



Business & Markets in Asia

Course Syllabus

Professor: Dr. Balbir B. Bhasin

Prerequisites: Principles of Marketing, International Business and Managerial Economics

Course Duration: 12 meetings of 3 hours each at the minimum.
Course to be expanded dependent on the number of students and countries to be covered.

Course Texts: *Asian Management Systems* by Min Chen, Routledge, London 2004.
ISBN-10: 1861529414

International Business: An Asian Pacific Perspective by Andrew Delios and Paul Beamish, Prentice Hall, 2004.. ISBN 10: -13127533X

Asian Eclipse: Exposing the Dark Side of Business in Asia, Revised Edition by Michael Backman, John Wiley and Sons, May 2001.
ISBN-10: 0471479128

A list of Recommended Readings is provided on Page 6

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The New Map of the World



"The Clash of Emotions" by Dominic Moisi,
Senior Advisor, IFRI Paris
In *Foreign Affairs*, Jan/Feb 2007 Vol.86-1

Introduction

If the nineteenth century belonged to Europe, and the twentieth to America, then the twenty-first century will certainly be Asian. The demographic trends for the next 50 years are clear, undeniable, and point to Asia's emergence as the primary source of new capital, customers, competitors, suppliers and service providers in almost every industry in the 21st century. Companies that succeed in Asia today will dominate their industries for decades to come by leveraging Asia's efficiencies, skill supply, and rapidly growing markets, and will outpace or consume those that do not. Simultaneously, comes a huge need for Asia to access more sophisticated solutions, goods and services, and management methodologies. Europe is well poised to benefit from this and is doing so you can either harness Asia's momentum or be crushed by it.

This course is designed to introduce students to the cultural, legal, and business environments in the emerging economies of Asia: China, India, Southeast Asia (Thailand, Malaysia, Indonesia, the Philippines) and Vietnam.

The course will focus on the practical issues that a foreigner will encounter in conducting business in international venues, focusing on managing in a developing or transition economy in a developing country, and combining the academic research and skills with the experience and wisdom of management practitioners. In particular, we will emphasize the acquisition of skills required to manage in third world, emerging and transition economies.

This course will focus on two aspects. One is to provide specific knowledge about the business systems in Asia. However, just as importantly, understanding and dealing with these issues clearly works best when there is a specific context for the general point: for instance, how to deal with the many facets of pressure, corruption, and influence in a foreign environment; how to deal with the problems of having one central headquarters and yet operations around the region; and issues of dealing with and understanding myriad of different ways that business is both organization and exercised.

Course Description:

Analysis of opportunities, distinctive characteristics, and emerging trends in Asian markets, including exploration of alternative methods and strategies for entering these markets; organizational planning and control; impact of social, cultural, economic, and political differences; and problems of adapting Western management and marketing concepts and methods. This is accomplished through specified readings and responding to them, lectures and discussion on fundamentals of Asian business practices and the real life planning and implementation of an international business plan designed to market a product or service in an Asian country.

Course Objectives

1. To introduce to students the complexities and dynamics of operating in the newly emerging as well as established markets in Asia: China, India, Japan Thailand, Malaysia, Indonesia, the Philippines. Taiwan, South Korea and Vietnam
2. To familiarize students with the cultural, economic and legal environments of Asia vis-à-vis Europe and North America, and
3. To prepare students to benefit from the opportunities afforded by managing the risks when entering and operating in these difficult but profitable new markets

Course Required Attainments:

By the end of the course, the students should be able to:

1. Recognise the forces underlying the development of business and markets in Asia, the unique challenges that exist when entering these markets, and how to overcome them
2. Demonstrate an understanding of the major differences between European and Asian business and marketing planning
3. Appreciate the role of detailed market research in decision making
4. Identify the major methods of market entry
5. Recognise those factors which distinguish the marketing mix for Asian markets
6. Understand the implications of international market extension with regard to organisational and structural change
7. Appreciate the options and opportunities for European companies venturing into the Asian marketplace.
8. Have access to a set of analytical tools and techniques for understanding Asian markets
9. Build a strategic framework for developing marketing programs and tactics in Asia
10. Consolidate a real-world perspective on how business in Asia is conducted

Course Instructor

Dr. Balbir B. Bhasin is the Associate Professor of International Business at the John F. Welch College of Business, Sacred Heart University in Fairfield, Connecticut and Luxembourg. He holds the Master of International Management (M.I.M.) degree (with Distinctions) from the prestigious Thunderbird School of Global Management in Glendale, Arizona and a Ph.D. in International Business from the University of South Australia in Adelaide.



