sales service) does Toyota perform?
		3. Identify the types of participants (mainly intermediaries and facilitators) that Toyota is likely to use at each stage of the supply chain.

### **Policies and Procedures**

Macquarie University policies and procedures are accessible from Policy Central (https://staff.m q.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Appeals Policy

- Academic Integrity Policy
- Academic Progression Policy
- Assessment Policy
- · Fitness to Practice Procedure
- Grade Appeal Policy
- Complaint Management Procedure for Students and Members of the Public
- Special Consideration Policy (Note: The Special Consideration Policy is effective from 4
   December 2017 and replaces the Disruption to Studies Policy.)

Undergraduate students seeking more policy resources can visit the <u>Student Policy Gateway</u> (htt <u>ps://students.mq.edu.au/support/study/student-policy-gateway</u>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit Policy Central (https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central).

#### **Student Code of Conduct**

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/study/getting-started/student-conduct

#### Results

Results published on platform other than <u>eStudent</u>, (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in <u>eStudent</u>. For more information visit <u>ask.mq.edu.au</u> or if you are a Global MBA student contact globalmba.support@mq.edu.au

#### Student Support

Macquarie University provides a range of support services for students. For details, visit <a href="http://students.mq.edu.au/support/">http://students.mq.edu.au/support/</a>

#### **Learning Skills**

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to improve your marks and take control of your study.

- Workshops
- StudyWise
- Academic Integrity Module for Students
- Ask a Learning Adviser

### Student Services and Support

Students with a disability are encouraged to contact the Disability Service who can provide

appropriate help with any issues that arise during their studies.

### Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

If you are a Global MBA student contact globalmba.support@mq.edu.au

#### IT Help

For help with University computer systems and technology, visit <a href="http://www.mq.edu.au/about\_us/">http://www.mq.edu.au/about\_us/</a> offices\_and\_units/information\_technology/help/.

When using the University's IT, you must adhere to the <u>Acceptable Use of IT Resources Policy</u>. The policy applies to all who connect to the MQ network including students.

### **Graduate Capabilities**

### Capable of Professional and Personal Judgement and Initiative

We want our graduates to have emotional intelligence and sound interpersonal skills and to demonstrate discernment and common sense in their professional and personal judgement. They will exercise initiative as needed. They will be capable of risk assessment, and be able to handle ambiguity and complexity, enabling them to be adaptable in diverse and changing environments.

This graduate capability is supported by:

#### **Learning outcomes**

- Understand the main characteristics of the various foreign market entry strategies
   available to firms and the principles which govern the selection of these entry strategies
- Collaborate effectively with a team to analyse case studies and write a report with detailed analysis of a firms situation using empirical data and research

#### Assessment tasks

- · Individual Weekly Essay
- Group Report
- Final Examination

# Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

#### Learning outcomes

- Understand the principles underlying the international expansion of firms
- Comprehend the key features of international business operations on the scale, scope and pace of international business activity
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   available to firms and the principles which govern the selection of these entry strategies

#### Assessment tasks

- · Individual Weekly Essay
- Group Report
- Final Examination

### Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

### Learning outcomes

- Understand the principles underlying the international expansion of firms
- Comprehend the key features of international business operations on the scale, scope and pace of international business activity
- Understand the nature of international firms specifically, their strategy, their organization, industry and nationality
- Understand the main characteristics of the various foreign market entry strategies
   available to firms and the principles which govern the selection of these entry strategies
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#### Assessment tasks

- · Individual Weekly Essay
- Group Report
- Final Examination

### Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

#### **Learning outcomes**

- Understand the principles underlying the international expansion of firms
- Comprehend the key features of international business operations on the scale, scope and pace of international business activity
- Understand the nature of international firms specifically, their strategy, their organization, industry and nationality
- Understand the main characteristics of the various foreign market entry strategies available to firms and the principles which govern the selection of these entry strategies
- Collaborate effectively with a team to analyse case studies and write a report with detailed analysis of a firms situation using empirical data and research

#### Assessment tasks

- Individual Weekly Essay
- Group Report

# **Changes from Previous Offering**

There are some major changes in this unit compared to the last offering:

1. Modifications on assessments

# **Changes since First Published**

Date	Description
17/07/2019	update staff contact details