



IB 340 BUSINESS STRATEGIES IN LATIN AMERICA

IES Abroad Buenos Aires

DESCRIPTION:

In order to be able to do business effectively either with or in Latin America, international managers must understand the key factors, both uncontrollable and controllable, internal and external, that will affect their firm's performance. This course will address the challenge of doing business in different cultures, as well as the impact of history and geography, on the various functions of a firm, including marketing, finance and accounting, operations and human resources. It also examines the challenges in trying to implement sustainable practices and how to deal with differing concepts of ethics and the issue of corruption. Students will learn international business analysis tools, including models and frameworks to help them diagnose organizational issues and make recommendations to improve or sustain performance. The objective of the course is to equip students with real-world skills that can be applied in an organizational setting, and to provide them with an appreciation for the complexity of doing business abroad, but specifically in Latin America. On a more general level, the course aims to improve students' critical thinking skills and ability to tackle tough organizational problems in a variety of settings.

The course uses:

- Relevant case studies of firms that have attempted, both successfully and unsuccessfully, to sell products and services south of the US border.
- Current articles from local periodicals to be discussed on a daily basis to motivate class participation. The selected articles illustrate the different concepts and tactics studied during the course and provide interesting and practical examples of foreign firms assessing and implementing business actions in the region. Moreover, several readings and class discussions will examine particular strategic issues facing US firms in the region in order to leverage students' study abroad experience in Buenos Aires.
- Lectures and exercises that provide students with important frameworks and analytical tools
- Video clips that illustrate key concepts and issues as viewed from the "inside" in real organizations.
- Course-related trip to the offices of a local affiliate of a major international company in order to provide students with first-hand insight into strategic decision-making in the host country.
- Guest lecturers, including expatriate business executives, to discuss first-hand experiences doing business in the region.

CREDITS: 3 credits

CONTACT HOURS: 45 hours

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: None. However, some background in economics, international relations and/or business is desirable.

ADDITIONAL COST: None

METHOD OF PRESENTATION:

Lecture, class discussion, case study analysis, articles, individual and group exercises, videos, field study, guest lecturers.

REQUIRED WORK AND FORM OF ASSESSMENT:

- Individual Case Memoranda - 15%
- Course Participation - 10%
- Group Project Write-up & Presentation - 25%
- Midterm Exam - 20%
- Quizzes - 10%
- Final Exam - 20%

A significant amount of class time will involve discussion of case studies and current periodicals, as well as individual and group exercises that introduce and reinforce student understanding of key topics. Therefore, students' participation in class is essential

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and it will be assessed. Students are expected to have an active role in the class, participating in class discussions and fulfilling the required work for each session. In order to successfully meet this requirement, students should be prepared to devote significant time outside of class for reading and critical thinking.

The mid-term and final exam will be taken in-class and may consist of questions in multiple choice, short answer or short essay format. The group presentation will require small teams to work outside of class to analyze a real-world case that involves tough international business issues. The group will then present its analysis and recommendations to the class and answer questions. The group will also submit a strategic memorandum of approximately 3 pages that summarizes its work.

LEARNING OUTCOMES:

By the end of the course, students will be able to:

- Define important terms and concepts associated with international business.
- Analyze and understand the key environmental variables that influence business in this region.
- Describe a firm's options in adapting for successful operations in Latin America.
- Demonstrate understanding of key tools and frameworks that can lead to successful business abroad.
- Analyze real-world cases involving companies that have faced difficult challenges in the region, and provide recommendations—in written form and orally—for how the company should proceed
- Assess general business issues with enhanced critical-thinking skills

ATTENDANCE POLICY:

Attendance is mandatory for all IES classes, including field studies. Any exams, tests, presentations, or other work missed due to student absences can only be rescheduled in cases of documented medical or family emergencies.

CONTENT:

Session	Content	Assignments
Session 1	Course Overview; Introduction to International Business	• Ball: Chapter 1: "The Rapid Change of International Business" (pp. 4-31)
Session 2	A Brief Economic History of Latin America	• Becker: Chapter 1: "Where and What is Latin America?" (pp. 1-45) • Becker: Chapter 3: "The Historic Legacy" (pp. 101-146) • Bulmer-Thomas: Chapter 1 (pp. 1-18) • Hammond, John S. (2002). "Learning by the Case Method," Harvard Business School Note 9-376-241. (pp. 1-4)
Session 3	International Trade & Investment in Latin America	• Ball: Chapter 2: "International Trade and Foreign Direct Investment" (pp. 32-65) • The Economist: "A Continental Divide"