Prior to turning to teaching, Dr Bhasin was simultaneously President of a private investment bank based in New York, and CEO of an international business information company in the Far East. Originally from Singapore, he has done business in all major Asian markets. He was previously Director of International Marketing for Bioelectronics Corp., a Michigan based and NASDAQ listed biomedical equipment manufacturer and the Executive Director of Royal Park Holdings Pty, Ltd., Melbourne, Australia which developed hotel, motel and serviced

apartment properties. He currently advises companies eager to benefit from the opportunities in Emerging Asia.

Course Schedule

Tentative Course Schedule

(1.5 hour sessions, totaling 40 contact hours)

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|------------|--|
| Session 1 | Introduction: Course Overview, Objectives, Expectations and Assignments and Individual Student Introductions |
| Session 2: | Global Trends: Asian Emergence and Opportunities for Europe |
| Session 3 | Asian Business Environment: Political, Economic and Legal Risks |
| Session 4 | Understanding the Asian Consumer: The Asian Cultural Milieu |
| Session 5 | Selecting Modes of Entry to Asia : Market Penetration and Development |
| Session 6 | Negotiating Successfully in Asia: Understanding Asian Sensitivities |
| Session 7 | Ethics: Dealing with Corruption, Cronyism and Nepotism in Asia |
| Session 8 | Movie: “ Gung Ho” – Issues Involved in Asian/Western Mmanagement Practices |
| Session 9 | Discussion: Cultural Differences between South Asia, Far East and South East Asia |
| Session 10 | Discussion: The Yin and Yang of Managing in Asia |
| Session 11 | Business and Markets in Asia- Country focus 1: China |
| Session 12 | Business and Markets in Asia - Country focus 2: India |
| Session 13 | Business and Markets in Asia - Country focus 3: Vietnam |
| Session 14 | Business and Markets in Asia - Country focus 4: Japan |
| Session 15 | Business and Markets in Asia - Country focus 5: Philippines |
| Session 16 | Business and Markets in Asia - Country focus 6: Indonesia |
| Session 17 | Business and Markets in Asia - Country focus 7: Korea |
| Session 18 | Business and Markets in Asia - Country focus 8: Malaysia |
| Session 19 | Business and Markets in Asia - Country focus 9: Taiwan |
| Session 20 | Business and Markets in Asia - Country focus 10: Thailand |

NOTE: For each country focus, a group of 4 students (class total of 40 max) will be assigned to research the country's environment and present to the class details of adjustments needed to be made so as to succeed in entering and operating in the country. This will mean selecting an existing product and company and writing a business plan to enter an Asian country.

Globalization has changed us into a company that searches the world, not just to sell or to source, but to find intellectual capital
- the world's best talents and greatest ideas.
- Jack Welch

Assignments and Grading

Contribution & Participation	20%
Readings Response Assignment	20%
Asian Country Market Presentation	30%
Comprehensive Written Business Plan	30%



Method and Evaluation

1. Class Participation (CP) – 20%

CP is the classroom equivalent to professionals' participation in meetings and is an important part of success in this course. **Effective participation means (a) active, (b) substantive, and (c) continuous (d) contribution.** In other words, *occasional non-substantive comments or questions will not meet the requirements of this assignment.* Performance is assessed by the instructor based on each participant's contribution, which may take the form, among others, of raising or answering questions, offering comments, enriching the class with relevant items of interest from the media or personal experiences, brief in-class and/or take-home quizzes or exercises, and overall effort throughout the term. To participate, one has to be in class; so, attendance is considered a mandatory requirement for success.

2. Response to Readings Assignment (RRA)– 20%

Students are to individually write an essay of 7-10 pages (single spaced) responding to the reading by discussing and analyzing at least **five** issues or challenges facing entry into Asian markets. The objective of this assignment is to ensure that students read the required readings and perform an analytical evaluation of their relevance and applicability in understanding the dynamics of Asian business and markets.

3. Asian Country Entry Presentation (ACE)– 30%

This is a presentation of the COMP in class – the aim being to seek approval of funding of project from shareholders of the Company. Student teams will present the essence of their business and marketing plan for entry into the Asian country selected. This is to serve as a learning/teaching tool through a participative seminar format.

4. Comprehensive Business and Marketing Plan (COMP) – 30% (for detail see appendix)

This is a team project and the team will be the same as in ACE. The objective is *to develop a business strategy for introducing a selected product in a selected Asian market.* Each team will consist of two 4 members (team size to be ultimately decided based on class size). Each project requires a formal proposal and final report. The COMPs will also be presented in class ACE, and a bound copy of the final report will be made available to each student in the class which will serve as a reference for a long time to come.

