

## **Strategic Management of Small-Mid Size Firms in Italy and the EU**

**IB 8410 / IB 4410  
MGS 8860 / MGS 4860**

### **Meeting time & place**

Atlanta portion: RCB Building, Room 1442 (May 11-May 15) 5:00-9:00 pm.

Italy portion: On Location

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<b>Office Hours:</b>	by appointment	by appointment

### **COURSE DESCRIPTION:**

This course focuses on strategy & policy development and execution for gaining and sustaining competitive advantages in a global context. We focus on strategic management of entrepreneurial and well-established firms, and operational and financial structures of firms and markets in international contexts. There is no one particular types of business or industry we are targeting. The goal is to learn and apply the tools for effective strategy formulation and implementation. The overall course objectives are:

1. Master the tools and methods for situation analysis, strategy formulation, correction, and execution in an international context.
2. To evaluate Government-Industry-Firm relations and to examine the competitive advantage of nations and firms in dynamic industries.
3. To learn to assess macroeconomic conditions for markets, evaluate the role of the macroeconomic constituents to provide solutions for global firms.

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### **<sup>1</sup>INSTRUCTOR BIOS**

Ilgaz Arikan received his Ph.D. from the Ohio State University. Prior to his current position at Georgia State University, He taught at Boston University and at Ohio State in MBA, Executive MBA and Executive Education programs. He has authored articles and chapters in academic and professional journals and books on entrepreneurial firm strategies and the choice between initial public offerings and mergers and acquisitions. He does consulting to small and mid-size firms in emerging markets in international market entry and strategy formulation.

<sup>2</sup> Asli M Arikan received her PhD from the Ohio State University with specializations in Strategic Management and Finance. She teaches graduate courses at Georgia State University in Global Strategy in the MBA and PMBA programs and a seminar in Corporate Strategy in the PhD program. Prior to joining the faculty in 2004, Asli taught at the Boston University. Her industry career includes the British Motors Company, Ram International Trading Co., and ongoing consulting relationships. She is an expert in corporate strategy. Her published as well as current work focuses on value creation in interfirm transactions such as mergers and acquisitions, technological investment strategies, and corporate finance.

4. To assess the global readiness of firms for competition in the international marketplace.

This course is designed to provide tools for a framework analysis and not a “cookbook” of solutions. This way of thinking will provide an effective and powerful toolbox that one can use when thinking about global firms’ problems and solutions.

## **PEDAGOGY**

The course is comprised of two integrated modules, each containing pedagogical content equivalent to three credit hours. This program is designed to provide students with the understanding of how developed markets in the EU differ from the US market for small to mid size firms. The focus is on firms with unique characteristics and those have access to or developed resources and capabilities instrumental in gaining competitiveness in select industries. We will visit Italian firms at various locations and study the dynamics from the business and/or corporate strategy perspectives. This course is designed as follows: one week of class instruction and field study in Atlanta where we visit Italian firms doing business in the US, and two weeks of field study in Italy where we visit Italian firms in various cities.

Upon successful completion of this program, you will be able to:

- examine the challenges associated with economic, institutional and management development in the context of doing business in developed and mature European markets,
- understand the strategic issues faced by small - mid size Italian firms in dealing with the EU and the US,
- understand and explain why business may be conducted differently in different places based on different cultural perspectives, and the institutional systems and processes that are built upon them,
- analyze business situations in which cultural or institutional differences could limit effective business performance and recommend approaches for managing that situation,
- effectively modify their behavior so as to function successfully as a businessperson in a range of different cultural settings,
- gain new perspectives in managing firms in highly competitive and dynamic business settings,
- apply lessons learned in the course to students’ own organizations.

The students will attend lectures in Atlanta, and briefings in Italy for the discussion of key business strategy and corporate strategy concepts. In the Atlanta portion, they will be given HBS cases to orient them in identification of key challenges, and practitioner articles on the topics covered in class. In briefings (in Italy), we will discuss how the concepts we covered relate to what we experience in a foreign market. The students will interview company executives, interact with the locals, and observe first-hand how EU regulations affect small-mid size firms. The students will learn from on-hands and in-location learning since they will be able to see a very lively and competitive market and observe market dynamics. From an international business perspective, this is an invaluable experience.

## **COURSE MATERIALS**

The required readings are listed here below. Also at the very end of this syllabus, several articles are provided for reference as supplemental readings. You are not responsible for these supplemental materials but if you have an interest in any of these topics, these should provide a good starting point.

