

## **GLOBE ASSIGNMENT QUESTIONS:**

### I INTRODUCTION: GLOBALIZATION

#### **SESSION 1 “Grolsch”.**

##### **MATERIALS**

Case: Grolsch: Growing Globally

1. Why did Grolsch pursue international expansion?
2. How well has Grolsch done in growing its international business?
3. What lessons can be drawn from where Grolsch has been most successful?
4. Why did you think SABMiller acquire Grolsch and was the price it paid reasonable?

#### **SESSION 2 “The Globalization of Cemex”.**

##### **MATERIALS**

Case: HBS 9-701-017 The Globalization of CEMEX

Additional material: Exhibits 4-8

1. What benefits have CEMEX and the other global competitors in cement derived from globalization?
2. How specifically has CEMEX managed to outperform its leading global competitors in the cement industry? (See exhibits 4-8).
3. 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?
4. 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?

#### **SESSION 3 “The Globalization of Business Enterprises”.**

##### **MATERIALS**

Pre-class Reading: **“Borders, Differences and the Law of Distance”**, excerpted from Pankaj Ghemawat, *World 3.0* (Harvard Business Review Publishing, 2011)

Please find this chapter as a Protected Document on Global Campus. You can begin reading on page 2.

1. From the perspective of the CAGE framework, which country is closer to the U.S., China or India?
2. Reconsider Grolsch’s MABA (Market Attractiveness/Business Assessment) framework, whose market attractiveness axis embodied a CAGE-style analysis. What changes if any would you have recommended to MABA? Please be specific. Reinterpret Cemex’s international expansion

trajectory in terms of distance. You can find some Cemex's slides posted on GC as post-class material.

3. What (other) uses might the CAGE framework be put to?

## II THE CAGE (Cultural-Administrative-Geographic-Economic) Distance Framework

### **SESSION 4 "Star TV".**

#### **MODULE: CAGE FRAMEWORK**

Case: HBS 9-701-012 STAR TV in 1993 (A)

The case on STAR TV focuses on satellite television as a technological change that effectively abolishes geographic distance at least at a regional level. STAR TV proposes to exploit this change by focusing on a particular market niche in Asia. But how much value will it add?

STAR TV exhibits

#### **QUESTIONS TO BE PREPARED BEFORE CLASS:**

1. What are STAR's advantages and disadvantages in competing with local TV broadcasters in Asian markets—and how are they likely to change over time? In particular, how valuable is STAR's ability to recycle English-language TV programming that it owns?
2. In what kinds of Asian countries is standardized English-language programming likely to win the highest viewer ship shares against local programming? (Please consider the evidence in the exhibits)
3. Which market will STAR's parent, News Corporation, find it easier to operate and make a profit in—China or India?

### **SESSION 5 "Cultural Differences".**

#### **MATERIALS**

Globalization Note Series: National Cultural Differences and Multinational Business. Please find it as a "Protected Document"

Additional material: Exhibit posted on GC in the folder named "National Differences"

1. What does culture mean to you?
2. Look at the countries for which Hofstede scores are plotted in Exhibit 2 as well as other countries of interest for which data are available from either Exhibit 1 or (for an expanded set) Geert Hofstede's website ([http://www.geert-hofstede.com/hofstede\\_dimensions.php](http://www.geert-hofstede.com/hofstede_dimensions.php)). Do the differences look reasonable?

3. More broadly, how persuasive do you find subjective versus objective indicators of cultural differences?
4. Which types of industries tend to be particularly subject to cross-country cultural differences?
5. Which functions, typically, are the most subject to cross-country cultural differences? What broad prescriptions would you offer about how to manage them?
6. Go back and compare Cemex and Grolsch. Which seems to have been more culturally adaptable?

Post Class:

Individual Assignment **Individual Assignment (Nonoptional)**

- Please pick one of the following cartoons.
  - What critique about globalization does it make?
  - How would you assess that critique?
  - If the critique is valid, what remedies—including what restrictions on globalization--would you recommend?
- Please confine your responses to 2 pages maximum, including exhibits and references.

