

Reading Assignments



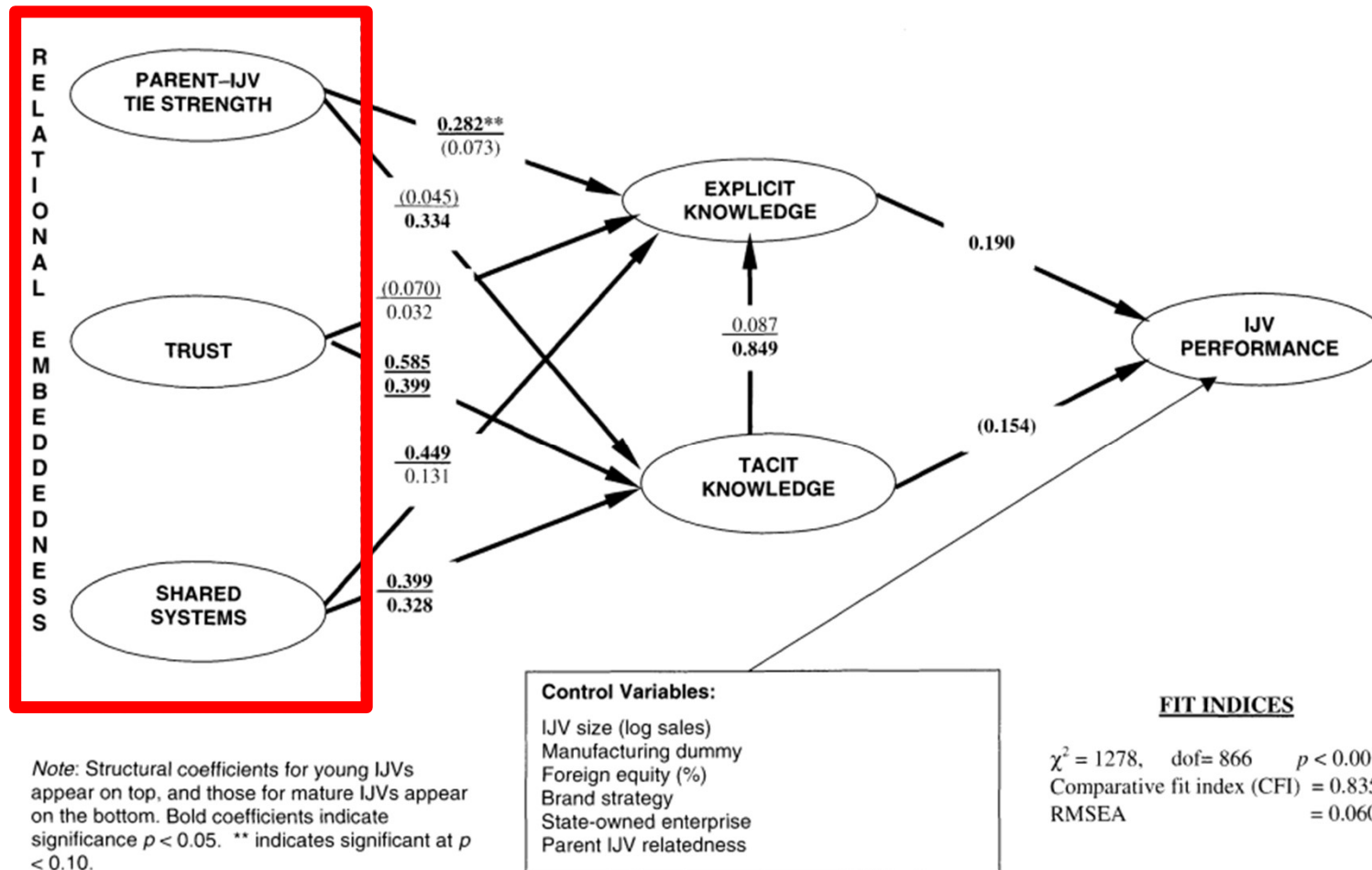
■ WEEK 4-1 (11.03.2023 | Monday)

❖ The LG-Nortel Joint Venture Case

- ❖ Meyer, K. E., Estrin, S., Bhaumik, S. K., & Peng, M. W. (2009). “Institutions, Resources, & Entry Strategies in Emerging Economies”, *Strategic Management Journal*, 30(1), 61-80.
- ❖ Schwens, C., Eiche, J., & Kabst, R. (2011). “The Moderating Impact of Informal Institutional Distance & Formal Institutional Risk on SME Entry Mode Choice”, *Journal of Management Studies*, 48(2), 330-351.



■ Dhanaraj et al.'s (2004) Study



Note: Dhanaraj et al. (2004: 435).

Exercise

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■ Market-Sizing Question

How many **Esselunga** are in Italy?

- ✓ We live in a town with a population of **120,000** (say, Bergamo). There are **3 Esselunga** shops serving our town. Therefore, I will assume that **each Esselunga** serves about **40,000 customers**. If the population of the Italy is **60,000,000** (60 million). We will just divide 60,000,000 by 40,000 & get **1,500 Esselunga shops** in Italy.

