



INTERNATIONAL BUSINESS 368  
Global Value Chains  
Fall Semester 2021 (Unique #03470)  
MW 3:30-5:00 PM  
In Class @ UTC 1.130

### **INSTRUCTOR**

Alex Gabbi

Office: In Person at CBA 6.314 or Zoom at <https://utexas.zoom.us/j/3641517004>

Office hours: M 11:00-12:00, W 2:00-3:00, or by appointment

UT email: [alex.gabbi@mcombs.utexas.edu](mailto:alex.gabbi@mcombs.utexas.edu)

### **TEACHING ASSISTANT**

Name: TBD

UT E-Mail: TBD

### **CONTACT**

Office hours, by appointment, e-mail, phone or text message (512-633-1193)

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### **TEXTBOOKS**

IB 368 course packet will be available online through HBR. The link for the course packet is <https://hbsp.harvard.edu/import/842583> **(REQUIRED)**

Additional materials may be assigned purchased over the course of the semester. **(REQUIRED)**

### **COURSE OBJECTIVES**

1. To reinforce international business concepts you have learned in other international business courses.
  2. To expand upon your existing knowledge of international business operations and introduce new material pertinent to business operations and value chain management in the global market.
  3. To develop your ability to apply international business concepts to practical business situations.
  4. To provide you with a framework for international value chain strategy formulation.
  5. To develop your problem solving and decision-making ability.
  6. To broaden your understanding of regional characteristics and IB operations in various industries and markets.
  7. To enhance your written and oral communication skills.
  8. To improve your ability to work in a group environment.
  9. To increase your skills in independent business research and information analysis.
  10. To provide you with a practical understanding of how to develop and implement a value chain strategy for companies of all sizes.
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**COURSE METHODOLOGY**

The primary vehicles for achieving the course objectives will be:

Case Analyses—a case is a synopsis of a ‘real world’ problem or situation faced by an organization. You will respond to the case by analyzing the problem/situation to determine the key issues, objectives, and management alternatives, and then determining the best course of action for the organization being studied. These cases will be discussed during class, allowing you to develop, exhibit, and refine your analytical and problem-solving skills.

Class Discussions –practical global value chain problems will be explored through class discussions.

Lectures – a variety of lectures will be provided on various course topics to provide the foundation for learning. These lectures will be provided both by the instructor and guests from the business community.

**PERFORMANCE EVALUATION**

Your performance in the course will be determined on the basis of the following items:

<i>Team-based Grade Components</i>	<b>45%</b>
○ 1 Group Value Chain Strategic Plan	30%
○ 1 Group Business Case Introduction	15%
 <i>Individually-based Grade Components</i>	 <b>55%</b>
○ 2 Individual Written Case Analyses (10% & 20% respectively)	30%
○ Peer Evaluation	5%
○ Class Attendance	10%
○ Class Participation	10%
 <b>TOTAL</b>	 <b>100%</b>

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*\* All students will be allowed one unexcused absence for the semester. Additional unexcused absences will result in the deduction of 1% from the attendance score per occurrence (including negative numbers).*

THERE ARE **NO** FORMAL EXAMS OR TESTS IN THIS CLASS, INCLUDING NO MID-TERM OR FINAL EXAM. THIS COURSE **WILL** MAKE USE OF PLUS/MINUS GRADES.

Your grades will be posted on Canvas. Grades will follow plus/minus system with these cut-offs. A: 94-100, A-: 90-93.99, B+: 87-89.99, B: 84-86.99, B-: 80-83.99, C+: 77-79.99, C: 74-76.99, C-: 70-73.99, D+: 67-69.99, D: 64-66.99, D-: 60.99-62.99, F: 61 or lower. Decimals will be **not** be rounded up – an 89.7 average will earn a B+, not an A-.

Written Case Analysis

A Written Case Analysis is a thorough report of your analysis of a case. Each of your analyses must be **individual** work. The specific cases for written analysis are noted on the course schedule. Each case analysis should include a clear, concise, problem statement, an identification of key facts, an analysis of the implications of the salient facts, detailed recommendations and a well-formulated implementation strategy. Each analysis should be 5-7 double-spaced pages in length exclusive of exhibits and appendices. The first analysis will be worth 10% and the second case analysis will be worth 20% of your grade.

