EMERGING MARKETS FIELD STUDY COURSE (EMFS)  
BUSINESS ADMINISTRATION 698H02  
AUTUMN, 2010

INSTRUCTOR: Dr. Andrea Prud’homme, CSCP CPIM CIRM        CLASS: Fridays 9:30-11:18    SB215

OFFICE: 614 Fisher Hall
E-MAIL: prudhomme.3@osu.edu                                      PHONE: (614) 292-3173

OFFICE HOURS: Wed 10:00-11:30 a.m.; after class; or by appointment

COURSE DESCRIPTION

“They traded actively throughout the Atlantic world. On the eve of the Revolution a larger part of per capita income in the Colonies came from foreign trade than in any other era of American history.” (excerpted from Washington’s Crossing by David Hackett Fisher). The original Colonies could be considered emerging markets in their time, providing raw materials and new markets for England. The nature of this relationship was a source of the friction that precipitated the Revolution. This example of colonial trade is just a snapshot in time demonstrating “globalization” and “emerging markets”. Our course subject, despite the familiarity of contemporary terminology, is really not new at all!

Today, global trade is an important contributor to national wealth with the United States looming as its largest player the world’s third largest exporter of goods and largest of services in 2008 ($1.86 trillion, Department of Commerce, http://ita.doc.gov/td/industry/otea/US_Trade_Overview.pdf). In the second half of the 20th century, American commercial and geopolitical interests converged in the fundamental belief that increasing global trade is like the rising tide that raises all ships. The challenge comes in the recognition that not all nations participate and benefit equally.

As companies seek competitive advantage in the global marketplace, they are forced to develop strategies to deal with Emerging Markets. When the famous bank robber Willie Sutton was captured, the press wanted to know why a smart man like him would rob banks for a career. His response, “Because that’s where the money is!” Similarly, we study Emerging Markets because that is where the vast majority of the globe’s population resides. For many companies, future growth opportunities reside MORE in these markets than their more developed, home countries (a fact that GE explicitly recognized in its 2007 annual report, pg2, http://www.ge.com/ar2007/pdf/ge_ar2007_full_book.pdf) This course is designed to first understand these markets, then to develop strategies to compete in them. The course aspires to answer the questions- HOW do Emerging Markets differ and what blend of flexibility, innovation and commitment is appropriate for success in them?

From this starting point of a general understanding of emerging markets, our focus will shift specifically to Panama and its unique relationship with the United States. Several companies will be studied in detail - a combination of multinational and/or local competitors - to examine in practical detail how they succeed or fail in responding to market dynamics in their Emerging Market. This Case Method approach, bringing real world examples into the classroom, culminates with the December visit to Panama and to our focus companies.
COURSE OBJECTIVES

This course has several objectives. These include:

1) Developing an understanding of Emerging Markets and the implications for multinationals and local competitors.

2) Learning about the cultural differences of doing business within Latin America.

3) Showing how effective global operations can lower cost, increase flexibility, improve responsiveness to customer requirements, and provide a firm with a competitive advantage.

4) Developing analytical and communication skills through the study of actual businesses, requiring independent research and professional interaction with local managers and/or industry experts.

5) Examining the challenges companies face doing business in Panama while attempting to bridge the gap between theory and practice.

COURSE MATERIALS

REQUIRED: The SUPPLEMENTARY PACKET (SP) can be purchased from the Official OSU bookstore locations. The packet contains copies of all slide presentations, one case with questions, any assignment information not otherwise provided in class, and relevant readings to supplement the lectures. This packet is essential for the course components.

There are additional recommended or background sources:


THE FIELD TRIP

This course includes a mandatory, one-week visit to Panama City from December 10 - 17. Please make certain your calendar is clear as there is NO flexibility on dates. Since the trip is a fundamental part of the course, please understand that there will be assignments representing an important portion of your grade that FOLLOW this travel week. So, you will also need to budget time in January, 2011 to complete the course requirements. I expect final grades to be available in the last week of January.

The trip to Panama includes visits to up to five companies being studied. There will be additional activities involving organized sightseeing and additional time to pursue personal interests. Each company visit will involve a plant tour, a presentation by business executives from the company, and a Q & A session. The purpose of the field trip is to conduct first-hand research on the strategic management these corporations in an emerging market.