Important Notes on Evaluation

- In addition to content, all written work will be graded for grammar, spelling, writing style, and organization and presentation of the material. Standard referencing is required of all work cited.
- The COMP presentations will be evaluated 50/50 by the class and the instructor.
- Each student *must* submit, by the last Session, an *independent evaluation* (mark out of 10) of each team member's (including self) contribution to the project. If the mean mark given a student by his/her colleagues is at considerable variance (lower or higher) to his/her marks for other class work, *then his/her COMP mark will be adjusted accordingly.*

Recommended Readings

The Global Etiquette Guide to Asia by Dean Foster, John Wiley 2000. ISBN 978-0471369493

Global Marketing, Third Edition, by Warren J. Keegan and Mark C. Green, Prentice Hall, N.J. 2003. ISBN 0-13-066998-9

The Lexus and the Olive Tree: Understanding Globalization by Thomas L. Friedman, Anchor Books, April 2000. ISBN: 0-385-40034.

Bound Together: How Traders, Preachers, Adventurers and Warriors Shaped Globalization by Nayan Chanda, Yale University Press, New Haven 2007. ISBN 978-0-300-11201-6

International Marketing and Export Management, 4th Edition by Albaum, Strandskov and Duerr, Prentice Hall 2002. (ISBN 0-273-65521-3)

International Business: An Asia Pacific Perspective edited by Andrew Delios and Paul W. Beamish, Pearson Education South Asia (Prentice Hall), 28 June 2004. ISBN 013127533X

Business Strategy in Asia by Kulwant Singh, Nitin Pangarkar, Loizos Th Heracleous, Academic Foundation, 2004. ISBN 981243724X

The Asian Insider: Unconventional Wisdom for Asian Business, by Michael Backman, Palgrave MacMillian, September 3, 2006. ISBN-10: 0230000215

Strategies for Asia Pacific: Building the Business in Asia, Third Edition by Philippe Lasserre and Hellmut Schutte, Palgrave Macmillan, February 16, 2006. ISBN-10: 1403916950

Behind East Asian Growth: The political and social foundations of prosperity, edited by Henry S. Rowan, Rotledge, 1998. ISBN-10: 0415165199

Asia Rising or Falling, Foreign Affairs Reader, Council on Foreign Affairs, 1999

Kiss, Bow, or Shakes Hands Asia: How to Do Business in 12 Asian Countries by Terri Morrison and Wayne A. Conway, Adams Media Corporation, November 30, 2006. ISBN-10: 159869216X

Offshoring Without Guilt by N. Venkat Venkatraman, MIT Sloan Management Review, Spring 2004. <http://sloanreview.mit.edu/smr/issue/2004/spring/03/>

The Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profits by C. K. Prahalad, Wharton School Publishing, 2006. ISBN 978-0131877290

Mastering the Infinite Game: How East Asian Values are Transforming Business Practices by Charles Hampden-Turner and Fons Trompenaars, Capstone, 2001. ISBN-10: 1900961083

Four Tigers and the Dragon: Values differences, similarities, and consensus by Ho-Beng Chin, Carolyn P. Egri, David A. Ralston, Ping Ping Fu, Min-Hsun Christine Kuo, Chay-Hoon Lee, Yongyuan Li and Yong-Lin Moon, Asia Pacific Journal of Management (2007) 24: 305-320

The Key to the Asian Miracle: Making Shared Growth Credible by Jose Edgardo Campos (Author), Hilton L. Root, Brookings Institution Press, January 1996. ISBN-10: 0815713606



COMPREHENSIVE PROJECT GUIDELINES

Purpose

This assignment focuses on the *applied* side of the course theme. It makes it possible to familiarize one's self with planning and decision making in international business and with the information sources that are available to managers for researching foreign markets. The project must focus on the practical application of the concepts learned in the course.



Topic Selection and Proposal

Any product-market combination is acceptable so long as a *convincing case* can be made about it. Any “product” may be selected, including industrial or consumer products, services, ideas, people, or places. The product or service selected must be existing and the particular company has yet to enter the country selected. Select a product and market that are *of interest to you, lend to applied research, and fit each other*. For example, *Workmate to India, Celine Dion to Philippines, CorelDraw to Japan, or Family Planning to Indonesia*, do meet these criteria. *Candu Reactor to PRC and Photographic Paper to Bangladesh* do not (products too complex, relative lack of published information). Every attempt will be made to make the project as realistic as possible with minimum “assumptions”.

Research

This project requires considerable legwork, creativity, and know-how. A good understanding of the nature of the chosen product and the environment of the chosen market is essential, and *effective team work is a must*. Assigning specific duties to each team member beforehand, and specifying deadlines for various stages, can go a long way towards making the project a success.

Secondary research is a cornerstone of success for this project. We are fortunate to have access to ample information for international management, including standard library sources (e.g. journals, magazines, books, UN, EU, IMF, WTO, etc. publications); government departments (e.g. Departments of Commerce and International Trade); and embassies, international and trade organizations, think tanks (e.g., The Conference Board), and so on. Feel free to use information from the Web, but if you do, (a) do *not* let the medium obscure the message (the information posted is often of dubious quality, and you are responsible for assessing the credibility of what you use); and, (b) be mindful to *not* “drown” your target reader and/or yourselves in useless information (a list of 2,457 Web “hits” does not prove that one has done “research”!).

