

NEW YORK UNIVERSITY
Stern School of Business – Undergraduate Division
International Study Project - Spring 2005

Chile Option

COURSE INFORMATION

Section	C45.0100.05	C45.0100.06	C45.0100.07
Meeting Time	TR 3:30-4:45 pm	TR 4:55-6:10	TR 2:00-3:15
Classroom	T200	T200	T200

INSTRUCTORS (JOINTLY TEACHING ALL THREE SECTIONS)

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TEACHING FELLOWS

Name	Lorena Reich	Carlos Villarreal	Eduardo J Cabal
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Company Responsibility	TBA	TBA	TBA
Section Responsibility	TBA	TBA	TBA

COURSE DESCRIPTION

The International Study Project (ISP) course is a follow-on to the Global Business Environment (GBE) course. The central objective of the GBE course was to introduce students to the causes and consequences of economic globalization. Towards the end of the GBE course, however, the fact of wide differences in the institutional contexts within which business is conducted in different national settings was pointed out. These differences are driven by historical, politico-legal, social, and cultural forces as well as economic realities, and can result in significant divergence in actual national goals, policies and economic achievements compared to what would be predicted by global economic reasoning alone.

The main objective of the ISP course is to enrich students' understanding of variations in the institutional contexts of nations and the impact of these variations on national economic growth,

globalization and the management of multinational firms. Pursuit of that objective will start by developing a framework for country analysis that can be applied to understanding the economic performance of any country in the world, and the challenges, opportunities and risks to multinational firms of doing business in any country in the world. Classroom time will be spent applying this framework to several countries in Latin America. Pursuit of the main objective of the course will then proceed with a visit to Santiago, Chile during which students will be able to observe directly how the institutions there impact how business is done there compared to in other countries, particularly the U.S. While in Santiago students will participate in presentations and discussions with multinational company managers headquartered there, with faculty and students teaching and studying there, and with local government officials. In addition, students will have time on their own to explore the history, cultural sites, and local customs of Santiago and Chile.

The course will culminate in a school-wide competition among student teams from all sections of the International Study Project course. The competition will require that each team prepare and present a report that diagnoses the major performance problems and opportunities facing the company visited, and makes strategic recommendations to its management addressing those problems and opportunities. Shortly after returning from the trip to Chile, students will be required to complete an individual written report that analyzes the role of the national setting of the company visited in its international competitiveness.

REQUIRED MATERIAL

Readings Packet available in the bookstore.

EVALUATION

<u>Assignment</u>	<u>Weight</u>
Class & trip participation	20%
Two quizzes (20% each)	40%
Group project	40%
a. Country impact report	10%
b. Presentation	15%
c. Final report	15%

Class and Trip Participation (20%)

Attendance during class activity and the trip to Chile is a very important component of the learning process in this course. You are only allowed to miss the trip after obtaining written permission from the Dean's office. For those missing the trip, you will be given a make-up assignment whose weight would be equal to that of your trip participation grade. In addition, you are expected to do additional research work on your group project so that there is an equitable distribution of work among the members of your group on the project. For those traveling to Chile, you are required to adhere to the Code of Conduct given below:

ISP TRAVEL AND THE STERN UNDERGRADUATE CODE OF CONDUCT

While on the ISP trip, students will have a significant amount of time on their own to explore the history, cultural sites, and local customs of Chile and Santiago. During this unsupervised time, students are expected to behave in a manner consistent with the Stern Undergraduate Code of Conduct. Behavioral violations include, but are not limited to physical assault, harassment (including sexual and verbal), and property damage.

Accusations of behavioral violations will be investigated by faculty and administrative staff accompanying the students on the trip, and may result in students being immediately sent home to prevent further damage. In all cases behavioral violations will be reported to the Office of Academic Affairs for further investigation and determination of sanctions by the Honor Committee.

Failure to attend and actively participate in scheduled events while on the trip is also a violation of the Code. Such failures will result in penalty in the class participation portion of the course grade. Frequent failure to attend and actively participate while on the trip could result in as much as a two-letter reduction in the course grade.

Quizzes (20% each)

Both quizzes will take place in class on the dates mentioned in the class schedule. The quizzes will be a combination of multiple-choice and/or short-answer type questions. More details on the quizzes will be provided in class.

Group Project (40%)

Please form groups of 5 people by the dates mentioned in the class schedule. If you are not able to find a group, you will be assigned to some group that has less than 5 members. Since group activity is a big component of this course, it is recommended that you find group members with whom you share a good group dynamic with and similar interests on the project topic. It is also required that each group have no more than one person who is not going on the trip to Chile.

Group Report: Country Impact on Company (10%)

For your assigned company, please address the following questions (Suggested length is 5-6 pages double-space typewritten):

[1] What features of the historical, politico-legal, social, economic, and cultural institutions in the home country/region help the company achieve competitive advantage? What features seem to lead to competitive disadvantages? Can management leverage the former, and overcome the latter?

[2] In a paragraph or two [on a separate page] identify what questions your group will consider asking the senior management of your company if presented with an opportunity to do so. Why?

This report is due by noon on Tuesday, March 8 and is worth 10% of your grade.

Group Reports Company Report and Presentation (30%)

"Outline your company's strategic situation, i.e., its strengths/advantages over competitors, and the major challenges and weaknesses it will have to overcome in the next few years. Develop a strategic plan for the next 3-5 years to maintain and or improve the firm's performance. (Specifically, what significant changes in the firm's geographic scope, product scope, product development policies, marketing policies, operations policies, finance policies, organization structure, and/or human resource management policies would you recommend?)

