

Belarus State Economic University Educational institution

APPROVED

Rector of Educational
Establishment “Belarus State
Economic University”

_____ V.N.Shimov
Registration No UD_____ / st.

**INTERNATIONAL COMPETITION
and
COMPETITIVENESS**

Syllabus for Master’s program
1-25 81 01 “International Economics and Trade”

2017

The authors: *Krichevsky S. Yu.*, Ph.D., professor of the Department of Economics and Management, dean of the Higher School of Management and Business, *Matskevich A.V.*, MA, associate professor of the Department of Economics and Management at the Higher School of Business and Management, Belarus State Economic University.

Readers: *Dedkov S. M.*, Ph.D, Deputy director of Research Centre of Economic Study of Academy of Sciences
Olehnovich G.I., Ph.D., Professor of Department of International Business, Belarus State Economic University

Recommended for approval:

by the Department of Economics and Management at the Higher School of Business and Management, Belarus State Economic University (minutes # 13____ from __27/04/2017____.2017)

by the Scientific and Methodological Council, Belarus State Economic University (minutes # ____ from _____.2017)

TABLE OF CONTENT

EXPLANATORY NOTE	4
COURSE CONTENT	6
COURSE STRUCTURE	9
ABSTRACTS	Ошибка! Закладка не определена.
RECOMMENDED COURSE READING	Ошибка! Закладка не определена.

EXPLANATORY NOTE

The following syllabus supplying the academic discipline “*International Competition and Competitiveness*” is a set of structured teaching, learning and instructional resources, as well as didactic training materials, intended for use in a course of a full-time educational **Master program for the specialty 1-25 81 01 “International Economics and Trade”**.

The increasing globalization of the market place affects all who are involved with business or who must make business decisions. Even those who are not directly involved in international business are affected in their domestic operations by international events and by the business activities of foreign entities. Therefore, it is imperative to be knowledgeable about the international business systems.

The following course on “*International Business and Competition*” introduces the concept of international business as a system and the theories which underlie it; institutions which are visual evidences of it; production, marketing, financial, legal and other subsystems which comprise the total system. It also examines national governmental and international institutional controls and constraints, which impact the environment in which the system operates.

The **objectives** of this course are

- to provide students with knowledge and skills required to be able to participate in international business;
- to support students in building up the major skills and competencies in leading an international enterprise;
- to educate students on challenges created by an international competitive environment;
- to teach students develop strategic and tactical thinking in developing the core competencies of an international enterprise.

While following this course the students **will acquire knowledge on:**

- Economics and politics of international trade
- Mechanics of international financial transactions permitting the initiation and settlement of trade
- Accounting systems that allow countries to monitor & manage the transfer of resources & capital
- Trade Agreements and globalization
- NAFTA and World Trade Organization (WTO)
- Main institutions and intermediaries which facilitates the flow of resources
- The global environment and its people, in terms of opportunities for new markets and outlets for goods and services

- Ethical issues confronting the international business community

Upon successful completion of this course, students **will be able to**:

- Analyze the role and impact of international business on national economic development.
- Explain how the economic, political/legal, and financial environments affect international business operations.
- Discuss how cultural and behavioral differences influence countries business practices, and how these differences can be addressed using appropriate strategies.
- Discuss international trade theory and how government and business decisions influence international trade.
- Assess the effects of current regional trade agreements and economic integration on developing countries.
- Discuss how environmental differences support or complicate marketing, export and import strategies.

Instructional Methodology will include a combination of lectures, class discussions, presentations and case studies. Students are encouraged to share relevant articles etc. Students are expected to do all reading assignments before class. All assignments are to be handed up in hard copy. No exceptions will be made. Reading all the international newspapers and listening to the news is a requirement of this class. Students are expected to be alert for all matters involving international business and globalization. This class involves more than just reading and showing up for lectures; much of the learning will emanate class discussions so do not just show up for class, read, show up and participate. The quality of the student's input to class discussions will determine how much of the remaining balance s/he will receive.

The study program for the discipline "*International Competition and Competitiveness*" consists of 36 hours of class work, including 30 hours of lectures and 6 hours of seminars. The final assessment method - examination.