All students must be dressed in business formal attire for the company visits. Being on time for all official activities is also essential. You are a representative of the USA and OSU!
GRADE COMPONENTS- Organized by sequence of importance, not schedule

A substantial portion of each student’s grade will be derived from activities and work performed as a group. These teams of three or four students will be organized by the instructor in the first session with an objective of achieving cultural, gender and educational diversity.

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Group Report- Panama Company</td>
<td>25 %</td>
</tr>
<tr>
<td>(2) Group Case Analysis</td>
<td>15</td>
</tr>
<tr>
<td>(3) Participation *</td>
<td>15</td>
</tr>
<tr>
<td>(4) Group Presentations (2)- Panama Company *</td>
<td>15</td>
</tr>
<tr>
<td>(5) Quizzes</td>
<td>10</td>
</tr>
<tr>
<td>(6) Post-trip Assignment*</td>
<td>10</td>
</tr>
<tr>
<td>(7) Group Current Event Presentation</td>
<td>10</td>
</tr>
</tbody>
</table>

**TOTAL 100%**

* Some portion of these elements will be earned in Panama and in January, 2010.

All grade components will be tracked in CARMEN. Note that preliminary course grades will be issued prior to the trip, subject to finalization after ALL post-trip elements in January.

(1) GROUP REPORT- PANAMA COMPANY (25%)

A written analysis of the team’s assigned company is due at the beginning of class in Session 8. This should not exceed 10 pages, double-spaced, plus exhibits, including a bibliography of references (identifying any interview contacts). Exhibits may be charts, tables, and summaries developed by the team or provided by company sources. Use the Supplemental Packet for ideas. (See Appendices: 2 – FACILITY TOUR & COMPANY PAPER; 4 – WHAT IS AN INDUSTRY ANALYSIS?; and 5 – WHAT IS A COMPANY ANALYSIS?) Also consider:

**Strong Points:**
- Evidence of a thorough investigation of the company and its industry
- Recommendations that are realistic and well supported by your research and course work
- Clear identification of the key factors in the environment (both general – i.e. emerging market; and specific - the country) and how each affects the industry and the firm
- Identification and evaluation of the company’s capabilities, weaknesses, key resources, and sources of competitive advantage in the context of the industry and competitive environment
- Use of a “company-wide” or strategic view, not just a functional or short-term perspective
- Good organization and clarity of the writing
To be Avoided:
- Exhibits extraneous to the analysis
- Failure to draw conclusions and to make suggestions that go beyond current practices
- Lack of consideration of non-economic issues (i.e. culture, values, ethics, etc.)
- Failure to support suggestions by evidence or logical explanation
- Lack of outside research

The report grading criteria include:
- Scope of research & materials used. Please include references to any efforts that may not have provided responses or insights for your work. (6 points)
- Quality of content and depth of analysis; are the observations or conclusion well-supported and convincing? (10 points)
- Clarity of presentation & writing, including use of appropriate exhibits (6 points)
- Impact and realism - Do the recommendations relate to the problems or challenges identified, and are they realistic? (3 points)

Note that this report will be the basis for a follow-up, post-trip assignment (see item 6 below and the SP), but the full report is not revised or resubmitted.

A separate requirement is to prepare a one page (maximum!) profile of the assigned company including a business overview, people we might expect to meet, and any other background for the visit. This overview will be copied into the trip packet CIBER prepares so that all participants have a background for our various visits.

(2) GROUP CASE ANALYSIS (15%)

Each Group is required to analyze the case in the Supplemental Packet - Appendix 1. Specific questions and format instructions are provided there. There is no presentation of this work as the purpose is to practice analysis and to understand how different cultures affect business practices and strategy decisions. You will be evaluated on the basis of completeness and accuracy of your answers as well as the writing.

(3) CLASS PARTICIPATION (15%)

This grade component is a compilation of various elements described below:

- Index Card (2 points): At the beginning of the second class, each student is expected to submit an index card providing his or her name, preferred e-mail, and local phone. Include a brief summary of your international travel experience to date, why you are taking this class, and any other information that you think I would want to know. On the back, attach a recent photograph of yourself.