Your CV

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Upgrading the Quality of Your CV



■ Key Points

- ❖ **Numerical expressions;**
- ❖ **Achievements** (*e.g.*, award winning, scholarship, traineeship);
- ❖ **Extra-curricular activities; &**
 - Community engagement.
- ❖ **Official certificates** (*e.g.*, languages, IT skills, finance- & accounting-related licenses).
 - U.S. Certified Public Accountant.
 - U.S. Certified Management Accountant.
 - US Certified Internal Auditor.
 - Chartered Financial Analyst.
 - Microsoft Certification Program.
 - TOEIC / TOEFL / IELTS etc.

Key Advice on Writing a Dissertational Thesis

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Key Advice on Writing a Dissertational Thesis



■ **Common Fatal Mistakes** (During the Master thesis session.)

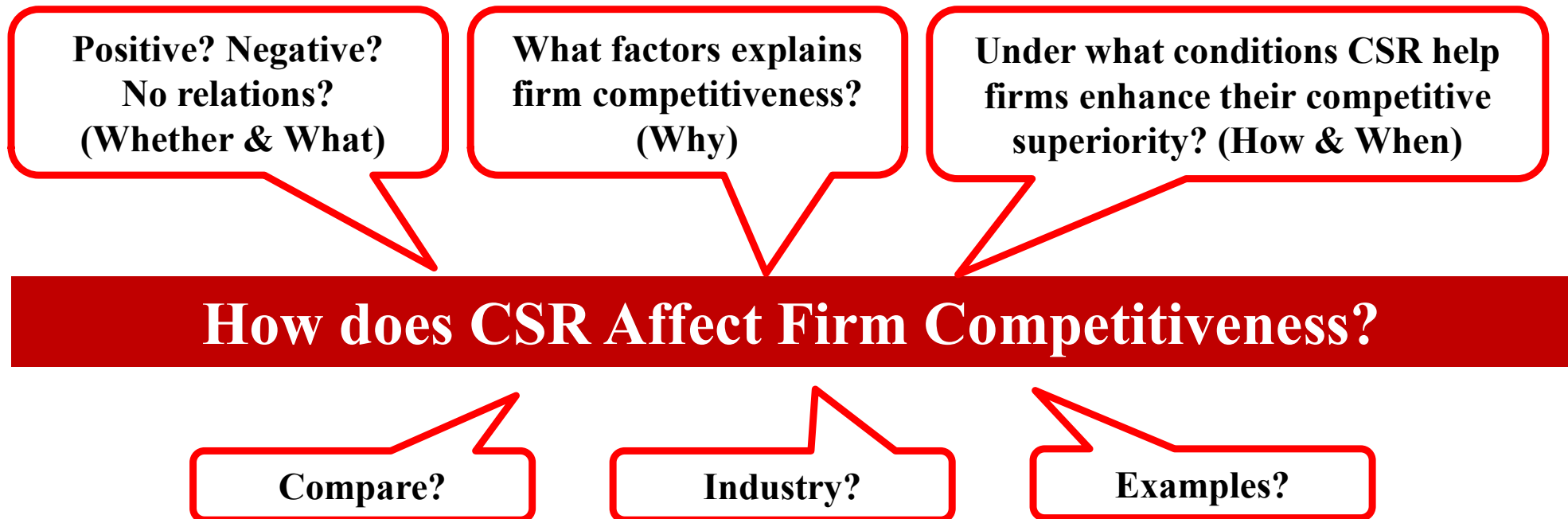
- “**Weak rationale**” for focusing on a chosen topic;
- The “**lack**” & “**imperfection**” of thorough literature review → “**Failure**” to identify a meaningful research gap;
- “**Describe**” a phenomenon ≠ “**Analyze**” a phenomenon;
- “**Neither**” theoretical application “**nor**” conceptual framework;
- The “**absence**” of causal effects;
- “**No or few**” robust, compelling & contextualized arguments;
- “**Neither**” coherence “**nor**” consistency in storylines;
- “**No**” clear structure/organization;
- “**Low-quality**” scientific figures & tables; &
- “**Poor implications**” for theory & practice.

Key Advice on Writing a Dissertational Thesis



■ How to Organize Your Thoughts?

❖ Example



 **Is this topic special? What is the motivation of your study?**

Key Advice on Writing a Dissertational Thesis



■ Review Specific Journals



Key Advice on Writing a Dissertational Thesis



■ Google Scholar

Google Scholar

https://scholar.google.co.jp

プロフィール マイライブラリ ログイン

Google Scholar

すべての言語 英語と日本語のページを検索

COVID-19に関する記事

CDC NEJM JAMA Lancet Cell BMJ
Nature Science Elsevier Oxford Wiley medRxiv

巨人の肩の上に立つ

Find relevant scholarly articles to identify a crucial research gap!

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Key Advice on Writing a Dissertational Thesis



■ Are Your Selected Journals Reliable?