COURSE CONTENT

Topic 1. Introduction to Competitiveness.

General environment. Environmental scanning. PESTLE analysis. Company and Management Orientations. Competitive superiority. The propensity to internationalize. Modes of entry. Industrial analysis. Industry-based considerations. Porter's Five Forces Model of Competitive Advantage. Bargaining power of suppliers. Barriers to entrée. Bargaining power of buyers. Threat of substitute products. Rivalry among competitors. Competitive environment.

Topic 2 . Approaches to International Competitiveness.

Environmental Scanning Versus Detailed Analysis. Opportunities: Sales Expansion. Opportunities: Resource Acquisition. Risks. Collecting and Analyzing Data. Some Problems with Research Results and Data. External Sources of Information. Internally Generated Data. Country Comparison Tools. Grids. Matrices. Allocating Among Locations. Alternative Gradual Commitments. Geographic Diversification Versus Concentration. Reinvestment and Harvesting. Non-comparative Decision Making. Global integration. Local responsiveness. Pressures for Global Integration. Pressures for Local Responsiveness. Global strategy. Multidomestic strategy. Transnational strategy. International strategy.

Topic 3. Assessment and Measurement of Competitiveness.

Industry Structure. Industry Change. Perspectives on Strategy. Approaches to Value Creation. The Firm as Value Chain. Managing the Value Chain. Configuration. Coordination. Change and the Value Chain. Decisions in international business planning. A spectrum of global strategic planning. Corporate headquarters role in global strategic planning. SME and MNE business planning. Top-down planning. Culture and international business.

Topic 4. International Competitive Forces.

International Marketing Strategies. Marketing Orientations. Segmenting and Targeting Markets. Product Policies. Products Alterations. Potential Obstacles in International Pricing. Promotion Strategies. Problems in International

Promotion. Worldwide Brand Versus Local Brands. Distribution Strategies. Deciding Whether to Standardize. Self-Handling or Not? Distribution Partnership. Distribution Challenges and Opportunities. E-Commerce and the Internet. Managing the Marketing Mix. Gap Analysis.

Topic 5. Competitive Strategy and Structure of International Business .

Global Supply Chain Strategies. Factors in Supply Chain Strategy. Supplier Networks. Global Sourcing. Major Sourcing Configurations. The Make-or-Buy Decision. Supplier Relations. The Purchasing Function. Information Technology and Global Supply-Chain Management. Electronic Data Interchange (EDI). Enterprise Resource Planning/Material Requirements Planning. Radio Frequency ID (RFID). E-Commerce. Quality. Zero Defects. Lean Manufacturing and Total Quality Management (TQM). Six Sigma. Quality Standards. Foreign Trade Zones. General-Purpose Zones and Subzones. Transportation Networks.

Topic 6. Managing Competitive Business Functions Internationally.

Characteristics of Exporters. Profitability. Productivity. Diversification. Export: Initiation and Development. Sequences and Increments. Born Globals. The Wildcard Role of Serendipity. Approaches to Exporting. Importing. Characteristics of Importers. International Business Expertise. Trade Documentation. Resources and Assistance: Government Agencies. Export Intermediaries. Customs Brokers. Freight Forwarders. Third-Party Logistics. An Export Plan. Countertrade. Costs. Benefits.

Topic 7. International Competition and New Product Development.

Human Resource Management. HRM and the Global Company. Strategizing HRM. Trends in Expatriate Assignments. Cost Considerations. The Enduring Constant. Staffing Frameworks in the MNE. The Ethnocentric Framework. The Polycentric Framework. The Geocentric Framework. Managing Expatriates. Expatriate Selection. Expatriate Assessment and Preparation. Compensating Expatriates. Repatriating Expatriates. Managing Repatriation. Expatriate Failure.

Topic 8. Managing Risks of International Competition.

