Designing Strategy For The Global Firm

A. Course Overview

The design of strategy for the global firm poses several formidable challenges. First, the markets for vital products and services— including labor, capital, regulatory and legal—may be absent or weak. Second, non-market players—such as NGOs, media, lobbyists, regulators and activists—can exert a significant influence on firms and markets. Third, investments across borders require a fusion of financial, institutional and management perspectives. And fourth, the governance of business units requires a consideration of the rules and social norms of countries in which the units operate.

This course exposes students to some of the concepts, frameworks, models and tools that can help managers think through the issues that arise in designing strategy for the global firm.

More specifically, this course will demonstrate to students how they should:

- Align the global firm’s strategy and organization with its environment
- Assess the constraining and empowering influence of non-market forces on firms and markets
- Find a balance among creativity, coordination and control when configuring the organization
- Account for institutional risks when valuing investment projects

B. Course Requirements and Grading

- Class Participation (10%)
- Case write-ups (30%)
- Quizzes (20%)
- Final Exam (40%)

Class Participation
Your class participation score will be determined by the relevance, depth and clarity of your comment
Cases
You are required to submit case write-ups ahead of the 2nd, 3rd and 4th sessions. The questions that you must answer can be found in the assignments folder on the chalk site.

Quizzes
A 10 minute quiz will be administered at the beginning of the 2nd and 4th sessions. The quizzes will test your understanding of the assigned articles and cases.

Final Exam
A 90 minute exam will be administered in the second half of the final session. The exam will test your understanding of the concepts, models and frameworks introduced in the course.

C. Session Themes

Session 1: Strategy

- Global Firms, Global Industries & Global Markets
- Dimensions to Distance


Can Bollywood Go Global?

Session 2: Markets

- Transaction Costs
- Institutions

Readings: Markillie, P., “A Third Industrial Revolution” The Economist, April 21, 2012


“Can Air India Shine Again,” *Business India*, May 4, 2008


**Session 3: Organization**

- Organizational Models
- Management and Leadership


**Cases:** Castaldo, J., “How Management Has Failed at RIM,” *Canadian Business*, January 19, 2012


**Session 4: Investments**

- Cross-border Finance
- Governance


**Cases:** NEC Electronics
“Corporate Governance in Japan: Olympian Depths,” The Economist, October 22, 2011

“Corporate Governance in Japan: Back to the Drawing Board,” The Economist, November 3, 2012

Dow Chemical’s Bid for the Privatization of PBB in Argentina

Session 5: Non-Markets

- Lobbying
- Corruption

Readings: Lessig, L., “We the people, and the Republic we must reclaim,” [http://www.ted.com/talks/lawrence_lessig_we_the_people_and_the_republic_we_must_reclaim.html](http://www.ted.com/talks/lawrence_lessig_we_the_people_and_the_republic_we_must_reclaim.html)


Final Exam