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## **GROUP ACTIVITIES**

The class will be divided into groups of four to six students for group projects. You will have three major group assignments during the semester, which together are worth 50% of your grade. Group tasks are common in business, so your group assignments in the class will be a useful learning experience. Your first group assignment will involve forming and raising money for a new global business venture. The second group assignment will evaluate you on how successfully you manage and grow your fledgling business. The final group assignment will evaluate how well you manage your business through its first real crisis. At the end of the semester, you will be asked to provide confidential assessments of each of your group members' performance (not including your own). Your peer evaluation score will contribute 5% towards your final grade. A group may, with my permission, "fire" a group member at any time during the semester. An individual may also, with my permission, "resign" from a group at any time during the semester. In either case, that individual must then persuade another group to "hire" him/her or complete the assignments independently.

Every member of a group **MUST** participate in **all** oral presentations given by a group. Your attire for a presentation should be appropriate to the situation.

### Group Case Introduction

Each group will be assigned one case. For this case, the group will develop a thorough analysis and present this analysis to the rest of the class. You may think of this assignment as a consulting project. The group will play the role of a consulting team hired by corporate management to analyze a business problem. The class will assume the role of a team from within the company assigned the task of evaluating the consultant's proposal. Each group will have 25 minutes for the oral presentation with the remainder of the class period devoted to questions and answers and discussion of the case. There will be no written assignment for the group case introduction.

### Value Chain Strategic Plan

For this assignment, each group will be required to deliver a detailed analysis, strategic plan and implementation strategy for the global value chain of a company of their choice. A full rubric for this assignment will be provided during the course of the semester.

The purpose of this analysis is four-fold. First, it will enable you to develop your skills in international strategic analysis. Second, you will become acquainted with how and where to obtain information on industries and specific companies within these industries. Third, you will benefit from the knowledge you gain about a particular industry/company as well as the industries/companies other groups are investigating. Finally, you will gain real-world like experience in strategic planning and structuring value chains.

Each group must submit a written report of their Value Chain Strategic Plan. Reports should be no more than 15 pages (single-spaced) exclusive of exhibits. Your research must be properly referenced with either footnotes or a reference list and the report must include a bibliography. In addition, each group will make an oral presentation on their analysis. The oral presentation should last approximately 25 minutes, plus 5 minutes for questions and answers from the class.

### Class Participation

Since so much of your learning in this course will come from class discussions of cases and business situations, class contribution/participation is an important component in determining your grade. The quality of your contribution will be directly related to your preparation for class before each discussion. Therefore, it is **IMPERATIVE** that you prepare thoroughly for each class discussion with notes to guide you when applicable.

Each class session, you will receive a participation score from 0-3, based on the quality and quantity of your participation during that class. One point will be awarded for attending the class session. The second and third point will be awarded based on your quality of contribution that session. Answer questions, pose questions, participate in class exercises and provide insightful observations. Keep in mind that quality is an important component of this - simply giving one-word responses to questions I pose to the class will not automatically result in 1 point each. Periodic cold calls also count here.

Note that if you arrive more than 10 minutes late to a class session or leave more than 10 minutes early, you will not receive the one point for attendance. Additionally, if tardiness becomes a chronic problem (e.g., consistently showing up 3-5 minutes late for class), then I will consider more penalties because of the disruption.

At the end of the semester, the participation scores will be summed and then averaged across the entire class. If your total score is equal to or greater than the class average, then you will receive 100 points on this assignment on Canvas (or 15% of your total class grade). If your total score is below the class average, then you will receive between 0-20 points, based on the distribution of points across the class participation scores below the average. Your current participation status is available upon request from the TA at any time during the semester, so please do not allow yourself to be surprised by your score at the end of the semester when it is too late to do something about it.

#### Other Class Information

I reserve the option of giving additional reading assignments in order to evaluate (and encourage) your preparation for class. The assignments scheduled are the **ONLY** components of your grade in the course. Other assignments to improve your grade will not be accepted and should not be requested.

#### Late Assignments

No work will be accepted after the end of class on the day the assignment is due unless prior arrangements have been made with me. Work submitted late will receive a grade of **ZERO**.

