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?

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, Four Seasons going to Paris, a Canadian gold mining company struggling with NGO opposition in Romania, Apple’s problems in China, 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.

**CLASS POLICIES**

**Course materials.** The course will rely extensively on readings compiled in the HBS course pack (Available at [https://cb.hbsp.harvard.edu/cbmp/access/47206434](https://cb.hbsp.harvard.edu/cbmp/access/47206434)) or posted on NYU Classes.

**Participation.** The required reading list is stimulating but heavy, with a mix of case studies and background readings. Students are expected to complete these readings before each class so as to be able to substantively participate in each class’s discussion. Discussion will not merely recap the facts in a reading but generate insights into links between concepts or paths forward for protagonists in a case. The sharing of relevant practical insights from professional or other international experiences is expected and encouraged.

**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 and in-class group work: 25%
2. Two individual case write-up assignments: 30%
3. Group or individual project
   a. Project outline: 5%
   b. Project presentation 10%
   c. Project submission 25%
4. Peer review of another team’s draft: 5%

These four components are discussed in more detail below.

(1) **Class participation (25%).** Students are expected to read carefully and reflect upon the required readings and to come to class prepared to participate and engage with their peers. I expect a high-level of interaction and integrative discussion in every class. In preparation for the class discussion, students will be encouraged to reflect on one of the discussion questions of each case by posting a short reaction (it can be as short as a tweet) on NYU Classes\Forums. Posting on the Forum is optional, but counts towards overall participation in the class.

(2) **Two individual case write-up assignments (30%).** Students will choose two topics for which they will submit individual case write-ups. The case write-ups should address the discussion question marked in **bold and italicized**. Most of the case assignment questions focus on a strategic decision faced by a multinational actor operating in an international setting. The case assignments should be 2-3 pages single spaced (roughly between 1,200-1,500 words) and should:
a) Analyze the strengths and weaknesses of at least two feasible strategic options to improve upon the situation presented in the focal case reading;
b) Make a recommendation based on the analysis of what the firm should do. Make sure that you help the reader understand the assumptions you make in your analysis of the strengths and weaknesses of options, and why you chose this particular recommendation;
c) Discuss and refute alternative strategies;
d) Draw parallels to similar situations (i.e., examples of other firms facing similar issues, and/or discussions of industries or countries where such issues are common);
e) Succinctly summarize the key takeaway(s) of the case (i.e., what lessons can other firms facing similar challenges take from your analysis and recommendations?)

Submissions should be received before 5pm on the day of the case discussion.

A sign-up sheet will be posted on NYU Classes on Thursday, February 11th. Available slots will be filled on a first-come, first-served basis.

(3) **Group or individual project (40%).** Projects will identify a corporation that faced a dilemma relating to the management of a multinational corporation (examples below) and present it 15-20 page paper on the problem faced and the strategy pursued by its management. The project will identify and discuss the nature of the situation faced by the company; provide detail on the company, industry, country, and the situation it faces; assess the contending forces faced by the firm; suggest at least two possible strategic options; and assess the choice made (or make a recommendation). Projects should be written in a clear and concise manner and integrate material from multiple primary and secondary sources including local press accounts, company documents, local analysis, etc. References, tables, charts and figures do not count towards the page limit and should be used only when they complement the text.

**Outlines (5%)** are due on Sunday, March 13th, and should highlight the key components of the project as detailed below. More thorough outlines elicit more helpful feedback.

**Project draft (required).** The paper draft will not be graded independently; its submission will be accounted for in the final project grade. Based on your draft, you will receive written feedback from your peers (see below) that you should address or improve upon prior to your presentation and the submission of the project paper. Project drafts are due on Sunday, April 3rd, and should be submitted on NYU Classes.

**In-class project presentation (10%).** Each student or group will present their project in class. Presentations are scheduled for April 26th.

**Project submission (25%).** Final submission should be written in a clear and concise manner and integrate feedback received from (a) peers on the project draft, (b) from Q&A during your in-class presentations, and (c) from the professor after the presentation. Project submissions are due on Tuesday, May 10th.