Session	Content	Assignments
Session 4	Sociocultural Forces	- Ball: Chapter 5: "Sociocultural Forces" (pp. 136-169) - Case: "Johannes van den Bosch Sends an Email" (IMD091)(pp 1-2) - Case: "Johannes van den Bosch Receives a Reply" (IMD092)(pp 1-2) - Note: "National Cultures & Work-Related Values: The Hofstede Study" (HBS 9-496-044)(pp 1-7)
Session 5	Sociocultural Forces (cntd.)	- Becker: Chapter 4: "Using Cultural Literacy to Hone your Competitive Edge" (pp 147-182) - Note: "Leading Across Cultures: Mexico" (Thunderbird D16-03-0008)(pp 1-8)
Session 6	Natural Resources & Environmental Sustainability in Latin America	Ball: Chapter 6: "Natural Resources and Environmental Sustainability" (pp. 170-209)
Session 7	Economic Forces in Latin America	Ball: Chapter 7: "Economic and Socioeconomic Forces" (pp. 210-241)
Session 8	Political Forces in Latin America	Ball: Chapter 8: "Political Forces" (pp. 242-277)
Session 9	Country Risk Assessment	Note: "Note on Country Risk and Competitive Advantage in Latin America" (Ivey 9A98G011)(pp. 1-5)
Session 10	Legal Forces in Latin America: guest speaker	Ball: Chapter 9: "Intellectual Property and Other Legal Forces" (pp. 278-301)
Session 11	International Competitive Strategy	Ball: Chapter 12: "International Competitive Strategy"(pp. 364-399)
Session 12	Entry Modes into Latin America	Ball: Chapter 15: "Entry Modes" (pp. 444-465)
Session 13	Consumer Markets	- Robles, Chapter 2: "The Latin Consumer Markets: Convergence or Fragmentation?" (pp.41-82) - Case: "Procter & Gamble Brazil (A): 2 ½ turnarounds" (HBS)

Session	Content	Assignments
Session 14	Marketing Strategy in Latin America	- Ball, Chapter 17: “Marketing Internationally” (pp. 496-527) - Note: “Note on Market Research” (pp. 1-11) - Dyer, Chapter 12: “En Río Revuelto: Finding the Formula in Mexico and Latin America” (pp. 241-260)
Session 15	MIDTERM EXAM	
Session 16	E-Business in Latin America	- Case: “MercadoLibre.com” (HBS)(pp.1-17) - Note: “E-Commerce in Latin America” (HBS 9-801-388)(pp. 1-31)
Session 17	Operations & Supply Chain Management in Latin America	Ball: Chapter 18: “Global Operations and Supply Chain Management” (pp. 528-565)
Session 18	Human Resource Management in Latin America: guest speaker	- Ball: Chapter 19: “Human Resource Management” (pp. 566-595) - Case: “Merck, Sharp & Dohme Argentina (A)” (HBS 9-398-033)(pp. 1-17) - Note: “Winning the Race for Talent in Emerging Markets” (pp. 1-10)
Session 19	Emerging Giants	Case: “Emerging Giants: Building World-Class Companies in Emerging Markets” (HBS) (pp.)
Session 20	Regional Financial Environment	Robles: Chapter 6: “Funding the Latin Market Growth” (pp. 217-258)
Session 21	Accounting & Financial Management in Latin America	- Ball: Chapter 20: “International Accounting and Financial Management” (pp. 596-617) - Note: “Accounting for Foreign Operations” (HBS, rev. 2011, pp.1-16)
Session 22	Entrepreneurship in Latin America	- Note: “International Entrepreneurship” (HBS 9-899-148)(pp. 1-12) - Case: “Safer Taxi: Connecting Taxis and Passengers in South America” (HBS 9-913-041)(pp. 1-10)

Session	Content	Assignments
Session 23	Public Relations Management in Latin America	- Case: “McDonald’s Argentina” (IMD 5-0600)(pp. 1-9) - Article: “Why PR Matters and What It Can Do For You” (Harvard Management Update U0705D)(pp. 1-4) - Article: “Avoiding PR Disasters” (Harvard Management Communication Letter C0105D)(pp. 1-4)
Session 24	Corporate Social Responsibility in Latin America	- Case: “Mining and Corporate Social Responsibility: Newmont Mining Corporation” (Northeastern/Ivey W12765)(pp. 1-12) - Note: “Mining and Corporate Social Responsibility: A Note on Mining in Peru” (Northeastern/Ivey W12766)(pp. 1-15)
Session 25	Ethical Issues in Business in Latin America	- Note: “Corruption in International Business (A)” (HBS 9-701-128)(pp. 1-10) - Note: “Corruption: The International Evolution of New Management Challenges” (Ivey 909M65)(pp. 1-21)
Session 26	Group Presentations	
Session 27	Group Presentations	
Session 28	Wrap Up and Final Review	
Session 29	FINAL EXAM	

REQUIRED READINGS:

Textbooks:

- Ball, Donald et al. (2012) International Business: The Challenge of Global Competition (13th Edition). New York: McGraw-Hill/Irwin.
- Becker, Thomas H. (2010). Doing Business in the New Latin America. Santa Barbara: Praeger (2nd Edition).