#### **CLASSROOM ENVIRONMENT**

My goal is to provide tools and create an environment for learning. I believe my responsibility as an instructor is to ensure that this class contributes to the overall return on your college investment by providing a worthwhile set of tools and resources and doing my best to demonstrate how interesting and important this topic can be to you and the world-at-large.

Since you all learn in different ways, your responsibility is to take advantage of all the resources provided in all the ways that are best for you. I expect you to be very active in your learning, rather than sitting on the sidelines as a passive observer. I have created a fairly specific structure to this course but will maintain flexibility so that we can adapt to the needs and desires of those participating.

You are all bright people who learn in different ways. Because you all come from a variety of experiences and backgrounds, I am hoping that each of you will contribute greatly to the knowledge built in this class by sharing your thoughts. Come prepared to engage in the discussions, whether you actually speak out loud or not, by not just reading the required materials, but by also forming opinions and questions about the material presented. I will call upon you from time to time, but these will not be attempts to harass or embarrass you, I promise. I simply want to give everyone more experience in being prepared to speak on the spot about various topics.

**FINAL COMMENTS**

Global Value Chains will be one of the most difficult, demanding, and frustrating courses in your business education. It involves a mindset that forces you to integrate, to be imaginative, and to be decisive in situations with limited information. Developing a mindset, a way of thinking, is much more difficult than learning specific information or techniques. You must learn to think analytically. You may find the course requirements and the evaluation to be very demanding as well as ambiguous. However, facing demands in a real-world setting is the surest way I know of to learn and grow. At the same time the course is difficult, it will give you valuable insight into the real world that will benefit you as you pursue an entrepreneurial career in an increasingly global economy. Finally, this course can be very enjoyable. Despite some of the formal and stringent rules in the course, much of the class discussion can be spontaneous and creative. More than most other courses you have had in college, your learning will be determined more by what you do than what I as the instructor can teach you. I can simply guide. If you will commit yourself to preparation, apply yourself to the tasks at hand, and then open yourself up to learn what you can from the process and from other students I think you will find this among the most enjoyable and worthwhile courses you will have in your business education.

<b>Important Disclosures</b>
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Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://diversity.utexas.edu/disability/>.

Diversity and Inclusion

It is my intent that students from all diverse backgrounds and perspectives be well served by this course, that students' learning needs be addressed and that the diversity that students bring to this class can be comfortably expressed and be viewed as a resource, strength and benefit to all students. Please come to me at any time with any concerns.

Religious Holy Days

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Policy on Scholastic Dishonesty

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://my.mcombs.utexas.edu/BBA/Code-of-Ethics>. By teaching this course, I have agreed to observe all faculty responsibilities described there. By enrolling in this class, you have agreed to observe all student responsibilities described there. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are

subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Conduct and Academic Integrity website at <http://deanofstudents.utexas.edu/conduct/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

#### Sharing of Course Materials

No materials used in this class, including, but not limited to, lecture hand-outs, videos, assessments (quizzes, exams, papers, projects, homework assignments), in-class materials, review sheets, and additional problem sets, may be shared online or with anyone outside of the class unless you have my explicit, written permission. Unauthorized sharing of materials promotes cheating. It is a violation of the University's Student Honor Code and an act of academic dishonesty. I am well aware of the sites used for sharing materials, and any materials found online that are associated with you, or any suspected unauthorized sharing of materials, will be reported to Student Conduct and Academic Integrity in the Office of the Dean of Students. These reports can result in sanctions, including failure in the course.

#### Class Recordings

Class recordings are reserved only for students in this class for educational purposes and are protected under FERPA. The recordings should not be shared outside the class in any form. Violation of this restriction by a student could lead to Student Misconduct proceedings.

#### Campus Safety

Please note the following key recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, More info at:

<https://preparedness.utexas.edu/>.

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings and assemble outside when a fire alarm is activated.
- Familiarize yourself with all exit doors of each classroom and building you may occupy.
- If you need evacuation assistance, inform the instructor in writing asap.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by Austin or UT police or fire authorities.
- Behavior Concerns Advice Line (BCAL): 512-232-5050 or [on-line](#).
- In case of emergency, further information will be available at:  
<http://www.utexas.edu/emergency>.

