Course description and objectives

This is a survey course that will familiarize you with the complexity of international business, the different factors that influence international business and how much of it affects us as individuals. It covers the global environment, international trade, global marketing and human resource issues, international business strategy, foreign exchange and monetary policy, and other areas.

GBM Program Objectives That Are Addressed by Our Course Objectives

1. Understand how the macro global environment (political, socio-cultural issues, economic, technological, and competitive) can affect the firm's micro environment. (supply chain, marketing, financial, and management issues)

2. Be confident in your ability and passionate about applying your knowledge and skills to help solve firm-level problems related to global business.

In addition, the objectives of this course are to balance conceptual and practical application of the information so that you better appreciate the global business world we live in and the inter-related effects it creates.

Text


Learning Experiences: How are we going to achieve the objectives?

1. Import-Export Project

This is an opportunity for you, in groups of 4-5 students, to develop a basic import-export plan for a product/set of products that you might actually contemplate importing from a foreign country to the U.S. or exporting from the U.S. to a foreign country. In your plan, which will be described in more detail in Addendum B, you will state the product(s), the objectives, the process you must follow to import/export, the issues to consider (exchange rates, mode of transportation, economic purchasing power, demographic and social trends, applicable tariffs or duties, etc.), the specific documents you will need to make the transaction and any laws you should be aware of.

One of the goals of this class is to help you understand from a practical perspective the topics we will cover. This project will expose you to virtually every important aspect of international business in a practical way (political, social and economic issues in foreign countries, trade barriers, exchange rate differences, the process of exporting and
importing, foreign market analysis, etc.). These are the reasons why this project has been selected.

You will present a written research report with complete documentation at the end of the semester. The written version will be worth 75 points. The page length could easily be anywhere between 10 –15 single-spaced pages, excluding documents/forms, etc. that will be part of the appendices.

II. Current events participation

To get each one of you personally involved in “marrying” the academic concepts of global business we cover with the actualities of global business issues, each of you will share one current event in international business (anything that relates to international business) during the semester but relevant to the chapter material assigned for that class. We will have a sign-up sheet for the date you will share your current event. The source of your current event might be from a newspaper or a periodical (Business Week, Fortune, Financial Times, The Economist, WSJ, or from foreign language equivalents, etc.). The importance, interest to the class, tying of information to class issues and clarity of expression will determine your points. (5 pts. total)

III. Interviews

To also help accomplish the objectives of the course, you will find two people that are involved in some aspect of international/global business and will interview them. This will give you an additional practical perspective on global business. Your objective will be to cover the following points in your paper: a description of their responsibilities, the challenges involved they have experienced, what the person likes and doesn’t like about the job and what that person thinks is necessary to be successful in what he/she does. Finally, your reaction to the information and interview should follow this information in your report. You should organize your information according to what categories of information best fit the answers you are given.

Warning: DO NOT just list the question and then give/summarize the answer. The more limited the person’s exposure to international/global business, the less you’re your interview can be and the lower the evaluation.

Each interview should be a maximum of 2 pages, single-spaced, font size 12, Times New Roman. (22 pts.)

The basic constraints for finding two people are as follows:

a. They must either work in two different companies or in two different functions within the same company.

b. They must have worked in this position for at least one year and have or had direct responsibilities that involve international commerce.
You need to understand that the quality of your grade on this report will depend first on the quality of people you choose to interview and second the quality of your interview itself.

Mandatory: Each interview must have an attached business card or equivalent contact information. Also, include a statement in the beginning of your interview whether this person would be willing to be a possible guest speaker in the future.

IV. Exams

There will be no written exams. Instead, you will have two pass-fail oral exams in teams of two (you can choose your partner). These will be held in my office during class time and outside of class time and will test the material from the text and the lectures. This will be the primary aspect of this course that will cover the academic portion of the material. The exams will last approximately 40 minutes and will cover the major issues within the specified chapters. The 40 minute time allotment is based on the amount of material to be covered and assumes you will not require extensive and regular prompting to determine if you know the answers. If this begins to be the case, you will be excused from the exam but will need to return for your second and last attempt. BE PREPARED.

