

1. INTRODUCTION TO INTERNATIONAL BUSINESS



Asst. Prof. Dr. Ilke Kardes

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A. Overview

B. Key concepts

C. Internationalization of companies

C-1. Motives for internationalization

C-2. Risks of internationalization



- Cultural differences
- Negotiation patterns
- Decision-making styles
- Ethical practices

Details in Chapter 4 - *Coming soon*

Video-Session:

Culture - Smile School in Japan



- Unstable political system
- Inadequate legal system
- Protectionism and trade barriers

- Unfavorable laws and regulations
- Bureaucracy
- Failure of the national economy

Details in Chapters 7&8 - *Coming soon*

Case-Session: Bureaucracy in India

Back and forth with these papers – A Thriller

Stars: Officials in air conditioned offices

Innocent citizens under the unforgiving Indian sun

Director: Government

Storyline:

On any given day, at the Registrar of Companies in Mumbai, at least 50 men carrying stacks of documents brave the unforgiving Indian sun.

They queue for hours to push through the necessary paperwork to open a business in India.

Many of them will have to come back repeatedly, if the countless forms they have been given by the comfortable officials in air conditioned offices have not been properly filled out.

Source: BBC 2006, "What might hold back India?" May 22

For more information: <https://www.pinterest.com/drkardes/ch-1-what-is-ib/>

Filming location: India

Release date: 2006

Genre: Thriller



-Currency exposure
-Foreign taxation

-Asset valuation
-Inflation

Details in Chapter 11 - *Coming soon*

- Weak partner
- Timing of entry
- Poor execution of strategy
- Operational problems
- Competitive intensity

Case-Session: Nokia

June 2011



The Finnish handset maker, Nokia Corp., battered by the popularity of smartphones, is abandoning the Japanese market.

Since 1998, Nokia has been the world's biggest seller of cell phones, but in the first quarter of 2011 Apple overtook it as the world's top handset vendor in revenue.

Main reason: Nokia's inability to meet modern challenges of the smartphone market.



April 2014

Microsoft's \$7.2 billion acquisition of Nokia's devices and services business has been completed.

Read more on <https://www.pinterest.com/drkardes/ch-1-what-is-ib/>

Summary: Risks in International Business

Cross-Cultural Risk

- Cultural differences
- Decision-making styles
- Negotiation patterns
- Ethical practices

Country Risk

- Unstable political system
- Inadequate legal system
- Protectionism and trade barriers
- Unfavorable laws and regulations
- Bureaucracy
- Failure of the national economy

Financial Risk

- Currency exposure
- Foreign taxation
- Asset valuation
- Inflation

Commercial Risk

- Weak partner
- Timing of entry
- Poor execution of strategy
- Operational problems
- Competitive intensity

Key takeaways from the Chapter 1

- IB is the process of focusing resources on global marketing opportunities.
- Goal: to create customer value & competitive advantage by maintaining focus.
- Challenges: Cross-cultural risks, commercial risks, country risks, financial risks.

1. Introduction: What is international business?
- 2. Globalization of markets and the internationalization of the firm**
3. Organizational participants
4. The cultural environment
5. Ethics, sustainability, and corporate social responsibility
6. Theories of international trade and investment
7. Political and legal systems in national environments
8. Government intervention
9. Regional economic integration
10. Emerging markets
11. The international monetary and financial environment



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