- In-class Participation (8 points): This subjective measure reflects your preparation and willingness to contribute meaningfully to class discussions. This is NOT necessarily in direct correlation to how much you speak; quality is valued over quantity. Active participation is an important part of the learning process and invaluable in developing verbal communication and team skills. Several classes identify specific Discussion topics for your participation, but you are encouraged to contribute on any subject and at any time.
You may earn up to two (2) of these points by attending the CIBER Team Case Competition over October 27 – 31. See the website http://www.fisher.osu.edu/international/ciber-case-challenge/ for schedules and information. Refer to the COURSE OUTLINE as a one page summary is expected, describing the teams who participated, your observations of their performance and how, if at all, the work may help you prepare for our own Case preparation and presentation.

- Professionalism in Panama (5 points): As a representative of our country and university, your behavior in Panama reflects upon all of us. This component reflects how well you accomplish this in such ways as timeliness for group events, respect for our various hosts, appearance, participation and apparent interest.

Class attendance is monitored on a daily basis. However, attendance alone will NOT earn participation points, but absences or tardiness may penalize this component.

(4) GROUP PRESENTATIONS - 2 of your PANAMA COMPANY (15%)

The GROUP PRESENTATION of the report (item 1 above) anticipates two presentations of your findings: initially to the class and then, AFTER the visit to Panama, to a group that may comprise students, faculty and administrative staff. Generally, the class presentation can follow the same outline developed for the Report.

It will be evaluated as follows: the in-class presentation will be scored out of ten (10) points using the following point distribution:

- Clarity of oral presentation & analysis/findings; are the results of the site visit incorporated effectively? (4 points)
- Quality of visual aids used (2 points)
- Time allocation and team coordination (2 points)
- Professionalism: appearance, decorum, handling Q & A, incorporation of new information provided by peer group feedback & the trip (2 points)

The final presentation is also in a classroom setting about the third week of January. The same evaluation criteria as above will be used but at half value, for a total possible score of 5 points.

I have found the same, formal approach used in the classroom is not effective in this final setting since virtually NONE of the audience will be familiar (and often not even interested) in these companies. Therefore, limit the introduction to an overview of the company, followed by a more general description of your trip experiences from both a business and personal standpoint. This might include any social faux pas during the trip; what communication techniques seemed to work best locally; mistakes you made in the analysis or approach to understanding business in Panama; or any other viewpoint that might offer some lesson, some humor, or simply a “before and after” perspective of what you encountered. The presentation itself must be professional both in your personal appearance and with the use of carefully prepared visual aids. Photos from the trip are most helpful since students interested in the EMFS program are often attending.

For both presentations, all team members must participate. Be prepared to present your work in 10-12 minutes (about half this for January), followed immediately by a question and answer session limited to 10 minutes. All groups are required to strictly adhere to the time allocated.
(5) QUIZZES (10%)

There will be a few quizzes (unannounced) during the quarter comprising several multiple choice questions. This will cover lectures, readings or class discussion up to the current class. These are to ‘encourage’ you to keeping up with the readings and come to class prepared for discussion.

(6) POST-TRIP ASSIGNMENT (10%)

This component comprises two distinct assignments: a sort of cultural treasure hunt based on your travel experiences and an Executive Summary intended to bridge the gap between your original, company research and what you learned during the trip and company visit. Please refer to the Supplemental Packet-Appendix 3 for details on both.

Due Dates

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural Experiences (5%)</td>
<td>Friday, January 14, 2010, noon</td>
</tr>
<tr>
<td>Company Visit Follow-up (5%)</td>
<td>Friday, January 21, 2010, noon</td>
</tr>
</tbody>
</table>

Note that the due date for Company Visit Follow-up is independent of the final Presentation, which has not yet been scheduled. Also, you do NOT revise or re-submit the written report.