**Cartoon 0**



AISLIN  
THE GAZETTE  
Montreal  
CANADA

CARTOONISTS & WRITERS SYNDICATE <http://CartoonWeb.com>

**Cartoon 1:**



**Cartoon 2:**



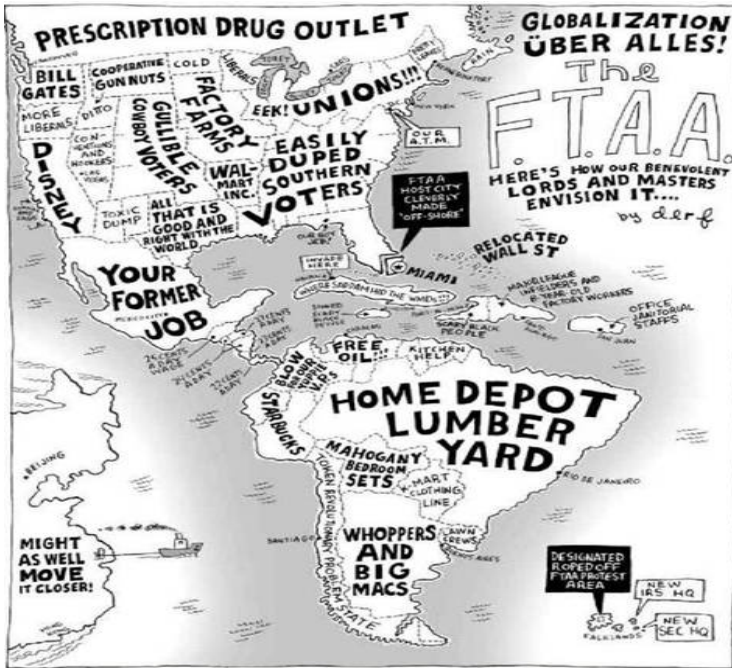
Cartoon 3.



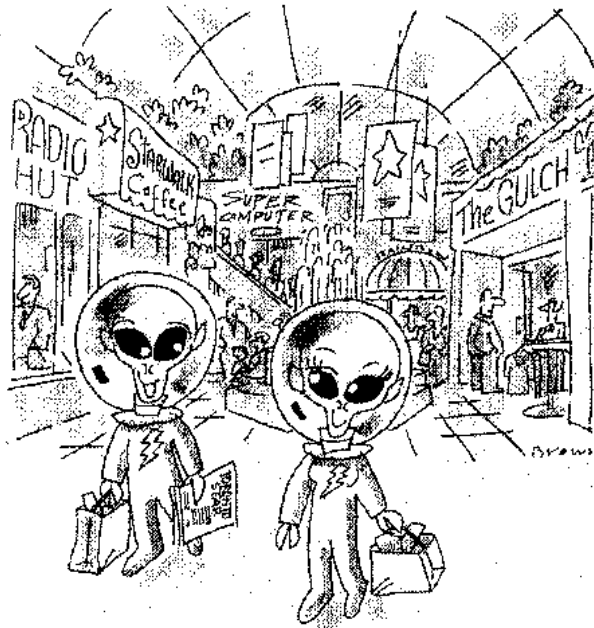
Cartoon 4.



Cartoon 5:



Cartoon 6:



*"It's amazing! No matter what planet you go to, it's the same stores in every mall."*

Brown/Toronto Star

## **SESSION 6 “Endesa de Chile investing in Peru”.**

### **MATERIAL**

Power Across Latin America: Endesa de Chile  
Endesa de Chile exhibits

### **QUESTIONS TO BE PREPARED BEFORE CLASS**

1. What types of cross-country differences and risk factors are most important for Endesa to focus on in its international expansion?
2. How do Peru and Argentina compare as investment destinations from Endesa de Chile’s perspective?
3. How about the other potential Latin American investment destinations mentioned by Chairman Yuraszcek in the introduction to the case?
4. How could acquisition by the consortium led by Endesa de Chile add to the value generated by Edegel for its owners?”
5. If Endesa wins the bid for Edegel, what should its main strategic priorities be in the Peruvian market?

## **SESSION 7 “Administrative Differences”.**

### **The CAGE Framework/Administrative Differences between Countries**

**Reading: Pankaj Ghemawat and Thomas M. Hout, “Differences in Business Ownership and Governance around the World,”**

1. What does Exhibit 3 suggest about the interrelations between ownership, external finance and labor rights?
2. Many of our discussions focus, implicitly or explicitly, on large business enterprises that are standalone entities, each with many small, highly diversified shareholders who end up as a result, ceding effective control to top management. But in much of the non-AngloSaxon world (and even within it, to an important extent), large business enterprises tend to be parts of complex interlocks that are controlled by dominant owners, often families who also tend to get directly involved in management. As we acknowledge the difference between these two broad types of business contexts and shift from thinking about the former to thinking about the latter, how should that change how we think about the following functional areas (among others):
  - Finance
  - Accounting
  - Entrepreneurship
  - Human Resources
  - Strategy

3. In moving across borders, is it more dangerous for companies from dispersed shareholding/common law contexts to be unaware of how different family-controlled civil law contexts are? Or the other way around?
4. What are some of the other managerial uses of the ideas about variations in business ownership and governance presented in the reading?

