

Prerequisite: Introductory courses in economics, marketing, management and organizational behavior, or consent of instructor.

**Overview:**

This course is geared to provide 3 semester-hours of academic credit while satisfying requirements for a foreign academic experience in an international business program. We address a broad range of issues confronted in the conduct of international business and management of international supply chains, while taking advantage of the London cultural environment. We explore the variety of legal, political, and economic systems that exist in major economies and consider their influence on business practices. We discuss international trade agreements and their effects on trade and investment. We identify the major factors that affect currency exchange rates. We examine alternative international business strategies and strategic alliances. Finally, we note particular issues that arise in international marketing, human resource management and business logistics. The evolution and management of international supply chains will be studied against the backdrop of the dramatic shifts in commodity prices, currency exchange rates, and turmoil in capital markets that have occurred since 2007.

The course thus begins with a macro view of the global business environment and then concentrates on issues pertinent to the organization and management of individual business enterprises. Lectures, readings from the text book, reviews of contemporary articles in the popular financial press, and class presentations by students will compose the course. Classes will generally consist of a lecture with an overview of the day’s topics, followed by a roundtable discussion of current issues that will be motivated by students’ reviews of current items in the popular press (especially the Financial Times). Students will collaborate in teams with two or three members to prepare the material for the class discussion. Student teams will also collaborate in producing a term paper which they will submit and summarize in the final class of the term.

Field trips will expose students to British enterprises involved in international manufacturing and distribution, information services, and financial services.

An approximate grading system will be:
- Midterm exam 20%
- Final exam 25%
- Weekly class presentations 25%
- Term paper and class presentation 30%
Topical Outline

Macro Business and Economic Environments

Overview of International Business
  Forms of international business activity
  Exploiting relative advantage and pursuing market opportunities

Forces that facilitate and impede international business
  Political pressures for protectionism and arguments for free trade

Instruments of National Trade Policy
  Tariffs, subsidies, export financing programs, foreign trade zones, import quotas,
  voluntary export restraints, local content requirements, countervailing duties, anti-
  dumping regulations, unarticulated administrative practices

International Agreements and Regulatory Bodies
  World Trade Organization (WTO)

Regional Economic Integration
  Evolution of European Union
    Free-trade areas, customs union, common market, economic union, political union
  Evolution of NAFTA
  Other Trading Blocs
    MERCOSUR
    ASEAN
    APEC

Bilateral agreements

Global Monetary System and International Finance
  Foreign exchange
    Effects of economic forces and monetary policies on exchange rates
  International monetary system
    IMF and World Bank

********** Midterm exam **********
Organizing and Managing an International-Business Enterprise

Cultural Influences on Business Organizations and Practices
- Social values, strata, communication styles
- Symbolism
- Religion
- Language
- Hofstede’s model of culture in the workplace

International Negotiations
- Diplomacy with governmental agencies and officials
- Negotiating styles in different cultures

International Business Strategies
- Systematic evaluation of international opportunities
- Exploitation of comparative advantage
- Value chain concepts
- Risk mitigation
- Diversification versus concentration on core competencies
- Entry strategies
  - Exporting, licensing, franchising, joint ventures, strategic alliances, foreign direct investment
- Research and development
  - Protection of intellectual property

Organizational Structures and Practices for International Enterprises
- Centralization versus decentralization of responsibility and authority
- Hierarchical structures
  - Based on product lines, business functions, geography
- Matrix structures
- Personnel management, industrial relations

International Marketing
- Assessing market potential and business opportunities
  - Local adaptation
    - Brand image
    - Product design
    - Advertising media and themes
  - Coping with differences in language
Business Logistics and Supply Chain Management
  Basic principles
  consolidation, leanness, value contribution, postponement, diversification, hedging,
  redundancy, collaboration, core competency, differentiation, responsiveness,
  adaptation, flexibility, speed, agility, and best-in-breed
Production and distribution networks
Securing physical plant, equipment, inventories and personnel
Materials management (supply chains and production and inventory strategy)
Quality control
Information infrastructures
Mechanics of international shipments
  Roles of agents, brokers, and freight forwarders
  Contractual options for transfer of ownership and payment for goods
  Securing payment through letters of credit
Emergence of 3rd party logistics (3PL)
INCOTERMS

******* Final exam *******