International Business - Google Scholar

scholar.google.com/citations?view_op=top_venues&hl=ja&vq=bus_internationalbusiness

Google Scholar

ランキングの高い出版物

カテゴリ > Business, Economics & Management > International Business

出版物	h5-指標	h5-中央値
1. Journal of International Business Studies	73	117
2. The International Journal of Human Resource Management	72	101
3. Research in International Business and Finance	67	89
4. International Business Review	65	94
5. Journal of World Business	61	90
6. International Review of Financial Analysis	57	98
7. Emerging Markets Finance and Trade	47	77
8. Pacific-Basin Finance Journal	47	65
9. Journal of International Financial Markets, Institutions and Money	42	70
10. International Marketing Review	41	66

ABDC AUSTRALIAN BUSINESS DEANS COUNCIL

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Key Advice on Writing a Dissertational Thesis



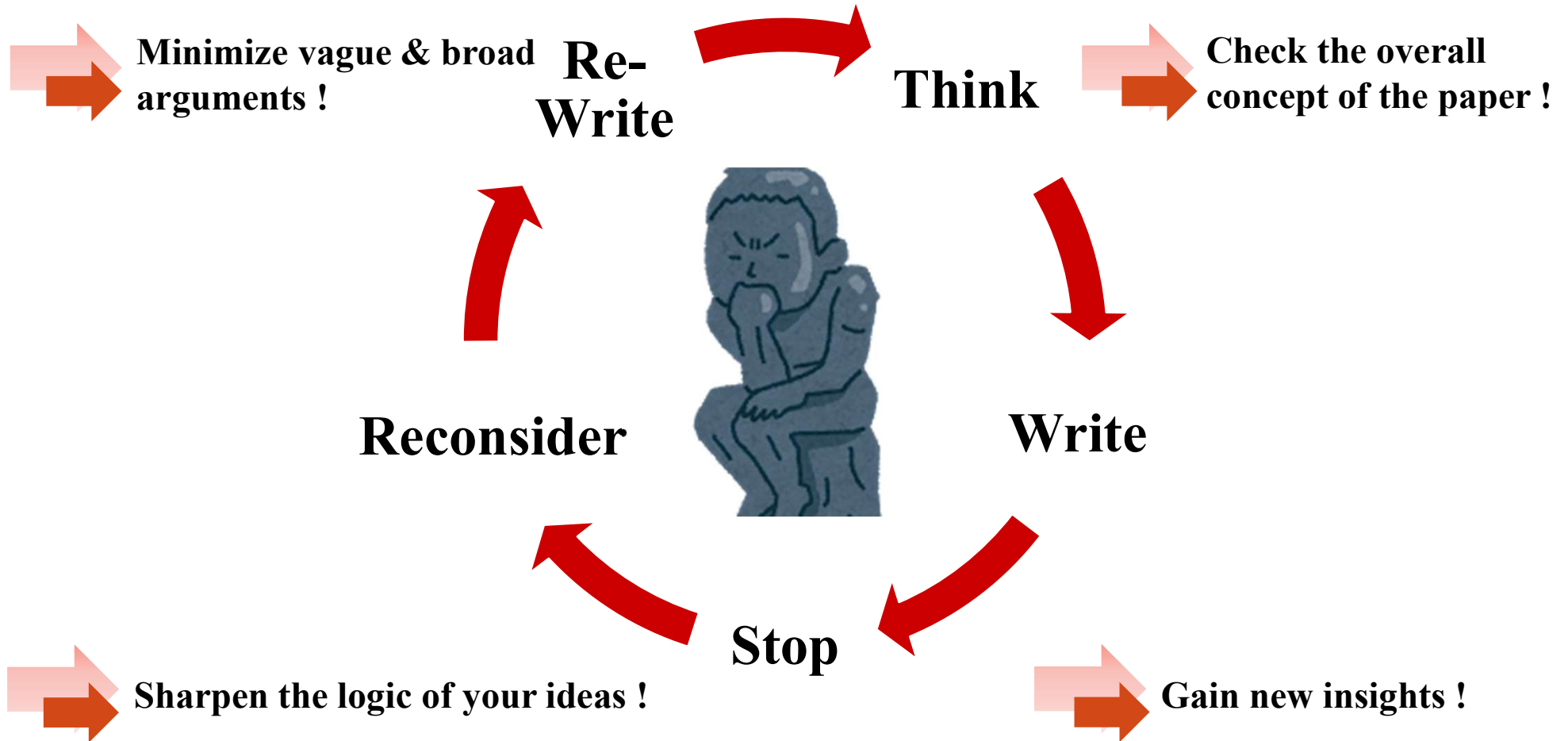
■ Paper Structure (Example)

Basic Structure	
1	Introduction (Inc. Research Motivations & Aims)
2	Backgrounds & Literature Review
3	Hypotheses
4	Methodology/Findings (Data Analysis & Cases)
5	Conclusive Remarks (Inc. Managerial Relevance)
6	Limitations & Suggestions for Future Research

Key Advice on Writing a Dissertational Thesis



■ A Knowledge Creation Cycle !