### Title IX Reporting

Title IX is a federal law that protects against sex and gender-based discrimination, sexual harassment, sexual assault, sexual misconduct, dating/domestic violence & stalking at federally funded educational institutions. UT Austin is committed to fostering a learning and working environment free from discrimination in all its forms. When sexual misconduct occurs in our community, the university can:

1. Intervene to prevent harmful behavior from continuing or escalating.
2. Provide support and remedies to students and employees who have experienced harm or have become involved in a Title IX investigation.
3. Investigate and discipline violations of the university's [relevant policies](#).

Beginning January 1, 2020, Texas Senate Bill 212 requires all employees of Texas universities, including faculty, report any information to the Title IX Office regarding sexual harassment, sexual assault, dating violence and stalking that is disclosed to them. Texas law requires that all employees who witness or receive any information of this type (including, but not limited to, writing assignments, class discussions, or one-on-one conversations) must be reported.

**I am a Responsible Employee and must report any Title IX related incidents** that are disclosed in writing, discussion, or one-on-one. Before talking with me, or with any faculty or staff member about a Title IX related incident, be sure to ask whether they are a responsible employee. If you would like to speak with someone who can provide support or remedies without making an official report to the university, please email [advocate@Austin.utexas.edu](mailto:advocate@Austin.utexas.edu). For more information about reporting options and resources, visit <http://www.titleix.utexas.edu/>, contact the Title IX Office via email at [titleix@Austin.utexas.edu](mailto:titleix@Austin.utexas.edu), or call 512-471-0419.

Although graduate teaching and research assistants are not subject to Texas Senate Bill 212, they are still mandatory reporters under Federal Title IX laws and are required to report a wide range of behaviors we refer to as sexual misconduct, including the types of sexual misconduct covered under Texas Senate Bill 212. The Title IX office has developed supportive ways to respond to a survivor and compiled campus resources to support survivors.

### **McCombs Classroom Professionalism Policy**

The highest professional standards are expected of members of the McCombs community. The collective class reputation and the value of the McCombs experience hinges on this. Please let me know right away if this ever is not the case.

Faculty are expected to be professional and prepared to deliver value for each and every class session. Students are expected to be professional in all respects. Classroom expectations of students include:

- Students will arrive on time.
- Students will be fully prepared for each class.
- Students will attend the class section to which they are registered.
- Students will respect the views and opinions of their colleagues. Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- Phones and wireless devices are turned off unless otherwise instructed by the professor.

Classroom Safety and COVID-19

To help preserve our in person learning environment, the university recommends the following.

- Adhere to university [mask guidance](#).
- [Vaccinations are widely available](#), free and not billed to health insurance. The vaccine will help protect against the transmission of the virus to others and reduce serious symptoms in those who are vaccinated.
- [Proactive Community Testing](#) remains an important part of the university's efforts to protect our community. Tests are fast and free.

Visit [protect.utexas.edu](https://protect.utexas.edu) for more information.



**Tentative Course Schedule**

Date	Topics	Packet Readings	Assignments Due
8/25	<b>Course Introduction</b> What is a value chain? How do we think about value chains strategically?	Note on the Value Chain: A Framework for Analyzing Firm Activities	None.
8/30	<b>Value Chain Strategy</b> What is the range of value chain decisions we will need to learn how to make?	Strategy Simulation: Value Champion	None.
9/1	<b>Global Opportunity Assessment</b> How can we systematically evaluate global value chain opportunities?	Taking the High Road when going International	None.
9/8	<b>Cultural Analysis</b> How does culture affect value chain decisions and management?	None.	None.
9/13	<b>Economic Policy</b> What types of economic incentive programs exist to encourage value chain investments?	None.	None.
9/15	<b>Economic Policy</b> What types of barriers exist that discourage value chain investments?	Chiquita Brands International ( <b>Case</b> )	None.
9/20	<b>International Labor</b> What types of international labor practices factor into value chain decisions?	Taking a Bite out of Apple ( <b>Case</b> )	None.
9/22	<b>Business Model Analysis</b> How does a firm's business model affect its value chain decisions?	Globalization of the NFL ( <b>Case</b> )	<b>Group Case Introduction – Team #1 (NFL)</b>
9/27	<b>VC Primary Activities</b> <i>Inbound Logistics</i> What are important issues around raw materials sourcing in value chains?	None.	None.
9/29	<b>VC Primary Activities</b> <i>Inbound Logistics</i> What are best practices to build a resilient value chain from the start?	Five Things to Know about Costco's \$4.99 Rotisserie Chicken	None.

