COURSE OVERVIEW

Managers of multinational corporations have to meld the art of strategic decision-making with a strong understanding of the business environment in the different locations where their companies operate. This course is designed to familiarize students with the complexities of expanding and managing multinational corporations in environments that are different along cultural, political, social and economic dimensions. The course addresses several questions: (1) Why do firms expand abroad? (2) How do firms expand abroad? (3) How does managing a multinational corporation (MNC) differ from managing a domestic firm? (4) How do managers cope with the multiple and often conflicting demands they face when managing cross-border operations?

COURSE OBJECTIVES

The central objective of this course is to understand the strategic management of multinational firms (MNCs). We will examine why firms decide to develop operations in foreign countries, how they do this, and how they can become successful when their operations span national boundaries. We will also examine how individuals manage business activities effectively in such multinational firms, both within the confines of the value chain and by engaging a wide range of external stakeholders such as political decision-makers, NGOs and local communities.

The course is designed to complement and build upon an understanding of strategy by helping students (a) gain more in-depth knowledge on the issues faced by multinational managers (timing and location of international expansion; mode of entry; global strategy; political, social and economic risk) and (b) deepen their expertise in this area through practical case applications that span multiple geographical regions, industries, and time periods. These include the experience of AES in transitioning Georgia and of Infosys in the US, Four Seasons going to Paris, a Canadian gold mining company struggling with NGO opposition in Romania, Ikea’s treatment of accusations that it was complicit in the use of child labor in the fabrication of rugs, and many others.
This course is mainly targeted to help students understand the strategic issues and tradeoffs in a multinational context and assess the strategic performance of MNCs. Consequently, this course is not only pertinent for students who intend to pursue careers in industries with an extensive geographic scope, but also to those interested in management consulting, investment banking, venture capital, and other careers in the global context where accurate and concise strategic assessments are crucial.

**Course evaluation.** Regular attendance is required. Students who fail to attend the class regularly will not receive course credit. Assessment for regularly attending students will be based on individual preparation of:

1. Participation in class discussion: 20%
2. Individual case write-up assignments: 30%
3. Team paper outline: 5%
4. In-class team presentation of your team paper draft: 10%
5. Team paper: 30%. (Teams will have 3 or 4 students.)
6. Peer review of another team’s presentation: 5%
**COURSE OUTLINE**  
(Note: Reading assignments may change prior to the beginning of class).

**PART 1 - THE GLOBAL ECONOMY AND THE RISE OF MULTINATIONALS**

**February 13**  
**Investing Abroad: Introduction**
- **CASE:** Power Trip or Power Play: AES-Telasi (A) (Wharton case.)

**February 20**  
**Why Invest Abroad: Motives for Multinational Expansion**
- **CASE:** The Globalization of CEMEX (HBS Case 9-701-017)
- **READING:** TBD

**February 27**  
**How to Be a Global Company: Models of Multinational Expansion**
- **CASE:** TBD (Philips vs. Matsushita)
- **READING:** TBD

**PART 2 - HOST-COUNTRY ENVIRONMENT, LOCATION & ENTRY DECISIONS**

**March 6**  
**Location Decisions**
- **CASE:** Intel: Strategic Decisions in Locating a New Assembly and Test Plant (A) (HBS Case)
- **READING:** TBD

**March 13**  
**Mode of Entry**
- **CASE:** White Nights and Polar Lights: Investing in the Russian Oil Industry (HBS Case 9-795-022)

**March 20**  
**Spring Break**
## PART 3 - GLOBAL STRATEGY: MANAGING THE MULTINATIONAL

**March 27**  
**Aggregation vs. Arbitration**  
**CASE:** Four Seasons Goes to Paris: “53 Properties, 24 Country, 1 Philosophy” (HBS Case 9-803-069)  

**April 3**  
**Arbitrage**  
**CASE:** Infosys Consulting 2011 (HBS case)  

## PART 4 - CORPORATE DIPLOMACY: GLOBAL STRATEGY BEYOND THE VALUE CHAIN

**April 10**  
**Corporate Governance & Shareholder Activism**  
**CASE:** Dyck, Alexander “The Hermitage Fund: Media and Corporate Governance in Russia” (HBS Case 9-703-010)  
**READING:** TBD

**April 17**  
**Social Risk & Stakeholder Engagement**  
**CASE:** Rosia Montana: Political and Social Risk Management in the Land of Dracula (A) (Wharton case)  

**April 24**  
**Corporate Social Responsibility & Partnerships**  
**CASE:** IKEA’s Global Sourcing Challenge: Indian Rugs and Child Labor (A) (HBS Case 9-906-414)

May 1

**Presentations**

Schedule will be decided ahead of class.

May 8

**State-Owned Multinationals & Wrap-up**

**CASE:** TBD