Case Studies, Background Notes and Articles:

- “A Continental Divide,” (2013), The Economist, May 18, 2013. Available here: <http://www.economist.com/node/21578056>
- Applegate, Lynda (2001). E-Commerce in Latin America. Harvard Business School. Case 9-801-388, revised June 10, 2002.
- Asis Martínez-Jerez, F. (2006). MercadoLibre.com. Harvard Business School. Case 9-106-057.
- Cole, Peter and Edelman, Benjamin (2013). Safer Taxi: Connecting Taxis and Passengers in South America. Harvard Business School. Case 9-913-041.

- DiStefano, Joe (2000). Johannes van den Bosch Sends an Email. IMD International. Case IMD091. Updated 12/11/2002).
- DiStefano, Joe (2000). Johannes van den Bosch Receives a Reply. IMD International. Case IMD092. Updated 12/11/2002).
- Conklin, David (2009). Corruption: The International Evolution of New Management Challenges. Richard Ivey School of Business. Case 909M65.
- Conklin, David (1998). Note on Country Risk and Competitive Advantage in Latin America. Richard Ivey School of Business. Case 9A98G011.
- Gosset, Steve (2001). Avoiding PR Disasters. Harvard Management Communication Letter. Article Reprint No. C0105D.
- Hammond, John (2002). Learning by the Case Method. Harvard Business School. Case 9-376-241.
- Hawkins, David (2011). Accounting for Foreign Operations. Harvard Business School. Case 9-100-024.
- Ibarra, Herminia (1996). National Cultures and Work-Related Values: The Hofstede Study. Harvard Business School. Case 9-496-044.
- Kennedy, Robert and Di Tella, Rafael (2001). Corruption in International Business (A). Harvard Business School. Case 9-701-128.
- Khanna, Tarun et al (2002). Emerging Giants: Building World-Class Companies in Emerging Markets. Harvard Business School. Case 9-703-431.
- Kuemmerle, Walter (1999). International Entrepreneurship: Managing and Financing Ventures in the Global Economy - Overview. Harvard Business School. Case 9-899-148. Revised Sept. 14, 2004.
- Moss Kanter, Rosabeth (2008). Procter & Gamble Brazil (A): 2½ Turnarounds. Harvard Business School. Case 9-308-081.
- Ready, Douglas A. et al (2008). Winning the Race for Talent in Emerging Markets, Harvard Business Review, November 2008. Reprint R0811C. pp. 1-10.
- Seiger, Alicia (2003). Note on Market Research. Stanford Graduate School of Business. Case E-165.
- Siehl, Caren (2003). Leading Across Cultures: México. Thunderbird, The American Graduate School of International Management. Case D16-03-0008.
- Sharp Paine, Lynn (1997). Merck, Sharp & Dohme Argentina, Inc. (A). Harvard Business School. Case 9-398-033. Updated Oct. 17, 2006.
- Sullivan, Kevin (2007). Why PR Matters-And What It Can Do For You. Harvard Management Update. Article Reprint U0705D.
- Turpin, Dominique (2002). McDonald's Argentina. IMD International. Case IMD-5-0600 (M 600) v.02.08.2006.
- Wesley, David (2002). AOL Latin America. Northeastern University/Richard Ivey School of Business. Case 902M29.
- Wesley, David (2012). Mining and Corporate Social Responsibility: Newmont Mining Corporation. Northeastern University/Richard Ivey School of Business. Case W12765.
- Wesley, David (2012). Mining and Corporate Social Responsibility: A Note on Mining in Peru. Northeastern University/Richard Ivey School of Business. Case W12766.
- "Why Top Management Eludes Women in Latin America," (2013), McKinsey Global Survey, August, 2013. Available here: <http://www.mckinsey.com/insights/organization/>

RECOMMENDED READINGS:

- Bulmer-Thomas, Victor. (2003) *The Economic History of Latin America Since Independence*. Cambridge: Cambridge University Press.
- Cardoso, Eliana et al. (1995) *Latin America's Economy: Diversity, Trends and Conflicts*. Boston: The MIT Press.
- Crane, Robert and Rizowy, Carlos. (2004) *Latin American Business Cultures*. Basingstoke: Palgrave Macmillan.
- D'Andrea, Guillermo and Quelch, John. (2000) *Cases in Strategic Marketing Management: Business Strategies in Latin America*. Prentice Hall.
- Dyer, Davis et al. (2004) *Rising Tide: Lessons from 165 Years of Brand Building at Procter & Gamble*. Boston: Harvard Business Review Press.
- English, David. (2011) *Expatriate Entrepreneurs in Emerging Markets: Ten Success Stories From Argentina*. Expat Books.
- Hofstede, Geert et al. (2010) *Cultures and Organizations: Software of the Mind*. McGraw-Hill.
- Morrison, Terri and Conway, Wayne. (2006) *Kiss, Bow or Shake Hands, Latin America: How To Do Business in 18 Latin American Countries*. Adams Media.
- O'Brien, Thomas. (1999) *The Century of U.S. Capitalism in Latin America*. University of New Mexico Press.
- Robles, Fernando et al. (2003) *Winning Strategies for the New Latin Markets*. New Jersey: Financial Times Prentice Hall.