## DELIVERABLES & GRADING

The requirements of the course are as follows:

- 1. Class participation and professionalism (Atlanta):** Broad and active participation is crucial and everyone should take part every session. The idea here is to encourage you to do the readings carefully, and to reflect on points of interest and controversy before class to create a framework that will help to organize our in-class discussions. Given the duration of the course attendance at all scheduled activities, both in Atlanta and overseas, is mandatory. Since the course is built almost exclusively around the case method and class discussions, attendance and participation are very important and required of each student. At a minimum, the well-prepared student comes to class equipped with the knowledge of the readings and with a written outline on articles and cases. The students are required to read practitioner oriented articles on strategy and international business topics, as well as HBS cases on firm behavior in international markets. They are required to participate in class discussions, and contribute in meaningful and creative ways to demonstrate their competency in the subjects. **(15% of the grade)**
- 2. Class participation and professionalism (Italy):** The students are required to be actively engaged in company visits and daily briefings, and demonstrate how the concepts they learned apply in the field. Students are expected to be on time and alert in all class visits, and class events. **(30% of the grade)**
- 3. Essay Exam (Atlanta):** The students will take an in-class, open notes and open books exam where they solve a business case. The essay exam will take about one hour. **(15% of the grade)**
- 4. Essay Exam (Italy):** The students will take a take-home exam, analyzing a business problem they observed during a company visit. All topics are subject to instructors' approval. The deliverable is a ten-page, single spaced business report, plus up to five-pages of exhibits and figures. **(30% of the grade)**
- 5. Trip Blog (Italy):** The students are required to share their experiences and views on things they find interesting, educational and related to cultural differences on the study abroad website for the course. Each blog should have relevant information and should reflect comparison of business systems, differences in culture, effects of the EU membership, competitiveness of firms, and differences between the US and Italian firms in various industries. **(10% of the course grade)**

Therefore, 30% of the course grade comes from Atlanta portion, and 70% comes from Italy portion of the course. Now we look at each course requirement in further detail.

### *Attendance, Participation and Professionalism (Atlanta and Italy)*

This class is designed so that participation plays an integral role in the learning process. Students who tend to perform well in this class prepare the assigned materials before class and participate in class discussions. We reserve the right to “cold-call” during class. Because of the importance of the collective learning experience, regular attendance is strongly recommended. We use two criteria to evaluate class participation: a) the extent to which you participate in the class discussion, and b) the quality of that participation. Quality is more important than quantity. Your participation is considered of high quality when it reflects clear knowledge of the case and background readings. Additionally, to establish quality, we consider the relevance of your comments to the topic, the extent to which what you say is based on thoughtful interpretation of facts, the clarity of your reasoning, your willingness to “think on the spot” and engage your professor and your classmates in discussion. You are expected to attend all class visits and activities, and be present on time. It is expected that all students display professionalism, keeping in mind we represent Georgia State University abroad. Any unreported absence or tardiness for 10 minutes or more counts as one-day absence. Each Atlanta course session (4 hours) and Italy course session (one day), counts as one unit of class, and these add up to 19 days. For each day you are counted as absent, your course grade will be lowered 5%.

### *Essay Exam, Atlanta*

In the Atlanta portion of the course, we will be discussing the fundamentals of strategy and international business as they relate to market dynamics and their impact on firm behavior. The readings and the cases as well as the company visits in Atlanta are all aimed at demonstrating the theory in practice. You will be responsible for answering several essay questions as part of your course requirement. This is an open-book, open- notes exam and you have one hour to complete this assignment. To better prepare for this exam; please take detailed notes when we discuss the cases and articles in class.

### *Essay Exam, Italy*

For the Italy portion of the course, you will take a “take-home” exam, and you will have 7 days to complete this assignment. You will be analyzing a business problem you observed during a company visit. If you are interested in the effects of government and EU relations on firm strategies, you are welcome to choose a broader topic from a more macro perspective. All topics are subject to instructors’ approval. You should be discussing your final exam ideas with your instructors during the trip and not wait till we get back to Atlanta. The deliverable is a ten-page, single spaced business report, plus up to five-pages of exhibits and figures.

### **Trip Blog, Italy**

The students are required to share their experiences and views on things they find interesting, educational and related to cultural, economic and social differences on the study abroad website for the course. Each blog should have relevant information and should reflect comparison of business systems, differences in culture, effects of the EU membership, competitiveness of firms, and differences between the US and Italian firms in various industries. To earn maximum credit for the blog assignments, students should explicitly integrate and apply materials from lectures, presentations, company and other visits, course readings, and pertinent interactions with locals

encountered on the trip. Students will be expected to write and post 10 blogs throughout the international portion of the trip. Students may not post more than one blog report for each day.

### **GRADING**

There will be no grade curve in this class, so any student can get an A, if they deliver a high performance. There will be no rounding of grades. No extra credit assignments will be given.

The grade cut-offs are as follows:

A: 94-100%, A-: 90-93.99%, B+: 86-89.9%, B: 83-85.99% B-: 80-82.99%, C+: 76-79.9%, C: 73-75.99%, C-: 70-72.99%, D: 60-69.9%, F: Below 60%

### **BEFORE DEPARTURE**

Before departure, each student will receive a “survival pack”. This is a folder with contact numbers and information of all useful and relevant places we will visit, stay at, and travel to. You may want to share this information with your families as well, since we will provide you with the contact information of the hotels we will be staying in. You are required to make a copy of your passport and leave this copy with the instructors in case you lose your passport or other travel documents. Copies of the plane tickets will be distributed before departure, and the tickets will be handed out to the group before we arrive at the airport. Train and subway passes will be distributed in the hotel lobby when we arrive at our destination.

