MBA 795
Global Business Perspectives
Peru / Chile
January, 2016

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Course Description

MBA 795 is the global business perspectives course for the GMU MBA program. The objective of this course is to provide an exposure to how business is conducted outside the United States. The focus of the course has varied depending upon the location, background and international experience of the faculty member. This section of MBA 795 has a focus upon entrepreneurial firms in Peru and Chile.

The goal for this course is for you to use and develop your entrepreneurial mind while learning about global business. You, as part of a team, will be tasked with the creation of a business “idea,” and you will develop and work on your business idea with your teammates before the residency, during the residency, and after you return from the residency. To be successful you will need to draw on the knowledge from your MBA core classes and will have to apply that knowledge in a global context. Note that this does not mean you are creating a business – it will likely mean that you are taking an existing business and modifying it in some unique or insightful way or consulting to an existing business regarding a change in product/focus/market/etc. Those students who are specifically interested in entrepreneurship and/or consulting (HR, finance, strategic, logistics) should find interest in this course.

By providing opportunities to hear directly from Latin American managers and entrepreneurs, the residency will build on the foundations developed in the MBA program. You already have some experience with the U.S. business environment. The residency will allow you to compare and contrast that with the environment in Peru and Chile. Here are some of the themes that you will be thinking and reflecting on, both in pre and post-trip reading assignments and during the trip:

- Political history of Peru / Chile and how it has impacted the current business climate;
• Peru / Chile’s current state of economic development and its impact on the demand for goods and services;
• Peru / Chile’s physical infrastructure (transportation and energy) and its impact on the domestic economy and international trade;
• Peru / Chile’s workforce characteristics and the implications for labor supply;
• The legal environment (e.g. patent protection, enforcement of contracts) and its impact on business in Peru / Chile;
• Significant social and cultural norms that affect the conduct of business in Peru / Chile.

Course Goals and Objectives

There are three main competencies we will work on during this residency course. They are as follows:

Global Industry Competence
During this trip you will build your knowledge of global industries and economies.
➢ What are the products moving around the world and how do they play a role in determining growth of countries / currency markets / political controversy, etc?
➢ What are the roles of both emerging and developed countries?
➢ What are the arbitrage opportunities from doing business in a country with an emerging economy?

Cultural Competence
We will attempt to better understand the role of relationships in building businesses in other countries.
➢ How are relationships built?
➢ What does it take to “get things done?”
➢ How do individuals in other cultures respond to certain ideas, and more specifically, ideas that come from the U.S?

MBA “Capstone” Competence
This course provides a platform for you to test out your MBA knowledge in a “laboratory” setting.
➢ Can you find a feasible business idea?
➢ Can you engage in due diligence in developing that business idea and vetting it out?
➢ What does it take to be a successful entrepreneur or consultant?

Honor Code
You are expected to follow the University’s honor code as presented in the University’s publications. I consider it to be inappropriate and a violation of the University’s honor code to (i) use someone else’s work, including spreadsheet models, and submit them as your own, (ii) to use a
purchased case or research project solution as a significant portion of any assignment, or (iii) to not give credit (CITE) for ideas gained from other's work.

**Course Schedule**

The link to the Harvard Cases is [https://cb.hbsp.harvard.edu/cbmp/access/42595733](https://cb.hbsp.harvard.edu/cbmp/access/42595733). All other readings can be obtained through the GMU on-line library system. All course materials listed in the schedule should be read before the relevant pre-residency meeting.