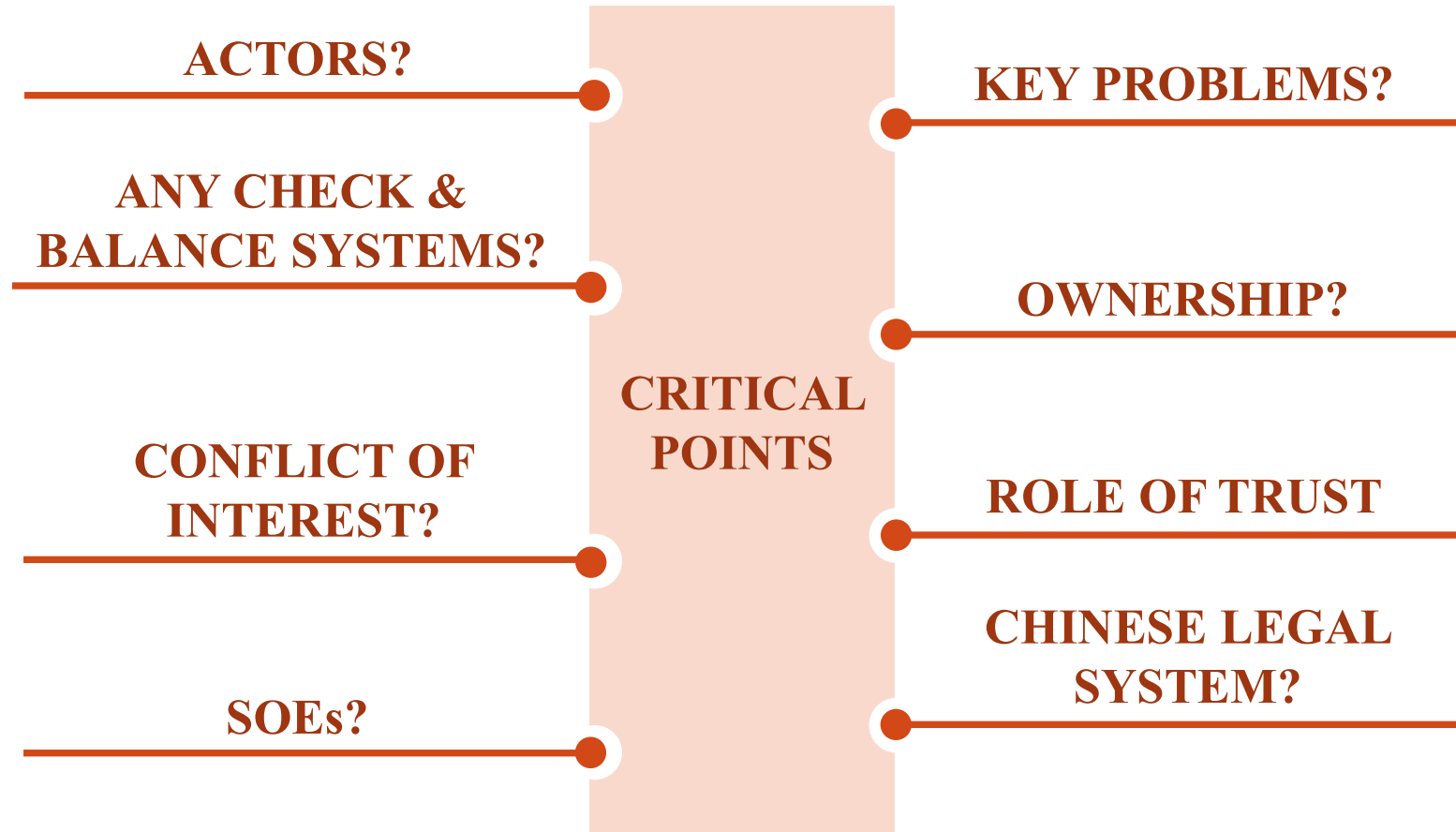
Case Analysis

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■ The Danone & Wahaha Group Case:



Source: Hubbard (2013). *Conquering Global Markets: Secrets from the World's Most Successful Multinationals*, US: Palgrave Macmillan.

Peng (2000). “Controlling the Foreign Agent: How Governments Deal with Multinationals in a Transition Economy”, *Management International Review*.

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■ Questions

- **WHAT** is the **major argument** of this article?
- **WHY** is it so important for multinational enterprises (MNEs) to have a **strong relationship with governments**?
- **WHAT** does it mean by **local governments** acting as “**agents of the state**”?
- Clarify the **dynamics of MNE-government relationships** in the three cases.
- **WHAT implications for practitioners** can be made from the conclusive remarks of this article?
- Find out **one failed international joint venture** & investigate core factors responsible for its failure in depth.



■ Geographical Location

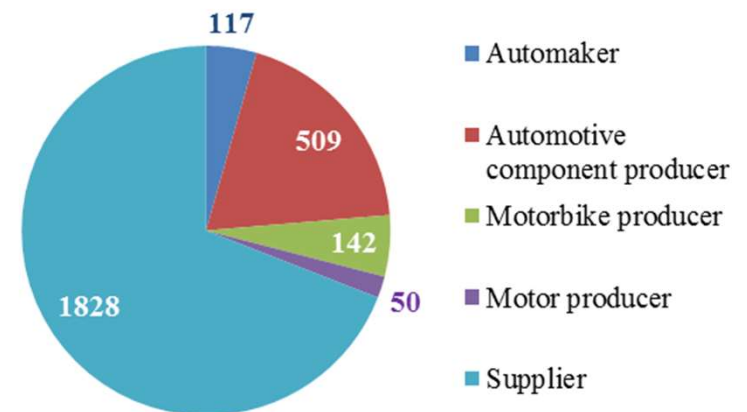


Source: Own illustration.