(7) CURRENT EVENT PRESENTATION (10%)

Each team is expected to become familiar with current issues on doing business in emerging markets and/or Panama. Using recent (2009) articles from the Wall Street Journal, The Economist or other appropriate business publication, including web sites, each team will prepare a ~15 minute presentation to the class on a topical theme. Articles provided in the Supplemental Packet as class READINGS may not be used for this purpose. The objective is to report briefly on a current news topic that is broadly relevant to our studies; each team member must participate in the actual presentation. Once your team has selected a topic/article, please let me know so we can avoid duplicates. Each presentation should address the following:

- What is the problem or issue?
- What are the key facts and why or how are they managerially significant?
- What is your opinion on the specific article(s) or thesis? (Do you agree? Is it complete or slanted?)

Since the audience may not be familiar with the material, the approach should include an introduction about the topic, identifying the source material(s). This background input may come from material separate from the current event source material.

Grades will be assigned based on: Relevance to course content, Clarity of the Overview, Identification of Key Issues and Facts, Conclusions/Recommendations, and Presentation Style with equal weighting to each.

Please provide me with a copy of the news item(s) by noon the day before you present, so that it may be shared with the class ahead of our meeting. Include your name and publication date shown, which should be within the current year.
PEER EVALUATION

The last page in this Syllabus includes a confidential PEER EVALUATION sheet to assess the contribution of your team members within the Group. Each student's final grade may be adjusted according to that student's rating by fellow group members. These evaluations are to be turned in at the last class. (NOTE: Since the project presentation and additional assignments follow this due date, any issues of non-performance or difficulty within the team AFTER this submission date should be discussed with me personally.) A more detailed explanation of HOW this process is used is provided on the page immediately before the form.

ACADEMIC MISCONDUCT

Any material submitted for course credit must be: (1) ONLY your own work if it is an individual-based assignment; (2) ONLY the work of your team if it is a group-based assignment. Academic misconduct is a serious threat to the integrity and value of your degree. Such behavior will not be tolerated by your instructor or classmates.

1. Suspected cases of academic misconduct must be reported to the University Academic Misconduct Committee, per OSU guidelines.
2. Typical penalties include an E in the course and disciplinary probation for a first offense and dismissal from the University for a second offense.
3. Please review and refer to the Office of Academic Affairs website: http://oaa.osu.edu/coam/home.html

OTHER

If you need an accommodation based on the impact of a disability, please arrange an appointment with me as soon as possible. We need to discuss the course format and your individual needs. I rely on the Office for Disability Services for assistance in verifying need and in developing accommodation strategies.

In addition, this course includes a one week trip to Panama City. If you require special arrangements for health or dietary considerations, please make these known as soon as possible. There are activities that require some physical exertion. Please feel free to meet with me at any time to discuss any concerns or issues about the course, travel arrangements, or your individual performance.
LECTURE SCHEDULE

In addition to the content identified in this section, other readings or material may be recommended to make the course material more timely and relevant. I would welcome any additional ideas for this list based on your own work during the course. Please feel free to share interesting things you come across!

Therefore, the following schedule is not a contract, only a guideline. Lectures may proceed faster or slower than indicated, but there will be NO CHANGE to Assignment due dates. It is your responsibility to monitor the class progress and to prepare accordingly. Much of the classroom discussion is based on Readings assigned for that particular class; therefore, the best strategy is to do the assigned reading before they are introduced in class. These may be found in the course packet, which is organized by class Session. Above all, keep up to date.