### **LIBRARY and OTHER RESOURCES**

We will have access to the GSU library while we travel. Please make sure you have your access information updated. This way you will gain access to journal articles and search engines. The hotels we will be staying at have internet service and Wi-Fi access. You can also download and read articles and cases under “mycourses” section at the HBS site. The WESS database (The Italian Studies Web) is designed to provide access to scholarly resources in Italian Studies. It allows access to several libraries and book trade, references, newspapers and periodicals, associations, and has a search engine for various subject resources.

<http://www.library.gsu.edu/>

[http://www.hbsp.harvard.edu/hbsp/index.jsp?\\_requestid=61207](http://www.hbsp.harvard.edu/hbsp/index.jsp?_requestid=61207)

<http://www.library.yale.edu/wess/italian.html>

### **COURSE MATERIALS**

To access course materials and purchase the readings and cases, you will need to log in to the HBS Publishing website directly. The access information for the two courses created is as follows:

First, login to <http://harvardbusinessonline.hbsp.harvard.edu>

For undergraduates: Reference ID# c28137

<http://harvardbusinessonline.hbsp.harvard.edu/relay.jhtml?name=cp&c=c28137>

For MBAs: Reference ID# c28135

<http://harvardbusinessonline.hbsp.harvard.edu/relay.jhtml?name=cp&c=c28135>

## COURSE SCHEDULE

### MAY 11 - 15 (Atlanta)

#### May 11, Monday

Orientation and Administrative Matters,  
How to analyze companies using the case method, analyses tools (frameworks)  
Overview of corporate and business strategies  
Internal and External Analysis

#### May 12, Tuesday

European Union, country analysis, macroeconomic environment, economic trends, policy  
European Union in the 21<sup>st</sup> century. HBS Case, 2008. #707021  
Italy: If not now, when? HBS Case, 2007. # 707051  
Italy: A new commitment to growth. HBS Case, 2003. # 703007

#### May 13, Wednesday

Strategy formulation, product positioning, financing of operations, corporate governance  
Nestle Italy. HBS Case, 1992. 593009  
Ducati & Texas Pacific Group: A Wild ride leveraged buyout. 2004. HBS Case. # 801359  
Ducati. HBS Case, 2002. #701132

#### May 14, Thursday

Entrepreneurship, competition, competitive dynamics, corporate-business strategy  
Academia Barilla. HBS Case. 2006. #507001  
Barilla SpA (A). HBS Case. 2008. # 694046  
Brioni. HBS Case. 2003. # [503057](#)

#### May 15, Friday

Company visit – Aprilia USA  
Exam

### May 16 – May 30 (Italy<sup>3</sup>)

#### May 16 – Rome

Orientation and city tour, free day

#### May 17 – Rome

Visit to Vatican City  
City tour, cultural events

#### May 18 – Rome

3 Company visits

#### May 19 – Rome

3 Company Visits

#### May 20 – Rome

2 company visits, Cultural events

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<sup>3</sup> Company visit are subject to final confirmation and certain adjustments may be necessary.

**May 21 – Florence**

**Visit to Siena**

3 Company visits

**May 22 – Florence**

**Visit to Pisa**

3 company visits

**May 23 – Florence**

**Visit to Forli**

2 company visits

**May 24 – Florence**

City tour, cultural events

**May 25 – Milan**

City tour, free day

**May 26 – Milan**

3 company visits

**May 27 – Milan**

2 company visits, cultural events

**May 28 – Milan**

2 company visits,  
Visit to Como

**May 29- Milan**

Cultural events, free day

**May 30 - Atlanta**

### Supplemental Readings

The creation of the European Union (HBS Case 9-703-032)  
Competition policy in the European Union (HBS Note 9-796-038)

The forgotten strategy. Ghemawat, P. 2003. HBR  
Clusters and the new economics of competition. Porter, M. E. 1998. HBR  
External Analysis. "Chapter 3" 2005. (PDF files, emailed to the class list)

Internal Analysis. "Chapter 5" 2005. (PDF files, emailed to the class list)  
Competing on resources: Strategy in the 1990s. Collis, D. J., and Montgomery, C. A. 1995. HBR 95403  
The Core competence of the corporation. Prahalad, C.K., and Hamel, G. 1990. HBR 99203  
Strategic intent. 2005. Hamel, G., and Prahalad, C.K. HBR

How to make a global joint venture work. 2001. Killing, J.P. HBR  
How to build collaborative advantage. 2004. Hansen, M.T., and Nohria, N. MIT Sloan Management Review.  
The End of corporate imperialism. 2003. Prahalad, C.K., and Lieberthal, K. HBR  
Group versus group: How alliance networks compete. 2000. Gomes-Casseres, B. HBR  
When to ally and when to acquire. 2004. Dyer, J.H., Kale, P., and Singh, H. HBR  
The dubious logic of global megamergers. 2000. Ghemawat, P., and Ghadar, F. HBR