Production Value of Automakers in 2007 (Million Yuan RMB)

1. Jilin:	136,533.3
2. Hubei:	112,003.4
3. Guangdong:	93,224.4
4. Shanghai:	87,522.2
5. Beijing:	61,981.8

Automobile Industry (Number)





■ Summary of '3' Joint Venture Cases

Joint Venture Cases	Beijing Jeep Corporation, Ltd.	Shanghai Volkswagen Automobile Company	Guangzhou Peugeot Automobile Corporation
Negotiation	1979-1983	1978-1984	1980-1985
Total initial capital	US\$51 million	US\$40 million	US\$52 million
Foreign partners	▪American Motors Corporation (31%)	▪Volkswagen (50%)	▪Peugeot (22%) ▪National Bank of Paris (4%) ▪International Finance Corp. (8%)
Chinese partners	▪Beijing Automobile Works (69%)	▪Shanghai Automotive Industrial Corp. (25%) ▪Bank of China (15%) ▪China National Automobile Industrial (10%)	▪Guangzhou Automotive Manufacturing (42%) ▪China International Trust & Investment Corp. (20%) ▪Industrial & Commercial Bank of China (4%)
Contract length	20 years	25 years	25 years
Products	Jeep Cherokee four-wheel drive vehicle	Santana four-door sedan	504 light truck 505 station wagon
Production began	1985	1985	1986

Source: Peng (2000: 149).

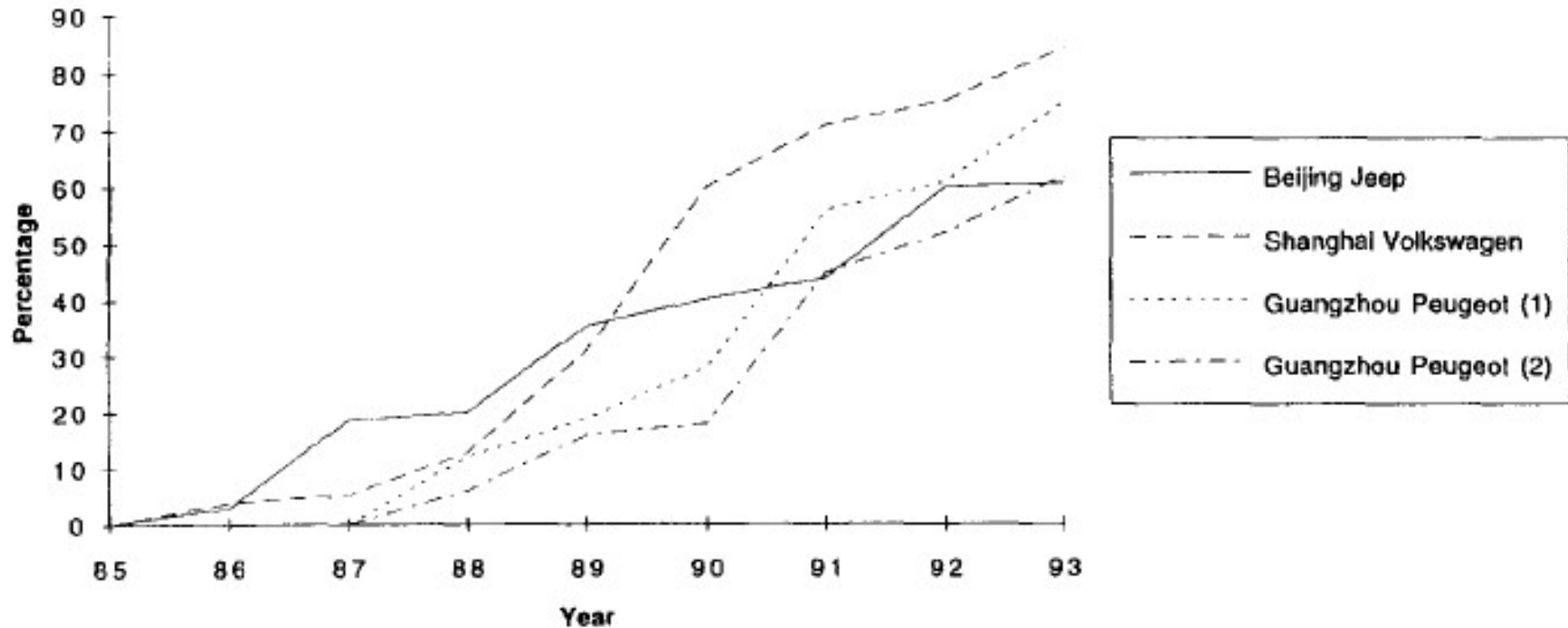


■ Dynamic Interactions between the Principal & Agents

Joint Venture Cases	Beijing Jeep Corporation, Ltd.	Shanghai Volkswagen Automobile Company	Guangzhou Peugeot Automobile Corporation
Interaction with the central government			
Role of the provincial government			
Aim of the Chinese side			
Aim of the MNE side			
Type of contract			
Dialogues among actors			
Localization			