Players on the Foreign-Exchange Market. Global OTC Foreign Exchange Instruments. Major Foreign-Exchange Markets. The Foreign-Exchange Trading

Process. The International Monetary Fund. The Global Financial Crisis and the IMF. Determining Exchange Rates. Non-intervention: Currency in a Floating-Rate World. Intervention: Currency in a Fixed-Rate or Managed Floating-Rate World. Black Markets. The Crossroads of Accounting and Finance. Cultural Differences in Accounting. International Standards and Global Convergence. Mutual Recognition Versus Reconciliation. International Financial Issues. The Finance Function. Taxation of Foreign-Source International Tax Practices.

COURSE STRUCTURE
« INTERNATIONAL COMPETITION and COMPETITIVENESS »

Topic №	Lecture/workshop subject	The amount of study hours						Study materials	Assessment
		Lecture	Workshop	Seminar	Practice	Supervised self-study			
						lecture	workshop		
1	2	3	4	5	6	7	8	9	10
	International competition and Competitiveness (36 hours)	30	6						
	Topic 1. Introduction to competitiveness.								
1	The nature and main forms of international business. Globalization: definitions, drivers, players. The Multinational Enterprises. Intensification of international competition.	2						[1-5]	quiz, group discussion, case analysis
	Topic 2. The approaches to international competitiveness.								
2	Political and economic systems in global world. Economic integration. International trade restrictions. International culture. Country risks in international business	4						[1-5]	quiz, group discussion, case analysis
	Topic 3. Assessment and measurement of competitiveness.								
3	Porter's theory of International competitive advantage. The propensity to internationalize business. A comprehensive model of foreign market entries. Mergers and acquisitions as models of international business.	4						[5-6]	quiz, group discussion, case analysis

	Topic 4. International competitiveness forces.								
4	Types of strategies. Global strategic planning. Strategic plan features, implementation facilitators and performance measures.	4						[1-5]	quiz, group discussion, case analysis
	Topic 5. The competitive strategy and structure of international business.								
5	Business plan for international company. Business planning cycle. The strategy development process. Planning in international business.	4						[2]	quiz, group discussion, case analysis
	Topic 6. Managing competitive business functions internationally.								
6	Types of international marketing strategies. Benchmarking the competition. Prices policy. Environmental constrains of marketing mix.	4						[1-5]	quiz, group discussion, case analysis
	Topic 7. International competition and new product development.								
7	Options for operating internationally. Reasons for sourcing globally. Supply chain managing and networking. Global manufacturing systems. Global logistics.	4	2					[1-5]	quiz, group discussion, case analysis
	Topic 8. Managing risks of international competition.								
8	Export/Import contractual obligations. Methods of payment. Modes of transport. Export procedures. Import procedures. Export business plan.	4	2					[1-5]	quiz, group discussion, case analysis
	Individual project presentations		2						presentations

INDIVIDUAL ASSIGNMENTS

1. What is the role of the MNE's in different political/economic systems?
2. Explain the political structure of the country of your choice. What type of economic system exists in this particular country?
3. How does the foreign influence short-term and long-term agreements?
4. Explain the main policies of currency exchange rate establishment implemented to regulate the main world currencies.
5. Explain the forecasting methods of currency rate fluctuations.
6. Explain the correlation between currency rates and business decision making.
7. Explain the main forms of regional economic integration.
8. Compare the different stages of integration process.
9. Characterize modern trade agreements and their latest tendencies.
10. Analyze the goals of a MNE (of instructor's choice).
11. What are the main problems related to the evaluation of MNE's operations?
12. Determine the aspects of MNE's most critical activities.
13. Illustrate how the interests of the local government and MNE's might overlap.
14. Explain the positions of local governments and MNE's in relation to intellectual property claims.
15. Explain the main aspect of global manufacturing.
16. What are the main differences of various sourcing options?
17. Explain the main aspects of export and import practices.
18. Explain how the company chooses its mode of operation on a global market.
19. Discuss the main forms of MNE's successful operations management.
20. Explain international strategic planning.
21. Analyze the main variables a company needs to focus on in pursue of an internationalization.
22. Identify pro's and con's of corporate level decision making for MNE.
23. Describe the alternative organizational structures of MNE's.
24. Explain the market size evaluation approaches.
25. What should MNE's consider to perform proper financial management and taxation.

