Course Descriptions None 2018-2019

Course Title	Strategic Management in Emerging Markets
Course Code	EBC4246
ECTS Credits	5,0
Assessment	Whole/Half Grades

Period

Period	Start	End	Mon	Tue	Wed	Thu	Fri
2	29-10-2018	21-12-2018	X		X		

Level	Advanced
Coordinator	Wilko Letterie For more information:w.letterie@maastrichtuniversity.nl
Language of instruction	English
Goals	This course aims at developing the core strengths needed to manage innovation and successful business in EM. It shall enable students to analyze markets that are fragmented, disbursed and often void of essential institutions and legislations. It aims at equipping the students with a structural framework for thinking about the nature and extent of differences between emerging markets and mature markets on the one hand, and across and within emerging markets on the other hand. It further focuses on issues that firms will face when entering foreign markets, such as * The business environment: Why is understanding the institutional setup so important? How do local business conditions impact on the strategies and operations of foreign companies? How do foreign firms manage their relationships with host governments? * Entry strategies: Why do firms engage in business in less advanced countries? How do they design their entry strategies with respect to timing of local market specificities? * Operations: What specific issues emerge when foreign companies operate in EM? Do they operate alone or in collaboration with local firms or suppliers? How do they handle their supply chain? How do they deal with differences between their home and host country?
Description	The objective of this course is to study the opportunities and challenges that organizations face when operating in Emerging Markets (EM). Thriving in rapidly changing economic environments as is the case for most emerging markets, is not a trivial exercise. Successful penetration and survival in such markets is not just a challenge for small or medium sized firms, but also experienced multinationals have not rapt the expected profits from their investments. As a matter of illustration, multinational corporations have invested more than $3 trillion in emerging markets since 1998 (The Economist, 2014). Returns from such investments have however been highly disappointing. As stated by the Economist, the return on emerging-markets investment to the average multinational has been mediocre, and some companies have even lost money (Chari et al., 2017). Being successful in emerging markets is challenging, and success in developed economies does not act as an indicator of success in an emerging market. Characteristics such as consumer behavior and market structure, across geographic and income segments present important difference across but also within countries. These differences are much more pronounced from what most firms are used to from advanced economies. Hence, if firms limit their market intelligence to only one or a few of these segments before entering – often such market intelligence is limited to upper-income segments or cities – expanding beyond these segments may become difficult and even impossible at times rendering the entering unattractive in the longer run. First, we examine the economic and political conditions that characterize these countries. We then turn our attention to the analysis of the strategic actions that firms employ to overcome the obstacles and exploit the opportunities offered by these countries. What determines success and failure of firms that invest in Emerging Markets? Finally, we will see how business models, entry and market strategies need to be adapted to be successful in Emerging Markets.
Literature	The textbook can be downloaded via the e-book platform PERUSALL: * Khanna, T., & Palepu, K. (2010). Winning in emerging markets: A road map for strategy and execution. Harvard Business Press. * Peng, Mike W. and Meyer, Klaus (2016), International Business. Gengage Learning. Additional academic readings.
Prerequisites	Attendance in the first two meetings of the course is mandatory. You get introduced to tutor, fellow students, teams, and the educational approach. Failure to attend both meetings implies course failure. * Excellent command of English in spontaneous class discussions, prepared student presentations, and in writing for essays (part of the grading). Vocabulary, syntax, pronunciation should all be proper. * Basic understanding of strategic management and business economics. Basic concepts like ROA and concentration and the five forces should be known. * Basic understanding (in terms of reading rather than actually doing) of statistics, notably, the ability to understand regression analysis as research tool, regression equations as a model in a research paper, and tables of results.
Keywords	
Teaching methods	PBL / Presentation / Lecture / Assignment / Groupwork
Assessment methods	Final Paper / Participation
Evaluation in previous academic year	For the complete evaluation of this course please click http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM
This course belongs to the following programme / specialisation	Master Economics and Strategy in Emerging Markets Core courses and skills