■ Progress in Localization



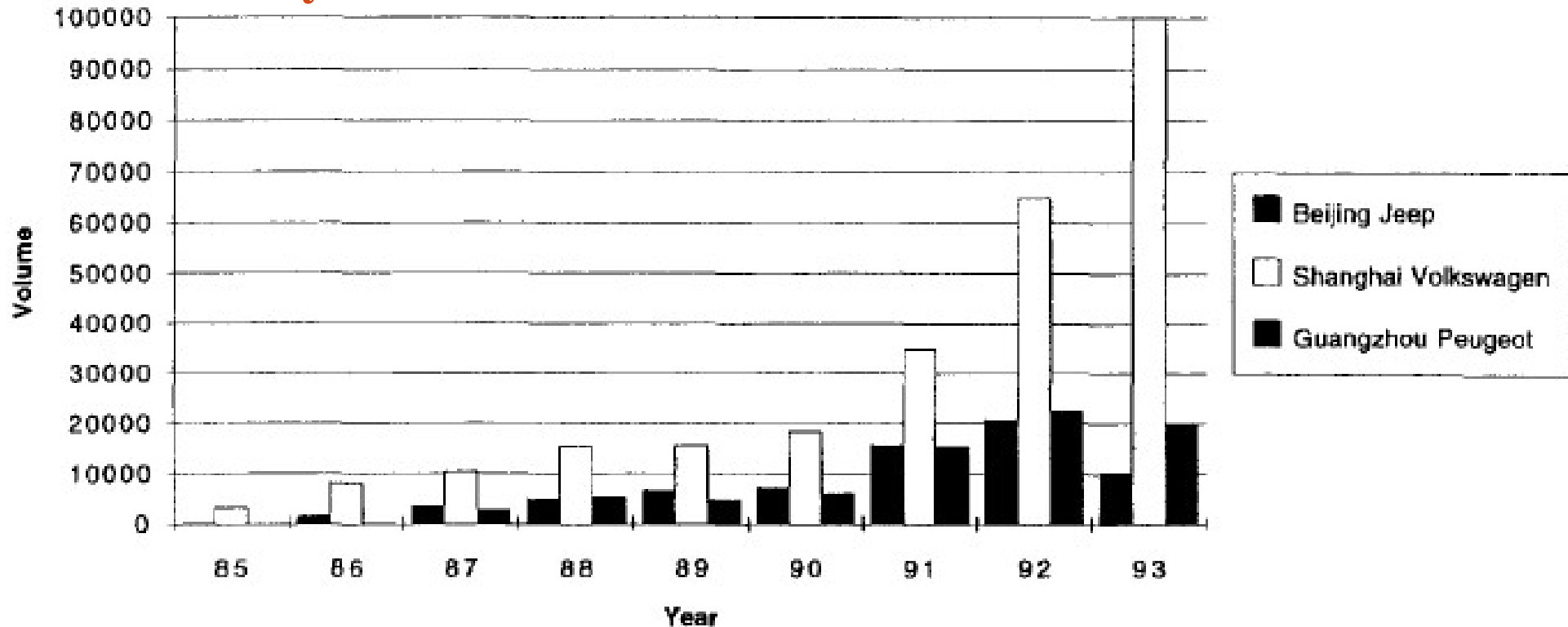
KEY POINTS

- > The earlier Chinese policy of demanding a new car model & a substantial number of exports appears to be unrealistic. *However*, the level of local content significantly increased.

Source: Peng (2000: 151).



■ Summary of '3' Joint Venture Cases (Source: Peng, 2000: 155)



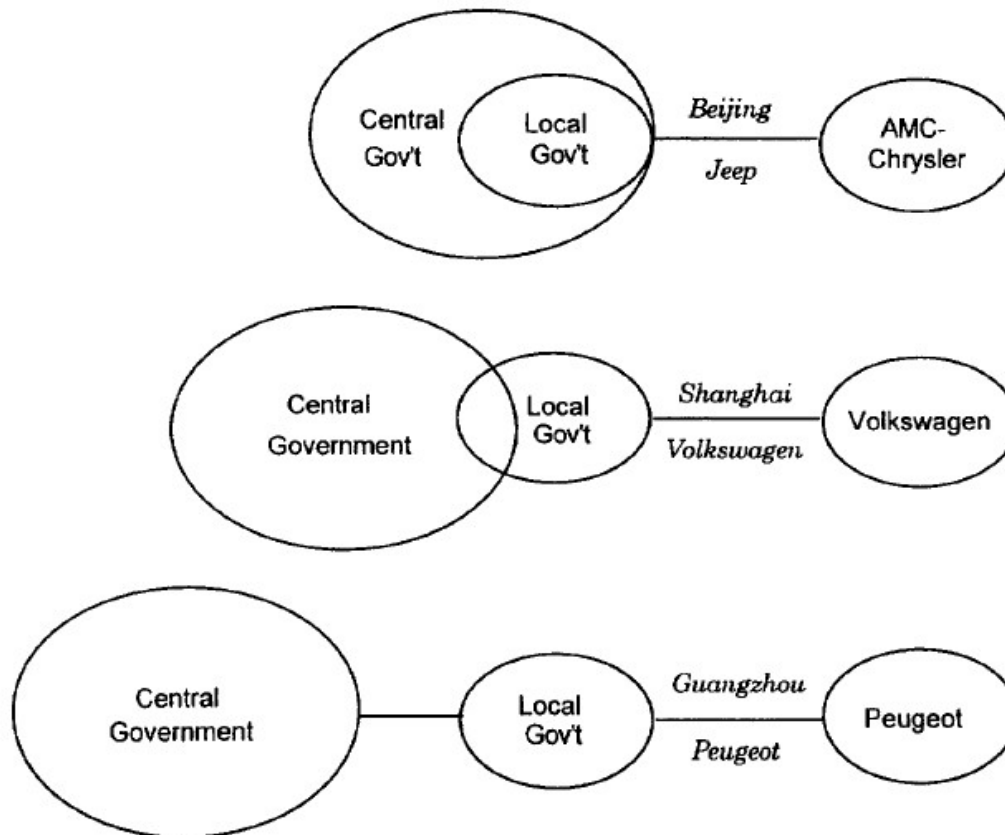
KEY POINTS

- > The production growth of Beijing Jeep & Guangzhou Peugeot was **NOT** that impressive.
- > Shanghai Volkswagen performed extremely well.