(4) **Peer review of another team’s draft (5%).** After the submission of project drafts, each student will be randomly assigned a draft to review. This 1-2 page single-spaced review should

1) Comment on the strengths of the draft (1-2 paragraphs)
2) Comment on the weaknesses of the current draft and include helpful suggestions for improvement of the material (2-3 paragraphs). Imagine that you are part of this new project for a few hours and help the team develop a stronger project. Submit one copy of the review on NYU classes (under assignments) and one copy to the team whose draft you are reviewing.

Peer reviews are due on **Sunday, April 10th.**

**Project guidelines:**

Examples of broad types of dilemmas typically examined by students are:

1) Deciding whether to expand abroad and choosing one or multiple location(s);
2) Deciding on the timing and the mode of entry in a particular country;
3) Mitigating political and regulatory risk in politically salient investments;
4) Addressing human rights, environmental or other social claims;
5) Responding to an international trade or investment dispute;
6) Enforcing or influencing the development of intellectual property protection, standards or other international legal issues.

Individual projects should include:

1) An introduction that identifies a specific company and a specific strategic choice that it faces in a specific policymaking environment;
2) An elaboration upon the situation/conflict in a general context but with examples or emphasis upon the particular country and industry setting that you have chosen;
3) A brief background on the company and context that you have chosen highlighting facts relevant to the case discussion;
4) An analysis of the strengths and weaknesses of at least two feasible strategic options to address that conflict drawing upon an understanding of the preferences of the key actors involved, the industry-level and country-level structures that lead to the translation of these preferences into policy outcomes; and the likely reactions of key market and socio-political actors to any strategic choice;
5) A recommendation based on that analysis of what the firm/manager should do or have done. This discussion should help the reader understand the assumptions that led you from your status quo scenario and your analysis of the strengths and weaknesses of options to this particular recommendation;
6) A succinct summary of the key takeaway(s) of the case;
7) A list of references that includes both secondary (newspaper or magazine) and primary (company newsletter, press release, annual report, company internet site or conversations with individuals familiar with the corporate response to the strategic choice) sources. Please provide enough information so that a reader can easily find the reference, and follow one of the standard templates when formatting your references.

Please note that any quotations longer than a phrase must be explicitly noted in the text. Insufficient attribution to external sources will be considered plagiarism.
Feedback. I encourage anyone with specific or general questions regarding the course structure, content or discussions to drop by my office during office hours or by appointment, or to contact me via email or phone.

Classroom etiquette. You are expected to attend class regularly and participate in class discussion. To stimulate your participation and generate an interesting discussion, please limit the use of laptops during the class time, silence your cell phones and to refrain from texting.

Key dates. Note and mark on your calendars the following class-wide deadlines. Individual deadlines for case write-ups vary.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>Tue, Feb 9</td>
<td>First class session</td>
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<tr>
<td>Thu, Feb 11</td>
<td>Sign up for individual case assignments</td>
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<tr>
<td>Sun, March 13</td>
<td>Submit project outline</td>
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<tr>
<td>Sun, April 3</td>
<td>Submit project draft</td>
</tr>
<tr>
<td>Sun, April 10</td>
<td>Submit peer review of another project</td>
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<tr>
<td>Tue, April 26</td>
<td>In-class project presentations</td>
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<tr>
<td>Tue, May 10</td>
<td>Submit individual projects</td>
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**Course Outline: Topics**

**Introduction**

February 9  Welcome to Global Strategy

**Part 1 - The Global Economy and The Rise of Multinationals**

February 16  Why invest abroad?

February 23  Why invest abroad? (Continued)

**Part 2 - Host-Country Environment, Entry Decisions & First Impressions**

March 1  Where, When and How to invest abroad?

March 8  Timing and Mode of Entry

**Part 3 - Global Strategy: Managing the Multinational**

March 22  Aggregation & Adaptation

March 29  Arbitrage

**Part 4 - Corporate Diplomacy: Global Strategy Beyond the Value Chain**

April 5  Social risk, Stakeholder Engagement & First Impressions

April 12  Stakeholder Engagement: A Practitioner's View

April 19  Sustainability & Corporate Governance

**Project Presentations**

April 26  Project Presentations

**Part 5 – Special Topic & Wrap-Up**

May 3  Wrap-up Conversation
Welcome to Global Strategy

Introduction

Discussion: AES-Telasi

Readings:

- CASE: Power Trip or Power Play: AES-Telasi (A) [On NYU Classes]
- “Power Trip or Power Play” documentary [Shown in class]

Discussion Questions:

1. Did AES-Telasi face substantial policy risks? Why?
2. Who were the key political and social actors for Michael Scholey in the Georgian environment? Who were his allies? Opponents?
3. Who were the key political and social actors for Michael Scholey in the international environment? Who were his allies? Opponents?
4. What strategy did AES adopt to deal with this divided political and social environment?
5. What were the shortcomings of the strategy of Michael Scholey towards the policy risks faced by AES-Telasi? What alternative strategy would you recommend that Michael’s successor (Ignacio Iribarren) implement upon his arrival?

Part 1 - The Global Economy and The Rise of Multinationals

February 16

Why Invest Abroad?

Discussion: International Trade & Trade Barriers

GSTRAT LAB: Geographic Diversification

Readings:

- Chiquita Brands International (HBS Case 9-797-015) [Course pack]
- The Globalization of CEMEX (HBS Case 9-701-017) [Course pack]

Discussion Questions:

1. What role has politics played in the history of Chiquita Brands, and its predecessor, the United Fruit Company?
2. What role has protectionism played in the global banana market? Is this role defensible?

3. **What should Lindner do about the EU’s banana policy? (Assignment question for the Chiquita case)**

4. How should Bob Dole respond to Lindner's request?

5. What has motivated Cemex to invest abroad and expand aggressively through a series of mergers and acquisitions?

6. What benefits have CEMEX and the other global competitors in cement derived from globalization? More broadly, how can cross-border activities add value in an industry as apparently localized as cement?

7. What accounts for the sequence in which CEMEX entered foreign markets? How do the markets it has entered recently compare with the markets that it entered early on?

8. **What recommendations would you make to CEMEX regarding its globalization strategy going forward? In particular, what kinds of countries should it focus its future expansion on? (Assignment question for the CEMEX case)**

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**FEBRUARY 23 WHY INVEST ABROAD? (CONTINUED)**

**DISCUSSION:** The Globalization of the NFL

**CASE DEBATE:** Emerging Market Multinationals: Emirates Airlines

**Readings:**
- The Globalization of the NFL (HBS case 9-711-455) [Course pack]
- Emirates Airlines: Connecting the Unconnected (HBS 5-714-481) [Course pack]

**Discussion Questions:**
1. Why was the NFL unsuccessful in its globalization attempts?
2. How can a professional sport generate value globally?

3. **What strategy would you suggest for the globalization of the NFL? (Assignment question for the NFL case.)**

4. In an industry where profitable firms are scarce, Emirates has delivered solid growth and solid financial performance for years. Why? What is behind Emirates’ success?

5. What is the role of Dubai in Emirates' success?

6. What are the strengths of Emirates’ Dubai-based hub-and-spoke model? What are the weaknesses?

7. **Is Emirates’ strategy sustainable? Why? (Assignment question for the Emirates case.)**
PART 2 - HOST-COUNTRY ENVIRONMENT & ENTRY DECISIONS

MARCH 1  WHERE, WHEN AND HOW TO INVEST ABROAD?

DISCUSSION:  Location decisions

PRESENT:  Possible project ideas. Prepare a 5-minute discussion of a recent news story about a multinational facing a strategic decision. (See below)

Readings:
• Intel: Strategic Decisions in Locating a New Assembly and Test Plant (A) (HBS Case 9-713-406) [Course pack]
• The news! Look for relevant stories less than 2 years old.