<table>
<thead>
<tr>
<th>Date</th>
<th>Class Description</th>
</tr>
</thead>
</table>
| Session 1 9/24 | **Introduction:** Review syllabus and assign teams; the role of CIBER  
Reading: **Summary- Why Emerging Markets?**  
Lecture: **Emerging Markets, Why Bother?** |
| Session 2 10/1 | **Sample Current Event Presentation (by instructor) -** Handout to be provided  
Reading: **Summary- “Does Adversity in Emerging Markets…..” WSJ summary**  
“**When are Emerging Markets no longer Emerging?” Wharton**  
“**Five Myths about Emerging Markets” HBR**  
Lecture: **Defining ‘Emerging Markets’**  
**ASSIGNMENT:** Turn in personal cards |
| Session 3 10/8 | **ASSIGNMENT:** Current Event team presentations |
| Session 4 10/15 | **Reading:** **“Can Latin America Challenge India?”, Business Week**  
“Strategies that fit Emerging Markets”, HBR (June, 2005)  
**Summary – “NAFTA”, “CAFTA-DR”, “TPA”**  
Lecture: **Strategies that fit Emerging Markets**  
Discussion: **How might these strategies relate to our Panama companies?** |
| Session 5 10/22 | **ASSIGNMENT:** Team Case paper due at the beginning of class (See syllabus for format instructions and SP- Appendix 1 for the case and questions.)  
Discussion: **Case analysis**  
**OPTIONAL ASSIGNMENT:** Attend a presentation of the CIBER Case Competition, October 27 – 31. Refer to the syllabus & URL: [http://www.fisher.osu.edu/international/ciber-case-challenge/agenda/](http://www.fisher.osu.edu/international/ciber-case-challenge/agenda/) |
| Session 6 10/29 | **Reading:** **“Globalization’s Gains Come with a Price…”**, WSJ, 05/24/2007  
“Emerging Giants”, HBR  
Summary- And what of Latin America?  
Background Supplement explains The Virgin of Guadalupe  
The World is Flat, Chapter 10- The Virgin of Guadalupe (passed out in class)  
Lecture: **Emerging Markets and Globalization (from “The Virgin of Guadalupe”);**  
**Reading:** **“Note on Country Risk and Competitive Advantage in Latin America”, Ivey**  
Lecture: **Country Risk and Competitive Advantage in Latin America**  
**CAUTION:** PLEASE PLAN FOR THIS CLASS SESSION TO END AT NOON |
| Session 7 11/5 | No Class this day, topics will be covered 10/29, as listed  
**OPTIONAL ASSIGNMENT:** If you attended a session of the CIBER Case Competition last week, submit a one page summary in Carmen. See the syllabus under PARTICIPATION for details on content and format. |
|---|---|
| Session 8 11/12 | **Reading:** “The Wonder Story of the Panama Canal”, Popular Mechanics, 1913  
“A Man, A Plan, A Canal: Panama Rises”; Smithsonian, March, 2004  
“Glitter and Graft”, The Economist  
“The Poor Relation- Colon”, The Economist  
“Country Fact Sheet: Panama”  
“The United States Contributes to Economic Prosperity in Panama”  
**Lecture:** Panama Overview  
**Video:** “A Man, A Plan, A Canal” – a 50 minute PBS video narrated by David McCullough (author of JOHN ADAMS) that recounts the construction of the Panama Canal, including remarkable archive footage  
**ASSIGNMENT:** Team REPORT PRESENTATION (Panama country team only)  
**ASSIGNMENT:** ALL team reports due at the beginning of class, INCLUDING the one page summary for the travel packet (submit separately as a loose page)  
**CAUTION:** PLEASE PLAN FOR THIS CLASS SESSION TO END AT NOON |
| Session 9 11/19 | **ASSIGNMENT:** Team COMPANY REPORT PRESENTATIONS  
**ASSIGNMENT:** Individual Peer Evaluations due (See last page of syllabus)  
**Comment** - At the end of each presentation, we will reserve some time for a brief discussion or Q&A session to address:  
- Were any sections or facts confusing?  
- Was information missing that might be helpful?  
- What questions or additional information should be addressed during the actual visits?  
This is not designed as a critique but rather a way to use outside viewpoints to reinforce the clarity and completeness of your work. |
| Session 10 11/26 | Holiday!! |
| Session 11 12/3 | **Reading:** Sample- Help Wanted Ad from Hong Kong  
Summary- Cultural Categories  
“Hofstede’s Cultural Dimensions & Geert Hofstede Analysis - Panama”  
**Lecture:** Business Culture in Latin America  
**CIBER presentation** on trip arrangements & travel packet handout  
**Discussion:** Trip expectations and recommended preparation  
**Course Evaluation** |
| 12/10-17 | In Panama!! |
Web Sites of Interest