<u>Date</u>	<u>Topics</u>	<u>Packet Readings</u>	<u>Assignments Due</u>
<b>10/4</b>	<b>Ethics &amp; Sustainability</b> What things are driving sustainability, accountability, and traceability in modern supply chains?	Sustainability at IKEA Group <b>(Case)</b>	None.
<b>10/6</b>	<b>Guest Lecture</b> What does the customer of the future look like? How does this affect a firm's value chain?	None.	None.
<b>10/11</b>	<i>Independent Inquiry</i>	<i>None.</i>	<i>None.</i>
<b>10/13</b>	<b>Guest Lecture</b> What are the top trends affecting modern supply chains?	Global Supply Chain Management	None.
<b>10/18</b>	<b>VC Primary Activities</b> <i>Operations</i> What are manufacturing strategies in modern value chains?	None.	None.
<b>10/20</b>	<b>VC Primary Activities</b> <i>Operations</i> What are best practices around new product introduction in global value chains?	None.	None.
<b>10/25</b>	<b>VC Primary Activities</b> <i>Outbound Logistics</i> What challenges do small companies face when building global value chains from an order handling and invoicing perspective?	Ferro Industries – Exporting Challenge for a Small Firm <b>(Case)</b>	<b>Group Case Introduction – Team #2 (Ferro)</b>
<b>10/27</b>	<b>VC Primary Activities</b> <i>Outbound Logistics</i> What are best practices around outbound logistics (warehousing and dispatch) design in global value chains?	None.	None.
<b>11/1</b>	<b>VC Primary Activities</b> <i>Sales &amp; Marketing</i> How is marketing affected when value chains go global?	None.	None.
<b>11/3</b>	<b>VC Primary Activities</b> <i>Sales &amp; Marketing</i>	Natura – Exporting Brazilian Beauty <b>(Case)</b>	<b>Individual Case Write-Up #1 (Natura)</b>

<u>Date</u>	<u>Topics</u>	<u>Packet Readings</u>	<u>Assignments Due</u>
<b>11/8</b>	<b>VC Primary Activities</b> <i>Service</i> What customer service modalities and configurations are emerging as best practices in global value chains?	None.	None.
<b>11/10</b>	<b>VC Support Activities</b> <i>Firm Infrastructure</i> How does firm infrastructure influence the success of global value chains?	Foxconn Technology Group: Acquiring Sharp to Move Up the Value Chain <b>(Case)</b>	None.
<b>11/15</b>	<b>VC Support Activities</b> <i>Human Resource Management</i> What are best practices in human resource management in firms with global value chains?	Levendary Café – The China Challenge <b>(Case)</b>	<b>Group Case Introduction – Team #3 (Levendary)</b>
<b>11/17</b>	<b>VC Support Activities</b> <i>Procurement</i> What are best practices in supplier management?	None.	None.
<b>11/22</b>	<b>Supply Chain Simulation</b> How do supply chains behave in real life?	None.	None.
<b>11/29</b>	<b>VC Support Activities</b> <i>Technology Development</i> What is the technology landscape for value chain management?	None.	None.
<b>12/1</b>	Presentations		<b>Value Chain Strategic Plan (Written &amp; PPT)</b>
<b>12/6</b>	Presentations	ECCO A/S – Global Value Chain Management <b>(Case)</b>	<b>Peer Evaluations Individual Case Write-Up #2 (ECCO)</b>

**NOTE ON SCHEDULE:** The content for each date presented on the schedule is subject to change. Students are responsible for monitoring announcements made in class and on Canvas for changes that may arise based on speaker availability or current events. Assignment due dates will **NOT** change.

**NOTE ON READINGS:** In addition to the packet readings required and laid out in the course schedule, you will also be assigned current event articles for many classes to read and be prepared to discuss. In addition, readings designated as **(Case)** should be prepared in-depth using the same methodology outlined for case write-ups in the syllabus.