The presentation slides are due **by noon on Monday Apr 11**. The presentation, which will be evaluated by your classmates and moderated by Professor Srivatsan will be worth 15% of your grade. Each group will get 13 minutes for their presentation, followed by 2 minutes for Q&A.

The project report (Suggested length is 10-12 pages double-space typewritten), which will build on your [and other] presentation(s), is **due by 6 PM on Thursday, April 28**. This report will count for 15% of your grade.

GROUP PROJECT TIMELINE

Tuesday, Jan 18	Introduction to the group project Registration of students in groups starts
Tuesday, Feb 1	Registration of students in groups ENDS
Tuesday, Feb 8	Introduction to the firms Allocation of groups to firms STARTS
Thursday, Feb 10	Allocation of groups to firms ENDS
Tuesday, Mar 8	'Country impact on company'. Report DUE BY NOON (email to your TFs)
Monday, Apr 11	Presentation slides due by NOON (email to your TFs)
Thursday, Apr 28	Project Report DUE BY 6 PM (email to your TFs)

CLASS SCHEDULE

Session	Day	Date	Topic	Readings/Assignments	Instructor
Module 1: Dimensions of Competitiveness					
1	Tue	1/18	Background on Chile, Part 1	EIU, IMF, OECD, World Bank reports	Porzecanski
2	Thu	1/20	Background on Chile, Part 2	EIU, IMF, OECD, World Bank reports	Porzecanski
3	Tue	1/25	Measuring and Improving the Investment Climate	World Development Report 2005	Porzecanski
4	Thu	1/27	Measuring and Improving Country Competitiveness	The Global Competitiveness Report	Porzecanski
5	Tue	2/1	Measuring and Improving Sovereign Credit Risk	Standard & Poor's Ratings Primer and Chile Sovereign Risk Report	Porzecanski
6	Thu	2/3	Module 1 Quiz		Porzecanski
Module 2: Doing Business in Latin Markets					
7	Tue	2/8	Introduction to the companies and TFs, Assign groups to companies		Srivatsan
8	Thu	2/10	The Latin Competitive Landscape	Lecture Handouts	Narayanan
9	Tue	2/15	The Latin Consumer Landscape	Lecture Handouts	Narayanan
10	Thu	2/17	Infrastructure Issues	Lecture Handouts	Narayanan
11	Tue	2/22	The Financial Services Sector	Lecture Handouts	Narayanan
12	Thu	2/24	Strategies for Latin Markets	Lecture Handouts	Narayanan
13	Tue	3/1	Module 2 Quiz		Narayanan
14	Thu	3/3	Company Workshop		No class
Module 3: Trip Preparation and Trip					
	Tue	3/8	Dean's Office Presentation	Group Report Due: How does Chile impact my company's competitiveness?	Srivatsan
16	Thu	3/10	Trip Preparation		No class
	Fri	3/11	Depart for Chile		
	Thu	3/16	Return from Chile		
Module 4: Company Situation Analysis and Corporate Strategy					
17	Tue	3/22	Situation Analysis and Corporate Strategy	Lecture Notes	Srivatsan
18	Thu	3/24	Case discussions on Chilean Companies: Empresas CAP, Chilectra, LanChile	Lecture Notes	Srivatsan
19	Tue	3/29	Case discussions on Chilean Companies: Montgras, Caliterra	Lecture Notes	Srivatsan
Module 5: Project Work and Presentations					

20	Thu	3/31	Team Meetings		No Class
21	Tue	4/5	Team Meetings		No Class
22	Thu	4/7	Team Meetings		No Class
Mon 4/11 SLIDES DUE BY NOON					
23	Tue	4/12	Company Presentations	Company Presentations	Srivatsan
24	Thu	4/14	Company Presentations	Company Presentations	Srivatsan
25	Tue	4/19	Company Presentations	Company Presentations	Srivatsan
Module 6: Competition and Final Report					
26	Thu	4/21	Final Report Preparation		No Class
	Fri	4/22	Final Competition		
27	Tue	4/26	Final Report Preparation		No Class
28	Thu	4/28	Final Report Preparation	Final report due by 6 PM	No Class

OUR TENTATIVE SCHEDULE IN CHILE

FRIDAY - 3/11

Leave for Chile

SATURDAY – 3/12

Arrive in Chile

Welcome Dinner and Show

SUNDAY – 3/13

Touring Santiago, Chile

MONDAY – 3.14: DOING BUSINESS IN CHILE [AT PUC]

10AM-10:45AM – Introduction by Dean.

11AM-1:00PM – Panel discussion

PUC Professor on "Why American MNCs lose out in Chile"

Head of Chilean Foreign Investment Board

MNC executive in Chile

1:00PM-2:30PM – Lunch and local student interaction

2:30PM-4:00PM – Rodrigo Jordan on Business Leadership

TUESDAY – 3/15: COMPANY VISITS

[1] CODELCO – State-owned copper giant

[2] CTC-Telefónica – Spanish telecom multinational

[3] Banco BCI – Local bank with regional aspirations

[4] CCU – Chilean beverage multinational

WEDNESDAY – 3/16: TREK UP THE ANDES

THURSDAY – 3/17 **Leave Chile**

FRIDAY – 3/18

Arrive in New York