125 newspaper links; http://www.naa.org/hot/html
CNN; http://www.cnn.com/
Earth Link; http://www.earthlink.net/
Economist; http://www.economist.com
Editor and Publisher’s Interactive On-line Newspaper Database:
   http://www.mediainfo.com/ephome/npaper/nph/m/online.htm
Embassy Websites: http://www.embpage.org
Exchange Rates/Currency Converter; http://www.oanda.com
Great maps: http://fermi.jhuapl.edu/states/states.html or
   //www.nationalgeographic.com/ngs/maps/cartographic.html
Handbook in Economic Websites; http://www.elsevier.com/locate/hes
Institute for International Economics; http://www.iie.com
International newspapers; http://www.actualidad.com
International Trade; http://www.i-trade.com
Internet Public Library; http://www.ipl.org/reading/news
Lexis-Nexis; http://www.lib.ohio-state.edu/LEXIS_NEXIS/
Macroeconomic Resources; http://www.hbs.edu/units/bgie/internet/
Mapquest; http://www.mapquest.com
Macroeconomic Resources: http://www.hbs.edu/units/bgie/internet/
Mexicali Economic Development: http://www/baja.gob.mx/sedeco
Mexican Investment Board: http://www.mib.org.mx/
Mexico on the Web: http://mexweb.mty.itesm.mx/
NAFTAanet Home Page; http://www.nafta.net/
News Links Page; http://pppp.net/links/news/
Newspapers Online; http://newspapers.com/npcom2.htm
OANDA Currency Converter; http://www.oanda.com/cgi-bin/ncc
Ohio State University CIBER; http://www.cob.ohio-state.edu/ciberweb/
Online Newspapers; http://www.mediainfo.com/ephome/npaper/nph/m/online.htm
Stat-USA Databases: http://www.stat-usa.gov/BEN/databases.html
The Intelligence Agency; http://www.odci.gov/ic/
The World Bank Group; http://www.worldbank.com
Trade Compass; http://www.tradecompass.com
Tradeport; http://tradeport.org
Transparency International; http://www.transparency.de
US Office of Trade and Economic Analysis; http://www.ita.doc.gov/tradestats
USA Today; http://www.usatoday.com/usafront.htm
World Trade Organization; http://www.wto.org
THE PEER EVALUATION PROCESS

How Is It Used?

The PEER EVALUATION form is designed to assess the contribution of the individual members of a group effort based on a confidential breakdown in $ that reflects the division of labor. Although the peer evaluation may be used to adjust grades, I look for three conditions before taking any such action:

1. Is the difference significant? (One team member rated at $2,900 compared to another at $3,100 does NOT justify grade adjustment action.)

2. Is there consensus within the team? (Although the measures may differ, I look for any lesser effort to be reflected in ALL the individual inputs, excluding the affected student.)

3. Does the Comment section provide a clear explanation of WHY the team member was rated poorly? (I want to avoid grade action based on personality differences or clashes on the approach or solution to the problem. I am looking for examples of lack of effort or responsibility.)

When a team must make up for the lack of contribution by one of its members, there is no bonus or extra credit to those students. The PEER EVALUATION process only penalizes non-performance. The actual reduction is reflected as a % adjustment of the final case(s) grade. It is not equal to the computed distribution of effort although such math is used as a guideline. Also, excluding exceptional cases, the deduction is rarely more than 50% in recognition that the team has some collective responsibility for all members regardless of individual effort.

Since adjustments (if any) cannot be applied until the Evaluations are submitted in the final week of class, case grades in Carmen are not necessarily final until exam week. Peer Evaluation submissions are confidential; a student affected by the process may not see the inputs used in determining any grade penalty, but the reason will be explained clearly.
Your group has been given $12,000 for each team effort as a consulting fee. Divide the money among your group based on the quality and effort of each team member’s contribution. Please include DISCUSSION only if the distribution is meaningfully unequal. This may be used to adjust grades.

<table>
<thead>
<tr>
<th>Your Name</th>
<th>CURRENT EVENT</th>
<th>CASE</th>
<th>PROJECT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Team Members:</th>
<th>CURRENT EVENT</th>
<th>CASE</th>
<th>PROJECT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL:  $12,000  $12,000  $12,000

Discussion: