

VITA

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Krzysztof Obloj, Ph.D., former president of European International Business Academy, is a professor of Strategic and International Management and holds chairs of Strategic Management departments at School of Management of University of Warsaw, Poland, and Kozminski Academy of Entrepreneurship and Management. He has been regularly teaching courses of International Management, Cross Cultural Management, Strategic Management at Bodo Graduate School of Management in Norway, ESCP-EAP in Paris, IEDC Bled School of Management, and Henley Management College in UK. As a visiting professor he spent a considerable amount of time doing research and lecturing abroad, mostly in the USA at University of Illinois at Urbana Champaign, Yale University, Central Connecticut State University and Duquesne University. He is extensively published. He published two books in the US (“Management Systems”, 1993; and “Winning: Continuous Improvement Theory in High Performance Organizations”, 1995) and coauthored two in the US and three in Europe (the most recent “Change management in transition economies: integrating corporate strategy, structure and culture”, Polgrave Macmillan Publishers, 2003). He published articles in Journal of Management Studies, International Journal of Human Resource Management, European Management Journal, Industrial & Environmental Crisis Quarterly, International Small Business Journal, Cybernetics and Systems: An International Journal, and several Polish journals. He is also a board member of several international academic journals – Management International Review, International Human Resource Management, Balic Journal of Management, Journal of Emerging Economies; Journal of the World Business (1997-1999). His last three books published in Poland: “Successful strategy of a firm”, 1996, “Organizational strategy”, 1998, and ‘Rules of effective strategies’ became bestsellers and have already several editions.

Professor Krzysztof Obloj is a well known consultant in Poland and advises numerous Polish and international firms (e.g. Bertelsmann Media, Goodyear Group Poland, Lukas Bank, Impel SA, PKN Orlen, Asea Brown Boveri, LG, Benckiser among others) in the areas of strategy, structure and organizational culture. He is currently a president or a member of few supervisory boards of large companies in Poland, two of them quoted at Warsaw Stock Exchange.

SYLLABUS of INTERNATIONAL MANAGEMENT

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Course description and goals

This course focuses on key issues in International and Global Management. It uses economies in transition of Central and Eastern European Countries as the example of challenges of formulating and implementing strategies in business subsidiary operating in foreign environment. These issues are approached from a perspective of managers responsible for organizational success in risky and turbulent environment of international business. The emphasis will also be put on understanding the logic of transformation from planned to market economy in different CEE countries and on pragmatic issues of entry strategies and local responsiveness.

The course has three main goals:

- to understand major theories of International Business
- to develop an understanding of the different transition models in CEE, and
- to analyze several cases of good and bad strategic management of MNCs'

We will analyze a few cases in the class. Cases are always loaded with relevant and irrelevant information. There is always lack of important data, one would think to be necessary to "solve" the case, but this is exactly like in a real life. The success of the case method depends almost entirely on your preparation and active participation.

Evaluation

Grades will be determined as follows:

1. You will have to prepare a written case memo in advance for one of the cases that we will study in a class. It should have maximum 1 page; it is due on the first day of the course. Please be as precise and up to the point as possible in addressing the case questions and strategic issues – max 20 points (10 point each case study)
2. Presence and activity during class – up to 10 points (I assume that you will not run away).
3. Team project - strategy practicum - 70 points – done in groups of 5-6 participants

Description of a team project

Based upon provided material about Polish banking industry develop an entry strategy into Polish banking industry for an international financial group.

Hints:

- Consulting firms almost always write reports in the form of PowerPoint slides. It is a tricky form of presentation because it limits the amount of content and imposes formal limitations. Therefore be as precise as possible, limit your arguments to the most powerful, be sure to explain briefly why certain strategies and tactics will be more appropriate in certain business situations than others.
- the main models and theories of international business development will be discussed during the course. Think in terms of these models and try to evaluate their appropriateness and usefulness in explaining developments in the industry and proposing entry strategy.
- The presentation should have a form of Power Point presentation (not more than 25 pages) that should address three major issues:
 - o Opportunities in terms of markets and products segmentation in Poland
 - o Choice of an entry mode (supported by basic financial analysis)
 - o Total strategic business model of the bank (mission, target markets/segments, products' specialization, competitive advantage and main programs to support it)

Course outline

Session 1: An overview of international business environment – globalization realities and myths

Case study: *Global wine wars: a new world challenges old (A)*, HBS 2003, 9-303-056

Topics:

- who benefits from globalization?
- what are the main problems and issues?
- what are the major obstacles to global market?