You will receive a study guide for each exam. Follow it closely. Attendance in class will be very important, both for your preparation for the exams as well as to learn the additional information not in the textbook. These tests are pass-fail. If you pass one and fail the other, the highest grade you can receive in the class is a “C,” regardless of your other evaluations. If you fail both, you cannot pass the class.

In the oral exam, itself, one student can pass while the other can fail. There are two levels of “pass”: pass + or pass. Those receiving a pass + will receive 5 extra points toward their grade. A pass + means that you know the answers without hesitation or prompting on almost all of the questions. You can repeat a failed oral exam once.

IV. Country Quizzes

You will have four country quizzes, each covering a different part of the world: Latin America, Europe and the Middle East, Asia, and Africa. Eight countries in each of those geographic regions will be selected from among the possible ones. You will not know which 8 will be chosen of course. Each country will be worth one-quarter point. (16 points total)

Grading

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import-export project</td>
<td>75 pts.</td>
</tr>
<tr>
<td>Interviews</td>
<td>22 pts.</td>
</tr>
<tr>
<td>Current events</td>
<td>5 pts.</td>
</tr>
<tr>
<td>Country quizzes</td>
<td>8 pts.</td>
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<tr>
<td></td>
<td>110 pts.</td>
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</tbody>
</table>


Oral exams Pass/Fail but one fail = C maximum
Two fails = C- maximum

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A</td>
<td>92% or higher</td>
</tr>
<tr>
<td>A-</td>
<td>90-91 %</td>
</tr>
<tr>
<td>B+</td>
<td>88-89%</td>
</tr>
<tr>
<td>B</td>
<td>88-87%</td>
</tr>
<tr>
<td>B-</td>
<td>81-83%</td>
</tr>
<tr>
<td>C+</td>
<td>79-80%</td>
</tr>
<tr>
<td>C</td>
<td>73-78%</td>
</tr>
</tbody>
</table>
Peer evaluations

At the end of the semester, you will be given peer evaluations to evaluate your and your group members’ effort to accomplish your project at a high quality. This can have an influence on your overall grade and always does for about 20% of the students (positively or negatively). I take the group mean and compare it to the individual mean. If the difference is approximately .75 points above or below the group mean, 7 points is added or subtracted from the group grade on the report. If the difference is approximately 1.25 points above or below the group mean, 10 points are added or subtracted from the group report grade.

Important Dates

Mid-term exam: Oct. 16
First draft of import-export project: Oct. 25
Interviews Nov. 1
Second draft of import-export project: Nov. 8
Second exam: Nov. 27
Import-Export project Nov. 29

Expectations

Attendance: I expect you to be in class every time and on time.
Participation: I expect you to have read the material for that day’s lecture and will feel free to call upon anyone to respond to questions about it. All chapter readings include the cases in the chapter.
Absences: If you are going to miss a class for some reason, I expect you to call me, email me or drop by to let me know so I can make sure you are aware of any announcements, etc. made during class time.
Make-ups: Make-ups will be given only when the reason is substantial and when you have let me know ahead of time. There will be a maximum of a one-week make-up period for the oral exams.

Schedule

8/28 Class orientation and project discussion
8/30 Project discussion and choice of project and group
9/4 Labor day.
9/6 Chapter 1-2
9/11 Chapter 2-3
   Project responsibilities finalized
9/13 Chapter 3
9/18  Chapter 3-4
9/20  Chapter 5-6
9/25  Chapter 6-7
9/27  Chapter 7
10/2  Chapter 7-8
10/4  Chapters 8-9
10/9  Review of progress on import-export project
10/11 Review Chapters 1-9
10/16 **Mid-term Oral Exam**
10/18 **Mid-term Oral Exam**
10/23 **Mid-term Oral Exam**
10/25 **First draft of import-export project due**
10/30 Chapter 10
11/1  Chapter 10
   **Interview Paper due**
11/6  Chapter 11
11/8  Chapter 11-12
   **2nd draft of import-export project due**
11/13 Chapter 12-13
11/15 Chapter 14
11/20 Chapter 14
11/22 Review Chapters 10-14
11/27 **Oral exams**
11/29 **Oral exams**
   **Import-Export Project due**
12/4  **Oral exams**