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<tr>
<th>Event</th>
<th>Assignment</th>
<th>Date</th>
<th>Location</th>
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<tbody>
<tr>
<td>Class #1</td>
<td>“Chile: The Conundrum of Inequality” <em>HBS Case # 9-907-411, 2007</em></td>
<td>October 29th, 6:30pm</td>
<td>Arlington Founders Hall 113</td>
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<td>“Chile: The Latin American Tiger” <em>HBS Case # 798092, 1998</em></td>
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<td>Supplemental: “Colbun—Powering Chile” <em>HBS Case 709060, 2009</em></td>
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<td>“Start-Up Chile: April 2012” <em>HBS Case 812158, 2012</em></td>
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<td>“Patagonia Sur: For-Profit Land Conservation in Chile” <em>HBS Case 211103, 2011</em></td>
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<td>Web: <a href="http://www.startupchile.org/">http://www.startupchile.org/</a></td>
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<td>Class #2</td>
<td>“Cultivating Social Enterprise in Peru: A Portfolio Approach” <em>Ivey Case 908M47, 2009</em></td>
<td>November 5th, 6:30pm</td>
<td>Fairfax Mason Hall D001</td>
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<td></td>
<td>“Fresh Start? Peru’s Legacy of Debt and Default (A)” <em>HBS Case 9-703-001, 2003</em></td>
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<td>Supplemental: “PepsiCo Foods in Peru: More than Small Potatoes” <em>HBS Case 311083, 2012</em></td>
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<td>Web: <a href="http://start-up.pe/">http://start-up.pe/</a></td>
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<td>Class #3</td>
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<td>November 19th, 6:30pm</td>
<td>Arlington Founders Hall 113</td>
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<td>Class #4</td>
<td>ONLY ATTEND ONE OF THESE!</td>
<td>December 3rd, 6:30pm</td>
<td>Fairfax Mason Hall D001</td>
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<td>Class #5</td>
<td>Research Assigned Companies and Prepare to Talk in Pre-trip Meeting about those Companies.</td>
<td>December 10th, 6:30pm</td>
<td>Arlington Founders Hall 113</td>
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<td><strong>Deliverable:</strong> Site Visit Reports / Doing Business in Peru and Chile</td>
<td>December 17th, 6:30pm</td>
<td>Fairfax Mason Hall D001</td>
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<td><strong>Deliverable:</strong> Research Paper / Blogs</td>
<td>January 17th</td>
<td>via Blackboard</td>
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<tr>
<td>Class #6</td>
<td><strong>Deliverable:</strong> Executive Summary due by e-mail 48 hours before presentation. Hard copy of Project, Presentation Slides due at class Jan 23rd.</td>
<td>January 23rd, 8am</td>
<td>Arlington Founders Hall 118</td>
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**Deliverables**

1. **Class Participation (20% of course grade)**

   Engaged participation means attending all classes, site visits, and other activities and actively engaging in the discussions by asking appropriate questions and participating in the group discussions.

   You must be able to attend **ALL** of the class sessions scheduled prior to our departure, each of the business visits, and our final session. **If you miss an entire class there will be a deduction in your overall course grade.** Lack of attendance at meetings during the residency will be evaluated on a case-by-case basis. Of course emergencies will be taken into account.

   **A note on “asking questions” during the trip:** The value of the residency is greatly affected by the intelligence of the questions that you ask of our presenters. Good questions elicit interesting points and help speakers align what they say with what you want to learn. That is why you are asked you to do substantial reading in advance and work on the pre-residency research paper (see more below). The quality of individual participation affects the learning potential of the residency in another way: Questions shape the atmosphere on the residency and the relationship between the group as a whole and each presenter. That relationship affects how much or how little everyone can learn from a presenter.

   In grading participation, I will be thinking about not only whether your questions, comments and behavior *add* to the intellectual enterprise but also whether they *damage or detract* from it. The latter is a particularly serious issue because it reduces the learning potential of the entire group, and I will grade accordingly and initiate any other actions that are warranted. Also, please
keep in mind that, for most of our presenters, English will be (at least) their second language so you need to be clear and concise.

2. **Site Visit Report (10% of course grade)**

For this assignment and for the business idea project, students will be placed into 4 or 5-member teams. Each student team will be individually responsible for preparing for one or multiple site visits. The team should prepare a report on the company/agency, which should include a summary of the company/agency to be visited and detailed possible questions to ask the company/agency representatives in light of the readings above. This assignment should be no more than 3 pages for each site visit.