Discussion of the case study: 'Global wine wars'.

1. *How did the French become the dominant competitors in the wine industry? What were the main sources of their competitive advantage?*
2. *Where they prove to be vulnerable and what changes in the global industry structure and competitive dynamics led France to lose market share to new challengers?*
3. *What advice would you offer today to the French minister of agriculture, French wine association and French vineyards' owners?*

Session 2 : Theories of trade and foreign direct investment : from Ricardo to Dunning

Topics:

- international trade volume and growth
- international trade theories – from mercantilistic doctrine and comparative advantage theory to Leontief paradox
- foreign direct investment theories and application – from product life cycle to eclectic paradigm – entry modes and operations
- internationalization process of SMEs: Uppsala model and its extensions

Session 4: Central & Eastern European countries - from planned to market economy: transition paths and effects

Obloj, K. & Pratt, M.G. Happy Kids and Mature Losers: Differentiating the Dominant Logics of Successful and Unsuccessful Firms in Emerging Markets. In R. Bettis' (Ed.) Strategy in Transition. Oxford, England:Blackwell 2004

Topics:

- the logic of planned economy and state-owned enterprise
- the transformation from communism to market economy in CEE countries: similarities and differences in transition paths
- transforming state owned firm into market player – does it have a chance fighting with private firms and subsidiaries of MNCs?
- the power of new private firms – being an entrepreneur in the time of change

Session 5: Going global - what is a multinational corporation and how it differs from national firms

Read: W. Kuemmerle, Go Global or No, HBS 2001

Topics:

- what is multinational corporation?
- MNCs – entry modes and operations

Discussion of case study : balancing potential, opportunities and risks of internationalization: Go Global – or No (W. Kuemmerle case study)

1. *Evaluate Data clear competitive position – is it strong, weak, mediocre and what are the main drivers of its competitive advantage?*
2. *Should they go global and if so – how?*

Session 6: Organizing and structuring for international operations

Topics:

- timing of entry and entry mode
- integration vs. responsiveness strategic dilemma (Ghoshal and Bartlett model)
- MNE organizational structures and value chains
- The dilemmas of local subsidiaries

Discussion of case study: IKEA invades America, HBS 2004 9-504-094

1. *how would you characterize IKEA strategy – what are its main components and how they are related?*
2. *does IKEA strategy makes internationalization easy for this company? What we can infer from the US experience?*
3. *how IKEA strategy and structure fits together?*

Session 7: International Marketing

Topics:

- assessing market potential and consumption patterns
- globalization and localization in international markets
 - o global brands and advertising
 - o product adaptation and local tastes
- country of origin effect: would you buy European Mercedes?
- the power of global distribution systems: a dominance of hypermarkets

Discussion of case study: Global marketing: Reinventing vodka with Belvedere brand

- *what tacit assets were leveraged in marketing campaign of Belvedere?*
- *what are the most innovative components of Belvedere strategy? Why do they work globally?*

Session 8: Managing across cultures

Read case study: The shakedown

Topics

- What is a culture and how important is it
- Hofstede model of culture's dimensions
- Trompenaars model and dilemmas of culture
- Imposing MNC culture upon local subsidiaries – a necessary solution or illusion of control?
- The strategic role of international HRM

Discussion of case study: The shakedown, HBR , March 2005

- *do you think that Zhuk is an honest businessman?*
- *how different and in what respect is his behavior in the Ukraine versus the USA – does he follow the same values and principles?*
- *Shall he pay the bribe and go on with his business, negotiate, refuse or just shut down business?*

Session 9. Preparation for the strategy practicum assignments - entry strategy into CEE.