12/6  Make-ups

12/11 Final Exam period:
Addendum: Import-Export Paper

Overall Objective

The main objectives of this assignment are two-fold: 1) to facilitate your personal objective of possibly developing an import-export company in the future or working in that kind of area, but more importantly, 2) to help you understand international business in the context of a specific type of transaction. Through your study to complete this project, you will learn a great deal about the complexity of doing business globally. In addition, experience in import-export helps qualify you to more easily enter into career positions in international transportation and distribution.

Specific Approach

You can approach this project in one of two ways:

1. Have a country in mind that you want to do business with and then study it enough to determine the kind of product(s) you could import from it or export to it.
2. Have a product in mind that you would like to export and then do the necessary research to determine which country(s) would be the best markets, eventually narrowing it to one country.

Sources of Information for Your Project

You will rely heavily on the Dept. of Commerce for information about different countries and specifically for technical import-export information, including laws, customs duties and tariffs, forms and other information necessary to start an import-export business with a country.

You should use the internet as a general tool, other professors on campus as appropriate, business people in the community (particularly those who might be involved in importing and/or exporting themselves and/or those participating in your interviews).

Useful Web Sites for Import-Export Projects

See [http://courses.csusm.edu/gbm425go](http://courses.csusm.edu/gbm425go) (contains several excellent sites; also [www.wikpedia.com](http://www.wikpedia.com) [www.alibaba.com](http://www.alibaba.com))

Scope of Your Project

You will need to approach this as though you are actually going to import and/or export a product. You will need to study the country well enough to understand the opportunities and constraints (including risk) in doing business there. As a result, you will need to know something about the country’s business history, its political situation and stability, current and likely future social trends, current and near future economic issues, etc. in order to determine whether there might be a match between the product(s) you want to export or import and the market environment of the country. The more you know about the country
and its people, the more your decision will be informed. For example, you will also need to
know things relative to the purchasing power of the people. This includes knowing its
inflation rate and exchange rates with the U.S. In all cases, every category of information
(political environment, social environment, trade barriers, etc.) absolutely must be related to
your specific objective to import/export the product(s) you have chosen. This relationship is
best presented after you have presented the general information in that category so the tie-in
can be easily understood. (i.e., The logic is like this: This is Vietnam’s economic condition
and this is why it makes sense, therefore, to export this product to this country)

There are, of course, also marketing issues to be aware of: competitive products, pricing of
those products relative to yours, brand loyalty and other cultural concerns for the type of
product(s) you have selected. If you are planning on importing a product to the U.S., you
must know whether there is a market here for it, whether that market is likely to change and
in what way, the economic situation in the U.S. such as it might affect purchasing power, the
product pricing based on several variables (external and task environment variables:
purchasing power of the people, competition, social attitudes toward the product or origin of
the product, etc.; other product pricing variables: transportation costs, unit product costs,
insurance costs, applicable tariffs, etc.).

You will need to acquire all the forms you would need to do your transaction (Dept. of
Commerce; bank), determine the method of shipping (air, land, sea), the cost involved in
that, etc. Your plan will be much like a business plan where you must determine, as much as
is feasible, all the costs involved to know whether it will be economically feasible to
complete your project (i.e., import or export a product you’ve chosen) in order to make a
final recommendation.

Overall Organization of Your Written Project

The overall organization of your report should follow this format:

Purpose of Project
(This briefly mentions what you set out to do—determine the feasibility of importing or
exporting a product between two countries.)