The report is due by the Class #5, and the team should be prepared to give a 15 minute overview of the company during that meeting and immediately before we visit with that company.

Also, although engaged participation by all students is expected, the assigned group is ultimately accountable for having prepared relevant questions for the site-visit presenters. They will be our “leaders” for that particular site visit, which means they will introduce our class, GMU, present any gifts we have, and should be first to ask questions.

3. **Doing Business in Peru and Chile Assignment (10% of course grade)**

See assignment information on Blackboard

4. **Research Paper/Blog (10% of course grade)**

The purpose of this individual assignment is to expand your knowledge base of Peru and/or Chile. You can write this assignment as one research paper or as a series of blog posts. When writing you should address one or more of the following topics:

1. What makes Peru and Chile desirable countries to trade with? How is trade facilitated in Peru and Chile? What dangers lie in relying heavily on exporting for economic growth? What do American businesses need to think about when doing business in and/or trading with Peru and Chile?

2. Pick one of the main social challenges facing Peru and Chile? How is the government attempting to manage these challenges? How do the social challenges affect growth in Peru and Chile or opportunities for international partnerships?

3. Pick an industry in Peru and/or Chile (e.g., agriculture, real estate, fishing, manufacturing, tourism, finance, etc.) and discuss the history of that industry in these countries. What challenges do they face in growing that industry?

4. Other? If you have another idea, send it to me...

You are required to use and cite at least four sources outside of those listed above as you write this (some possibilities for sources are listed below). These could be magazine, journal, or newspaper articles from reputable sources. There are MANY articles on both the Austral website and the Blackboard website to help you get started. If you come across a term or terms (tariff rates /
arbitrage opportunities / devaluing currency / pegged currency / etc.) which might be confusing, look it up, define it in the paper, and build a competent level of knowledge in that area.

This assignment, whether one paper or a series of blogs, should be approximately 1200 - 1500 words (approximately 5 pages), 12-point font, double-spaced, with a separate page for your outside references in MLA or APA format.

Hints for writing a strong research paper or a strong blog post:

- Begin with an introduction / end with a conclusion. Have a title, key arguments, and relevant research findings.
- Be specific in your research. Don’t write a paper about “wine in Chile” or “the economy of Chile.” Write a paper about “exporting challenges” or “neoliberal policies,” for example.
- Do NOT summarize facts that are already in the cases listed in the syllabus or are elsewhere. Summarizing is lazy research and boring to read.
- Avoid putting extraneous material into your paper (e.g., Chile’s coast is 4000km long...).
- Be thorough! Don’t just use wikipedia – go find the source that wikipedia is using or find other sources.

5. Business Idea Team Project (50% of course grade)

See separate assignment on Blackboard.

6. Extra Credit Opportunity (up to 2% extra credit)

By yourself, I want you to take an hour or so and explore the city in your free time. On your journey you should engage in a discussion with someone from Peru or Chile (can be anyone). Post to the discussion board on our course website (marked “extra credit assignments”) a one-page entry which answers the following questions:

1) Where did you go?
2) What did you see or notice about the city?
3) Who did you meet? What did you talk about? What struck you as really interesting?
4) Was exploring a foreign city on your own a new experience for you - what did you learn?
5) What interests you about the city? The culture? The people?

This should be completed during the residency.

Evaluation and Grading Standards

Grades on the assignments will be assigned relative to the other assignments submitted in terms of both substance and organization. In general your grade is a function of the clear identification of a key idea, the quality of your analysis, and the appropriateness of your conclusions. I will also take into account creativity of the ideas presented, thoroughness of the research and ideas presented, the resources/references you present, and overall writing style and comprehension. In other words, as you only have two major writing assignments for this course, I expect a high level of competence. Late submissions will be subject to a 10% penalty for each 24-hour period it is late. Except for extraordinary circumstances, “incomplete” grades will not be granted. The grade distribution will be similar to other MBA electives. I will use plusses and minuses in evaluation.