Content, Organization, and Approach

The COMP *proposal* must include enough information to enable the reader to assess the merits of the proposed project. Typically, it will specify the team members' names and duties, whom the team represents (e.g. management, consultants), product-market choice and rationale, and project timetable, and include an outline of the intended approach, information sources, and expected results.



As with any similar undertaking, the COMP *project* itself should begin with gathering and analyzing information and proceed to setting objectives, establishing criteria and evaluating alternatives, and planning and recommendations. A suggested layout of the written plan is presented as an annex to this syllabus.

Format

The COMP *proposal* and *project* are simple: submit them typed on letter-size paper, single-spaced with proper margins and a reasonable font (fonts smaller than Times-Roman 11 or Arial 10 are too small to read easily). The *proposal* should be up to four (4) pages long. There is **no** length limitation for the *final project paper* itself (but avoid excessively lengthy appendices with information of marginal value).



Presentation

Exactly 60 minutes will be available for each COMP presentation (exact length TBD depending on class size), plus 15' for questions and discussion. The presentation should be designed so as to highlight the key findings and conclusions of the project and need not follow the same organization as the written report. The presentation format leaves considerable room for creativity, within reason. Audio-visual aids enhance the effectiveness of presentations and help the presenter make optimal use of time (e.g. a complete table or chart can be shown while the speaker focuses only on one part of it). Therefore, *the use of audio-visual aids is required*. Multi-media presentations using advanced technologies are encouraged, but, again, do not let the technology cloud the substance.

A Taste of Asia

Each team upon completion of the presentation is invited to bring in food from the particular Asian country for taste by all participants of the course.



Emerging Asia: Shanghai

Suggested Layout: The Business Plan



I. Executive Summary

II. Overview of the Firm Marketing the Product

A. History

1. How company was started (who, when, where, how, why)
2. Growth, geographically and fiscally
3. Description of resources (physical and financial) and CORE business
4. Current markets served
 - a. US - Reputation, market share, market positioning, competitive distinctions
 - b. International or Global market positions

B. Mission and Vision

C. Goals (You may include qualitative, but quantitative goals MUST be stated)

1. Domestic (US)
2. International/Global
3. For YOUR selected country

D. Description of specific goods/services to be marketed (include a detailed discussion of your product positioning and strategy)

III. Country Analysis

- A. History
- B. Demographics
- C. Political Environment
- D. Economical Environment
- E. Legal Environment
- F. Technology
- G. Socio Cultural Environment



IV. Market Analysis

A. Market Description

- 1) Size of Potential Market for your product in your selected country
- 2) Profile of the prospective BUYERS of your product in your selected country
- 3) Consumption characteristics How do they buy? When? Where? Why (motives)?
- 4) Market trends for this or related products (Note: show a time analysis of demand for your category of product or purchase/consumption data that might somehow be correlated to the sale and consumption of your product).

- 5) Relevant data on Communications and Transportation Data (NOTE: include only what is relevant to reaching your market)
 - a. Availability of cars, trucks, rail access, air transportation, etc.
 - b. Mail service, TVs, phones, radios, newspapers, etc

B. Competition (Describe the competitors and discuss their strengths, weaknesses, market positions)

- 1) Domestic (Are there companies within your chosen country that produce a similar product?)

- 2) Foreign (Are there other international or global competitors in the market you are entering?)
- C. Market Potential (Either do a “top down” or “bottom up” type of analysis to estimate Total Industry Demand, your companies long range sales potential, and an actual Sales Forecast for one, three and five years).

V. Operational Plan

A. Marketing Orientation: Market Penetration Strategy. Exporting, Licensing, Contract Manufacturing, Franchising, Joint Venture, Strategic Alliance, Wholly Owned Subsidiary, Management Contract, Distribution Agreement etc.

B. Promotion (Outline your promotional plan – include catalogue shows, trade missions, trade center shows, trade fairs, print media, TV, radio, direct mail, outdoor ads, personal selling, or whatever is relevant to the promotion of your product).

C. Distribution (Agents and intermediaries; Distribution Channels and Physical Distribution, forwarders, shippers, banks, import agents, distributors, sales offices and branches, salesmen, sales agents, manufacturers agents .. WHATEVER IS RELEVANT).

D. Pricing (How will you price your product? Give prices relative to competitors if relevant. Detail markups, transportation, tariffs, licensing fees, franchise fees, promotional fees, insurance costs if relevant.

E. Calendar/schedule for activities

F. Budget for first three years

G. Complete pro-forma income statements for first three years