Discussion Questions:
1. What criteria would you use to select the site for Intel's AT plant in 2005? Why?
2. If you were Intel, where would you build the new plant? Why? (Assignment question for the Intel case.)
3. If you were Intel, what package of incentive would you seek from the government of your chosen location? Why?

Presentation guidelines:
Your presentation should briefly describe
(1) The company: Which multinational is the story about?
(2) The location: Which country (group of countries)?
(3) The situation: What problem are they facing?

Post a brief summary and a link to the news story on the NYU Classes forum. Work individually or in groups of two.

MARCH 8  TIMING AND MODE OF ENTRY

DISCUSSION:  Timing of entry

IN-CLASS DEBATE:  Mode of Entry: Strategy in the Russian Oil Industry

Readings:
• Enel: Power, Russia, and Global Markets. (HBS Case, 9-709-046) [CP]
• White Nights and Polar Lights: Investing in the Russian Oil Industry (HBS Case 9-795-022) [Course pack]
Discussion Questions:

1. Why was Enel hesitant to undertake a large-scale investment in Russia in 2003? What did it do instead?
2. What lessons did Enel learn from its first investments in Russia?
3. What did Enel’s managers do to establish themselves as “good citizens of Russia”? Could they have done things differently? (Assignment question for the Enel case.)
4. What are some of the relevant characteristics of the oil industry and, in particular, the oil industry in Russia that lead political and regulatory risk to pose such concerns to investors?
5. How does political and regulatory risk affect the entry strategy of foreign oil firms in Russia?
6. Evaluate the entry strategies of Phibro, Mobil and Conoco. Which one choose wisely? Why? (Assignment question for the White Nights & Polar Lights case.) In-class debate on this question.
7. How will the returns from the development of Russian oil likely be distributed in the long term? Why?

MARCH 14 – 18  
Spring Break

PART 3 - GLOBAL STRATEGY: MANAGING THE MULTINATIONAL

MARCH 22  
AGGREGATION & ADAPTATION

DISCUSSION: Aggregation: Overcoming differences

GSTRAT LAB: Adapting to Differences

Readings:

• Ingvar Kamprad and IKEA (HBS case 9-390-132) [Course pack]
• Four Seasons Goes to Paris: “53 Properties, 24 Countries, 1 Philosophy” (HBS case 9-803-069). [Course pack]

Discussion Questions:

1. What were the sources of IKEA’s successful entry into the furniture retailing business in Sweden?
2. How important was globalization to IKEA? What challenges did IKEA face while expanding globally and how did it overcome them?
3. Why was IKEA’s business model not copied?
4. What were the management processes by which IKEA coordinated and controlled its Europe-wide operations? How effective were they?
5. What challenges lie ahead for IKEA and how can it overcome them? (Think about this question as if you were in 1989.) (Assignment question for the IKEA case.)
6. What has made Four Seasons so successful over the last 30 years?
7. Does corporate culture play a role in Four Seasons’ success? If so, how and why?
8. Do human resource strategies play a role in Four Seasons’ success? If so, how and why?
9. *How do you evaluate Four Seasons’ strategy entering the Paris/French market? Why? Is there anything they should have done differently? (Assignment question for the Four Seasons case.)*

**March 29**

**Arbitrage**

**Guest Speaker:** Robert Prieto, FLUOR

**Discussion:** Aggregation, Adaptation & Arbitrage in a Global Corporation: Apple in China

**Readings:**
- Low-Hanging Fruit? Apple in China (Wharton case). [NYU Classes]

**Discussion Questions:**
1. What are Tim Cook’s biggest problems in 2013?
2. How would you describe the relationship between Apple and Foxconn? Who has the upper hand?
3. For Apple, what are the most important risks involved in being highly dependent on production in China?
4. Should Apple continue outsourcing from China or diversify the geographical scope of its supply base? If the latter, how?
5. *What should be Tim Cook’s global strategy priorities in 2015? (Assignment question for the Apple in China case.)*