Recommendation
(Here you make a recommendation about which product to import/export, to which country,
and with which distribution channel (or not to import/export based on your research).
Normally, you should state as briefly but comprehensively as you can your rationale for your
decision in one paragraph.)

Rationale for Import/Export Decision
(Here you should have subsections showing an analysis that supports your recommendation.
The content of this section should reveal your analysis of the following subcategories:
political-legal environmental conditions and trends, socio-cultural conditions and trends,
economic conditions and trends, and specific market conditions and trends (i.e., customer and
competitor analyses, distribution channel options and financial considerations—costs of
importing or exporting, etc.) It should reveal information about customer analysis, about
political and economic risk, about costs of importing/exporting and potential profit.). These
are the content areas that you must cover and need to divide up among yourselves. This is
also the section where you relate the research to the justification of how that information realities to your decision to export or import your chosen product.

Addendum
(In this section you will have all the forms that would be necessary to complete your import or export project. You might also have specific financial costs of each part of the project if it is too complex to put in the paper, itself.)

(WRITTEN ORGANIZATION OF YOUR PROJECT)

PURPOSE OF PROJECT

The purpose of this project was to determine the following:

1. Whether there is an export market for ________________
2. The best method for exporting __________

OVERALL RECOMMENDATION

After researching data bases, government sources, . . , Team X has determined that it is feasible to export ______ to ________. This conclusion is based on the . . . .

The following will develop the rationale for our recommendation in more detail.

RATIONALE FOR EXPORT/IMPORT DECISION

To determine the feasibility of exporting/importing ________ to ________, Team X analyzed both the general environment of the country to be exported/imported to and also the specific market environment, including the intended customers and likely competitors.

GENERAL ENVIRONMENT

  Political and Legal
    Current Condition
    Implications for Recommendation

  Economic
    Current Condition
    Implications for Recommendation

  Socio-cultural
    Current Condition
    Implications for Recommendation

Technological (if applies)

SPECIFIC MARKET ENVIRONMENT

  Customer Analysis
    Target market characteristics. Team X’s target market is ______________

    Target market current demand and growth opportunities. Census records for __________ indicate that in the next decade, __________ is expected to grow by 15%.

Conclusion
Given the target market characteristics and the expected market growth, XYZ should be able to export . . . .

Competitor Analysis
*Direct competitors.* After researching _________, there are ______ direct competitors: Competitor A, B, C and D. 
*Strengths and weaknesses of competitors.*

**Competitor A:** **Strengths.** The strengths of competitor A include the following:
- Locally distributed – Being locally manufactured, there are no transportation, insurance, tariffs or other costs related to exporting.
- Local brand – Because it is a local brand, our target market might have a preference for ________.
Etc.

*Indirect competitors.* The indirect competitors include ____________________.

Conclusion
The principal strengths of the direct competitors are in the areas of . . . . This does not preclude the addition of another product such as XYZ’s. The market is such that there is adequate demand for . . . . In addition, the current weaknesses’ of XYZ’s competitors means that . . . .

Distribution Analysis
*Channel options.* There are three potential distribution channels/companies. Etc.

Conclusion
We recommend . . . .

Cost of Exporting/Importing
*Cost considerations.* (Based on the distribution recommendation) The cost of exporting/importing can be broken down into these categories: Cost of transportation, insurance, tariffs, and any other duties or costs associated with the importing or exporting of the product..

CONCLUSION

In conclusion, based on Team X’s analysis of the expected customer demand, the lack of competition and the country-friendly import policies, the current and projected political stability, economic growth and . . . , Team X is confident in its recommendation to export to __________.
Evaluation of the Written Project

The project will be evaluated accordingly:

- Quality and quantity of content: 40 pts.
- Organization and clarity of analysis: 20 pts.
- Grammar, punctuation, vocabulary: 10 pts.
- Comprehensiveness of sources used: 5 pts.
- Total: 75 pts.