Source: Peng (2000: 155).



■ Different Government-MNE Relationships



Source: Peng (2000: 160).

KEY POINTS

- > AMC's **“BAIT & SWITCH”** strategy *versus* VW & Peugeot's more **FRANK** approach.
- > In the case of VW & Peugeot, local governments became more **SYMPATHETIC** toward the JVs.
- > During later stages of the JV development, local governments, except in Beijing, tended to actively **LOBBY** for the JVs.
- > Local governments **BARGAINED HARD** with the central government.
- > **DIALOGUE**-based solutions of the conflicts between principals & agents.



■ Managerial Relevance

❖ For MNE managers

- Building **coalitions with local government** agencies seems to be a good strategy that may pay off in the long run.
- **Publicizing the problem** to the media & threatening the government to solve problems are highly **unconventional & risky** tactics.

❖ For Policy makers

- When dealing with MNEs which have strong bargaining power, **a set of consistent & realistic policies** is necessary.
- In the long run, only through **consistent policy implementation** by professional bureaucrats, the state can build up its capabilities in dealing with the MNEs as foreign agents.



■ Discussions

❖ Find out one failed international joint venture & identify several key factors for its failure in greater depth.

Quiz 1

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Quiz 1



■ Yes/No Questions: Are these sentences correct or wrong?

1. Both greenfield investment & joint ventures allow for the organization to retain full, legal, operational, & financial control over the venture.
2. Buying either partially or fully into an existing operation certainly is the slowest entry mode.
3. Greenfield investment enables foreign firms to overcome the cost inherent in a long “culture distance”.
4. It is not necessarily correct that WOS & JVs are the only modes of entry involving a significant upfront cost without the benefits of cashflow.
5. Contractual alliances include co-marketing & joint R&D.

Quiz 1



■ Answers

1. Both greenfield investment & **acquisitions** allow for the organization to retain full, legal, operational, & financial control over the venture. ✗
2. Buying either partially or fully into an existing operation certainly is the **fastest** entry mode. ✗
3. **JV formation** enables foreign firms to overcome the cost inherent in a long “culture distance. ✗
4. It is not necessarily correct that WOS & JVs are the only modes of entry involving a significant upfront cost without the benefits of cashflow. ◎
5. **Collaborative alliances** include co-marketing & joint R&D. ✗

Exercise



■ Case-Like Number Cases:

Every three minutes an American man is diagnosed with lung cancer. How many American men will be diagnosed this year?



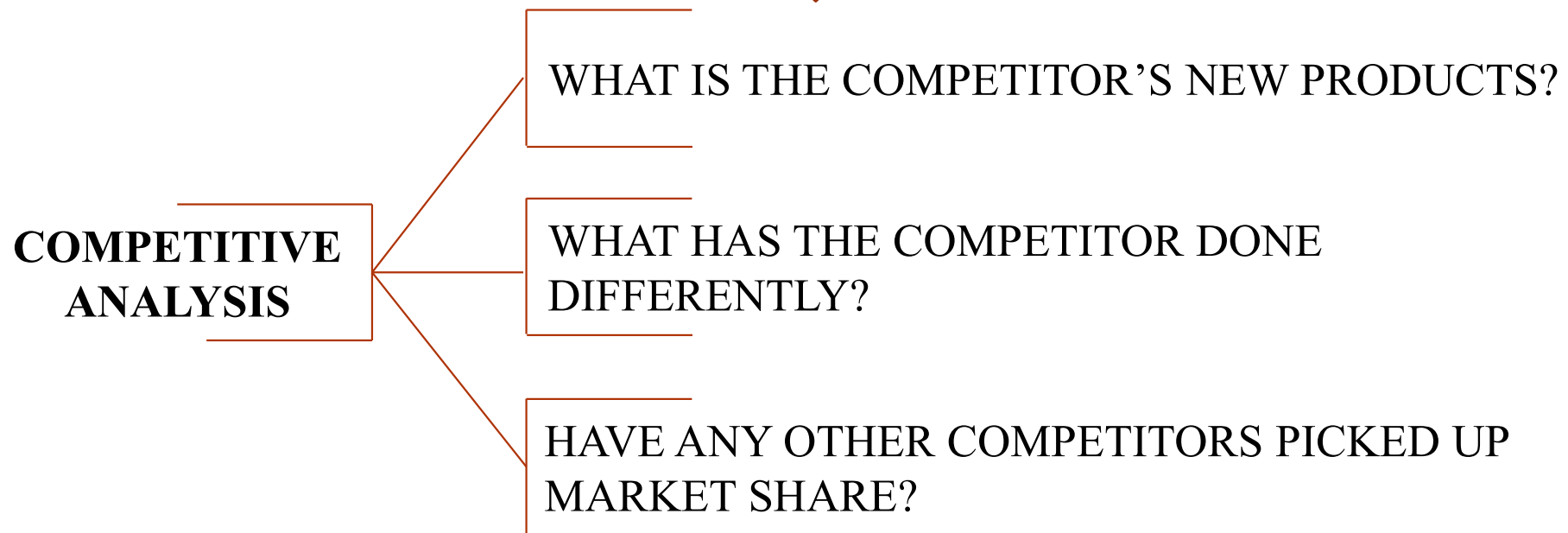
- ❖ One man every three minutes equals **20 men an hour**.
- ❖ **20 men** diagnosed an hour times **24 hours** in a day equals **480 men a day**.
- ❖ **480 men a day** times **365 days** equals **175,200** American men diagnosed with lung cancer each year.

