

International Business

Instructor's Manual

Welcome!

Your students have hired you to teach them about business on the global stage. They interact with global products every day. When they use their phones, eat lunch, or pull on a t-shirt they are part of the global economy, but they probably aren't aware of the many factors that influence the products that they—and their worldwide peers—rely on.

And in their future? Your students will be doing deals in China or India to arrange for products and services to keep you comfortable in retirement . . . so be sure to do a good job.

Here are three steps for success:

1. Assign readings from the example-filled chapters of *International Business* to introduce students to key concepts. We've included a brief executive summary for you of each chapter.
2. Add value by bringing your own experience, research, and stories into your classroom lecture. We suggest some relevant search terms and questions to ask yourself and to organize your thoughts and experiences.
3. Arrange in-class learning activities to give students opportunities to work with the information they're learning. These activities will not only make class more fun, they'll help students solidify and expand their understanding.

Chapter One: Globalization

Give your students a solid start.

Executive Summary

What is globalization?

Business has changed dramatically since the 1990s. The collapse of the Soviet Union and the opening of India, Brazil, China, and other markets brought significant social, economic, and political changes worldwide. Now, companies around the globe are able to sell goods and services in nearly any market, leading to a more integrated and interdependent globalized world economy.

The ease of buying and selling internationally is leading to a convergence of preferences and tastes across the world. Seemingly everyone would like to try an occasional meal at McDonalds. Both markets and production are becoming globalized, and they require different skills sets, resources, and strategy.

Flat world or round world?

Since Thomas Friedman coined the term “flat world”, we’ve seen how government policy changes and information technology have virtually flattened former barriers to access and competition. But despite these dramatic changes, more than 90% of all business investments remain domestic. Other barriers exist that keep the world round, or at least “spikey”.

Students love debating the pros and cons of the effect of the flattening of the business world. The textbook succinctly lays out some arguments for each side of the debate.

Governing Globalization

The international reach of millions of businesses across thousands of borders has led to complexity and risk unprecedented in the world of commerce.

This section introduces your students to some organizations that regulate global markets. The *World Trade Organization*, *International Monetary Fund*, *United Nations*, *G20*, and *World Bank* are multilateral organizations intended to help countries, companies, and people interact more effectively and peacefully in a globalized world.

These quasi-governmental organizations encourage economic and political cooperation, but they aren’t enough on their own. Companies, nonprofit organizations, and universities also play a critical role in improving global economic cooperation and health.

Managing Globalization

Globalization isn’t occurring smoothly throughout the world. Managing a local plumbing supply isn’t much like supplying plumbing parts worldwide, so companies who enter global markets have had a steep learning curve. And political realities have both helped and hindered globalization efforts, leading to restrictive nationalist policies in some countries contrasting with welcoming expansive policies in others.

This section discusses emerging markets and multinational corporations—the lead players of globalization—indicating that the number of MNCs from emerging markets have been increasing in the past decade. Emerging markets are untapped opportunities for growth and are estimated to produce over half of world economic growth between now and 2018. They are where your student’s eyes should be trained.

Add Your Value

Prep for class by accessing current information and drawing on personal experience.

1. Before class, do a quick internet search to see what is currently being published on the chapter topics by thought-leaders and reputable news sources. Some search terms we suggest:

- a. **Protectionism** (will lead to stories such as <https://www.youtube.com/watch?v=yhiRYn6df9Q>)
 - b. **Globalization** (will lead to stories such as <https://www.forbes.com/sites/mikecollins/2015/05/06/the-pros-and-cons-of-globalization/#69656559ccce>)
 - c. **Growth of emerging markets** (will lead to articles such as <https://www.ft.com/content/a4abaeaa-4920-11e7-919a-1e14ce4af89b>)
2. Think of your local experience with globalization. What products and services do global companies provide for you and your students? What can you learn and share about their current challenges and successes?
3. What have the bodies that govern global business been up to lately? Give your students a report on current meetings, policy changes, or published research by the groups mentioned in this chapter.

Learning Activities

Try some of these activities during class.

Lightning Research on the BRIC countries

Divide the class into four groups and assign each to research one of the BRIC countries--Brazil, Russia, India, and China. Have the teams do some lightening research using the following resources and prepare to give an update on how the business climate of these countries is currently faring.

Resources:

1. <https://data.worldbank.org/>
2. <http://blogs.worldbank.org/opendata/>
3. <https://www.cia.gov/library/publications/the-world-factbook/>

Discuss Market Globalization via Travel

Ask students who have visited a foreign country to recall what evidences of market globalization they saw. Did they see any American goods or services for sale? Those from another country? Can they bring up photos of evidence of globalization in that country?

Backpack Inventory

Ask students to look through their backpacks and see if they can determine where the items they carry were manufactured. Highlight items that originated the farthest away.

The Institute of Americanism

Ask students to imagine they have been asked to set up an American version of the Confucius Institutes recently sponsored worldwide by China. What would you include in

your curriculum? What values would you try to teach? Which foods or cultural practices would you share? What would you demonstrate? What would you invite students to do?

Quick-Write on Global Convergence

Have students quickly write—without reference to the text— a brief, clear definition of *global convergence*. Once they've done their best, have them get into groups of three or four and use all their answers to prepare one good definition. Then have the groups come up with 2-3 *examples* of global convergence. Use this work to lead a class discussion about convergence and its effects on students' lives and futures.

Flat World Debate--with a Twist

Is the flattening of the world good or bad for our future? Divide the class in half and assign each a position to defend. Give students 10-15 minutes to prepare debate points to support the side they've been assigned. Five minutes before the debate, switch their assignments and have the teams defend the argument they didn't prepare for. (Just to mess with them and keep them nimble.)

Emerging Market Pitch

Have small teams of students select a particular emerging market and research that market with the goal of enticing investment in their country by a multinational corporation of their choice. Give them 20 minutes to prepare a set of three slides that pitch their country as a good choice for current investment. Have them make their pitch to another team. Walk around and ask the best teams to present to the entire class.