### **SESSION 8 “The Indian IT Services Industry”.**

#### **MATERIAL**

#### **Case: The Indian IT Services Industry in 2007**

Historical Development of IT Services in India, and Indian IT Services in 2007 (pages 4-16).

#### **Questions:**

1. India still faces significant competitiveness issues according to the *Global Competitiveness Report*. Why has the Indian software industry performed much better than most other Indian industries in international competition?
2. How did the move to offshore development (from onsite work) affect the Indian software industry's competitive position?
3. How sustainable are India's advantages in IT services? In particular, given that Indian programmers' salaries have recently increased at 15% per year, versus 3% in the United States, for how many years will India continue to be an advantageous location to deliver offshore IT services?
4. What would you identify as the strategic imperatives for a leading India-based competitor?

### **SESSION 9 “Haier in the US in 2008”.**

#### **MATERIAL**

Case: Haier in the United States.

***On page 4 - The overhead numbers given are for standard refrigerators. Compact refrigerators will have approximately 1/3 of the overhead costs.***

Exhibits

#### **Assignment questions:**

1. What was Haier's logic for entering the US market with small refrigerators first?
2. What was the logic of setting up Haier headquarters in New York City?
3. Why did Haier build a factory in South Carolina?
4. From a cost point of view, where would be the best place to manufacture large and small refrigerators?
5. Why has it been so difficult for Haier to sell higher priced refrigerators in the U.S.?



## **SESSION 10 “Mittal Steel in 2006”.**

### **MATERIAL**

#### **Case: Mittal Steel in 2006**

#### **Exhibits**

#### **Assignment questions**

1. Please compare Mittal’s overall economics per ton of crude steel shipped with its leading competitors. What does that tell you about the size and sources of its competitive advantage?
2. What new sources of value has Mittal seen and capitalized on? Where has it historically made much of its money?
3. What threats does Mittal face in sustaining its record of profitable growth?
4. How plausible is vertical integration as a value driver for Mittal?
5. How, if at all, would a merger of Mittal with Arcelor add value?

### **III MAXIMIZING GLOBAL POTENTIAL**

## **SESSION 11 “The Policy Agenda”.**

"Today, we will discuss some of the analyses prepared by the section of the (anti-)globalization cartoons. If you would like to be considered for in-class presentation of your thoughts, please--in addition to posting your assignment on global campus--prepare no more than two powerpoint slides and email the slides to PGhemawat@iese.edu by 5 pm on Monday, February 14."

## **SESSION 12 “The Personal Agenda”.**

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Please complete the attached survey posted on GC - See Assignments -by 9 pm . Note that your evaluation for this specific assignment will be based on whether you turn it in on time, but NOT on your specific responses to the questions.

### **MATERIAL**

Please review the documents:

*“What’s Next Curling Up with E-Readers”* by Suzie Boss, Stanford Social Innovation review, Winter 2011–02–11

# Worldreader.org

The holidays came early to 500 students and teachers in Ghana this year. Before there were no books, and now there are tens of thousands. And the best way we

can thank you for your support is to [share with you](#) how it felt.



The launch of the iREAD program was an exhilarating success due in large part to months of careful planning. We have a vault of stories, but highlights include:

- [Clearing hundreds of Kindles](#) through customs in Africa in less than 24 hours, and then unpacking the largest Kindle order ever shipped from the UK.
- Watching the [Village Chief](#) embrace the project before the entire community- and the community pledge to care for the program to benefit future generations.
- Distributing hundreds of Kindles to amazing [kids](#)- who are now able to read thousands of books.
- Facing heartbreaking moments at [school assemblies](#) with some angry students who did not get e-readers.
- Talking with parents, like Diana pictured above, who expressed joy that their children would have new possibilities in their future.
- Stumbling across one of the students in the market [reading to her friends](#). Isn't that the essence of what the holidays are about? Sharing, friendship, families, community and joy...

2011 will hold hundreds of new stories about progress in Adeiso, Kade, and other communities around the world.

From the whole team at [Worldreader.org](http://Worldreader.org), we thank you for all of your invaluable support and wish you healthy and happy holidays.

## **500 Down, Millions to go Worldreader.org Books For All**



You can:

Listen to this BBC interview,

[http://www.worldreader.org/uploads/press\\_36\\_1275882562.mp3](http://www.worldreader.org/uploads/press_36_1275882562.mp3)

Investigates this YouTube page,

<http://www.youtube.com/worldreaders>

Read this FAQ,

<http://www.worldreader.org/faq.php>

Watch the videos and listen the interview on the links embedded in the “Worldreader” pdf file and think about the following questions.

### **Assignment questions**

1. Why might David Risher and Colin Mcelwee not have insisted that Worldreader.org be self sustaining?
2. How do you think David and Colin decided where to focus their initial efforts?