Source: Slight modification on Cosentino (2011:21) Case In Point: Complete Case Interview Preparation.



■ Starting a New Business:

Ocean X has developed a new non-slip sailing shoe that has been eating into the sales of our bestseller - the Commodore 2000. How can we respond? (**2 steps: 1. competitive analysis & 2. responses**)



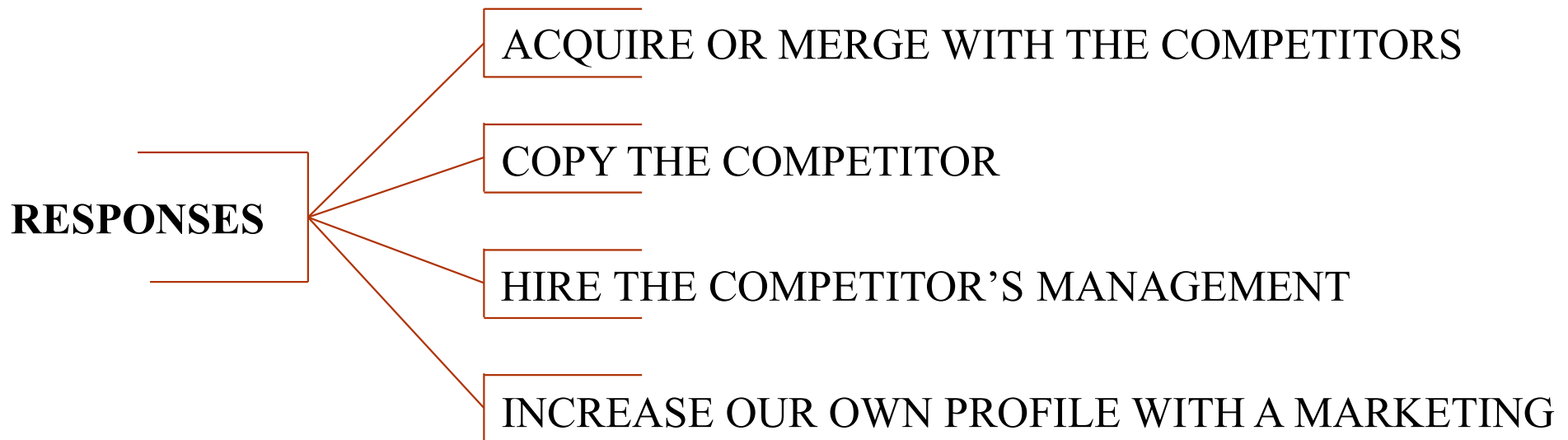
Source: Cosentino (2011: 41-42) Case In Point: Complete Case Interview Preparation.

Exercise



■ Starting a New Business:

Ocean X has developed a new non-slip sailing shoe that has been eating into the sales of our bestseller - the Commodore 2000. How can we respond?



Source: Cosentino (2011: 41-42) Case In Point: Complete Case Interview Preparation.

Quiz 2

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Quiz 2



■ Yes/No Questions: Are these sentences correct or wrong?

1. Privatized state-owned enterprises are those organizations who ran into financial problems & were bailed out by the government that injects capital in the form of shareholding.
2. The OLI paradigm suggests that organizations set up operations on a gradually increasing basis starting off with exports, agents, a sales subsidiary, & a production facility.
3. Glocal focusing leads to an entire shift in business priorities with firms now prioritizing their endeavors in narrower business lines.
4. Economic risks include availability of reliable suppliers, economic slowdown, & lack of market stagnation etc.
5. Autonomy is the amount of influence the various partners have in the operational, managerial, & strategic direction of the JV.

Quiz 2



■ Answers

1. Emergency state-owned enterprises are those organizations who ran into financial problems & were bailed out by the government that injects capital in the form of shareholding. ✗
2. The Uppsala Theory suggests that organizations set up operations on a gradually increasing basis starting off with exports, agents, a sales subsidiary, & a production facility. ✗
3. Global focusing leads to an entire shift in business priorities with firms now prioritizing their endeavors in narrower business lines. ✗
4. Economic risks include availability of reliable suppliers, economic slowdown, & lack of market stagnation etc. ◎
5. Control is the amount of influence the various partners have in the operational, managerial, & strategic direction of the JV. ✗

The End of Today's Lecture



ご清聴有難う御座いました。

Thank you so much!

Vielen Dank für Ihre Aufmerksamkeit!

Grazie mille !

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