RECOMMENDED COURSE READING

Basic literature

1. Charles W.L.Hill International Business: Competing in the Global Marketplace (10 Edition). – New York: Mc. Graw – Hill/Irwi, 2015 – 676p.
2. John D.Daniels, Lee H. Radebaugh, Daniel P. Sullivan International Business (15 Edition).-Upper Saddle River, New Jersey, 2015- 701p.
3. Robert Hoskisson, Michael Hitt, Duane Ireland Competing for Advantage. Mason Thomson, 2004 - 395 p.
4. Mary K. Coulter Strategic Management in Action. - Upper Saddle River, New Jersey, 2011, 1998 - 383p.
5. Krugman, P.R.: Competitiveness: a dangerous obsession. Foreign Affairs.-73(2) Mar./Apr. 1994:28-44
6. Porter, M. E. The Competitive Advantage of Nations.- New York: Free Press, 1990.- 587p.
7. Porter, M.E. Competitive Advantage. Creating and Sustaining Superior Performance.-New York: Free Press, 1995- 375p.
8. Porter, M.E. Competitive Strategy. Techniques for Analyzing Industries and Competitors. – New York: Free Press, 1980- 279p.

Supplementary literature

- 1 Daniels, J.D., Radebaugh, L.H., and Sullivan, D.P. International Business, 15th ed. Harlow, 2014 – 854 p.
- 2 Hodgetts, R.M., 1993, Porter's diamond framework in a Mexican context, Management International Review, 33(2), pp.41-54.
- 3 Rugman, AM. and D'Cruz, J.R. (1993) The 'double diamond' model of international competitiveness: the Canadian experience, Management International Review, 33 (2), pp.73-93.
- 4 Dunning, J.H. and Lundan, S.M., 2008 Multinational Enterprises and the Global Economy, 2nd edition, Cheltenham: Edward Elgar. Jones, G., 2005, Multinationals and Global Capitalism: From the Nineteenth Century to the Twenty-First Century, Oxford: Oxford University Press.
- 5 Dickman M., C. Brewster e P. Sparrow, International Human Resource Management. An European perspective, Routledge, 2008
- 6 Hill, W. L. Charles. (2009). International Business: Competing in the Global Marketplace, Seventh Edition, Ch1, McGraw.
- 7 Hofstede, G., 2005, Cultures and Organizations: Software of the Mind, 2nd edition, London: McGraw Hill.
- 8 Johanson, J., & Vahlne, J. E. (2009). "The Uppsala internationalization process model revisited: from liability of foreignness to liability of outsidership", Journal of International Business Studies, 40(9): 1411-1431.

- 9 Gil, A. Nakos, G. Brouters, L. E. (2006). "Country-specific Strategy and New Venture Formation in Central and East Europe," *International Business Review*, 15(1), pp. 1-13.

Web-sources:

- 1 <http://www.wikiwealth.com/company> - WACC calculations, prices per share, company value, investment analysis.
- 2 <http://www.cfin.ru/business-plan/> - Corporate management on-line. Business planning.
- 3 <http://www.wto.org> – World Trade Organization official Web-page.
- 4 <http://www.weforum.org> – World Economic Forum official Web-page.
- 5 <http://www.oecd.org> – Organization for Economic Co-operation and Development official Web-page.
- 6 <http://www.eisa.org.uk> – Enterprise Investment Scheme Association official Web-page
- 7 <http://www.Unctad.Org/wir/> -UN Conference on Trade and Development
- 8 <http://www.undp.org/hdr2001/> – UN Development Program

Protocol of program endorsement

Name of the course, which is connected with this course	Competent department	Department proposals of changes in course program structure	Department decision (minutes, number and date)
Strategic management	Department of Organization and Management	No any of proposals	N13,27.04.2017

Changes in program
for 2017/ 2018year

№	Changes	Reason
	No any of changes	

Work program is reviewed and approved by Department _____ (minutes № __ from _____ 2017).

Head of Department

Signature

Name

Approved:

Director of Institute of Masters Programs:

Signature

Name

Date