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**Part 4 - Corporate Diplomacy: Global Strategy Beyond the Value Chain**

**April 5**

**Social Risk, Stakeholder Engagement & First Impressions**

**Discussion:** Local Ties and First Impressions

**Case Debate:** Stakeholder Engagement

**Readings:**
- Rosia Montana: Political and Social Risk Management in the Land of Dracula (A) and (B) (Wharton case) [NYU Classes]. Part (C) will be distributed in class.
Discussion Questions:
1. Did the Rosia Montana mine have sufficient political, economic, and social support? Locally? Nationally? Which sort of support was most critical to the project’s success?
2. What might opponents have done to raise the profile of their concerns, and slow or stop the mine’s redevelopment?
3. Given the political, economic, and social environment in Romania in the mid-1990s, which elements of Gabriel Resources’ strategy made sense? Which ones could have been improved? What, if anything, did the executives neglect?
4. If you were an environmental activist trying to help the people of Rosia Montana stop the development of the mine, what would you do?
5. If you were on Alan Hill’s Gabriel Resources management team, which elements of strategy would you emphasize? (Assignment question for Rosia Montana case.)

APRIL 12  
STAKEHOLDER ENGAGEMENT: A PRACTITIONER’S VIEW

GUEST SPEAKER: Dennis Flemming, Niger Delta Partnership Initiative (NDPI)

Readings:
The bio and readings suggested by the speaker will be posted on NYU Classes.

Discussion Questions:
Please prepare and post on NYU Classes (Forums) 3 questions that you can use to interview our speaker.

APRIL 19  
SUSTAINABILITY & CORPORATE GOVERNANCE

GUEST SPEAKER: Tensie Whelan, Center for Sustainable Business

DISCUSSION: Corporate Governance & Shareholder Activism

Readings:
- The Hermitage Fund: Media and Corporate Governance in Russia” (HBS Case 9-703-010) [Course pack]
Discussion Questions:

1. How does corruption affect the development of the private sector?
2. How is corruption related to informal norms within a country?
3. What are the "rules of the game" in Indonesia's mining sector at the time of the case? Has Bre-X played by the rules?
4. Has Bre-X developed relationships in Indonesia? Does it need to? How?
5. How should David Walsh respond to Minister Sudjana’s announcement? What options are open to him and to Bre-X? (Assignment question for the Bre-X case.)
6. What are the various ways in which managers in Russia extract value out of their companies disproportionate to their equity stakes? Which of these methods are peculiar to Russia?
7. What institutions and mechanisms normally constrain such behavior? Why are they absent in Russia?
8. What’s different about Browder’s strategy? Do you agree with Browder’s contention that media attention limits corporate governance abuses in Russia? Elsewhere? How does the media affect governance?
9. If you were an investor in Hermitage in the summer of 2002, what would you advise Bill Browder to do? Should he refine or change his activist strategy? (Assignment question for the Hermitage case.)

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**PROJECT PRESENTATIONS**

**APRIL 26**

**PROJECT PRESENTATIONS**

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**PART 5 – SPECIAL TOPIC & WRAP-UP**

**MAY 3**

**WRAP-UP CONVERSATION**

Readings:

- Uber: Changing the Way the World Moves (HBS Case 5-316-109) [Course pack]

**Discussion Questions:**

1. Uber is notoriously aggressive in its business tactics. It frequently operates without getting regulatory approval and it often ignored legal concerns. As a consequence, the company has become a lightning rod for criticism. Do you
agree with Uber’s aggressive tactics? Is there a better way for Uber to conduct its business? Should Uber be taking more of a “tiptoe” approach when it enters new markets?

2. How robust is Uber’s operating model? Where are the weak links in its service model? Is Uber vulnerable? In what way?

3. In its relatively short life span, Uber has attracted a lot of media attention. Why is this? What is it about the Uber business model that is both competing and polarizing? In addition, why has Uber managed to achieve such a high valuation? What are the pros and cons of a high valuation?

4. *Is Uber's strategy sustainable?*