

Domestic and global business environment

[Business](#), [Business Environment](#)



BA 7000 Domestic and Global Business Conditions Bradley T. Ewing, Ph. D.
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2009 COURSE DESCRIPTION BA 7000 - Domestic and Global Business

Conditions - This course is intended to help students develop a better understanding of the domestic and global environments in which US businesses compete. Specifically, this course takes a satellite-view of markets in which firms compete, including markets for goods and services; money, bonds and stocks; foreign exchange; and labor.

These markets are examined individually and as a system. Particular emphasis is placed on studying the interactions among all markets in order to gain a better understanding of how domestic and global business conditions affect the formulation and implementation of business strategies.

COURSE OVERVIEW This course examines the fundamentals of business conditions analysis with an emphasis on how domestic and global business conditions affect the formulation and implementation of business strategies. Specifically the primary goals of this course are to enable you to: • • • • •

Recognize the relevance of domestic and global business conditions to managerial decision-making and firm performance, and to apply business principles to relate to business issues and the marketplace. Understand the mechanisms of the domestic and global business environment within the broad social, political, industrial and economic contexts. Explore the nature of business conditions and the implications for decision-making, research, business and policy. Analyze the firm, organization, or practices and its operations from a domestic and global systems perspective.

Acquire a skill set of analytic tools that will increase your human capital.

BOOKS & MATERIALS These books are fairly quick and easy to read: The Undercover Economist by Tim Harford The Tipping Point: How Little Things Can Make a Big Difference by Malcolm Gladwell Freakonomics: A Rogue Economist Explains the Hidden Side of Everything by Steven Levitt and Stephen Dubner Travels of a T-Shirt in the Global Economy by Pietra Rivoli

Articles: “ Who Supplied My Cheese? ” Business Economics, October 2005. (will be posted on my web site [www3. tltc. ttu. du/ewing](http://www3.tltc.ttu.edu/ewing)) “ Strengthening Globalization’s Invisible Hand,” Business Economics, October 2006. (will be posted on my web site [www3. tltc. ttu. edu/ewing](http://www3.tltc.ttu.edu/ewing)) Other: Economics for Dummies (contains background, reference material) Online Lecture Notes – a set of PowerPoint slides (in pdf) available on my web site ([http://courses. ttu. edu/bewing](http://courses.ttu.edu/bewing)). You should use these to supplement the e-delivery lectures You should read “ Economics for Dummies” in its entirety before reading any of the other books or doing the assignments. Additionally, you should view the lectures on DVD concurrently with your reading of “ Economics for Dummies”.

Reading “ Economics for Dummies” and viewing the lectures prior to doing the assignments will help you understand the material and it should help you get the best grade possible.

LEARNING OBJECTIVES

1. Develop students’ ability to think in business terms and about the conditions surrounding their operating environment.
2. Develop students’ ability to view organizations from a domestic and global business systems perspective.
3. Build students' analytical skills for conducting business analysis.
4. Provide students with the opportunity to develop strategies for real world problems, and to develop

decision making skills. . Integrate knowledge gained in other business experiences. Course Topic Guide Material to be covered: Business Conditions Concepts and Analysis Introduction to business conditions, concepts and analysis Operating a firm within the domestic and global environment Global economy and the Federal Reserve Economics of Risk – risk analysis (perception & communication), risk management & decision making Value Creation, Supply Chain Economics Business model – integrating economics, operations & strategy Note: You may download a set of PowerPoint slides to accompany the lectures.

COURSE REQUIREMENTS AND GRADING All assignments need to be emailed to me with the course title and semester (i. e. , “ MBA - BA 7000 Summer 2009”) clearly written in the subject line. I will acknowledge receipt of your assignments – usually within 24 hours. Due to the amount of spam and the use of a junk mail filter, do not assume that I have received your assignment until you have received an acknowledgement from me (Note: please use your official Texas Tech email account so that way your email has a better chance of getting through).

General Guidelines for Written Work All written work prepared outside of class should be typewritten and contain a cover page with your name, course number, date, and title. Where page lengths are noted for particular assignments, the page lengths assume 12 point font, 8 1/2 by 11 paper, double spaced type, and one inch margins on all sides. In cases where 12 pitch type is not available, page lengths should be adjusted proportionately. Please include a cover sheet for all work which includes your name along

with the date and subject of the project. Written work will be graded for both content and quality.

That is, grammar, punctuation, spelling, coherence, style, and organization will be considered. A concise style is essential. Corporate executives repeatedly emphasize the need for business schools to do a better job of preparing MBAs to write in an organizational context. The standards applied to writing quality will approximate those applied to major corporate documents that have been prepared for broad distribution among senior executives. In order to receive a grade of “ B” in the course the student will need to do “ B” quality work on each of the above assignments.

In addition to the above assignments, students will need to do “ B” quality work on the following assignments (#1-4): Assignment #1 Turn in a 2-3 page critique of The Undercover Economist. In your critique of the book identify key points that you think will be valuable to you (or, in some cases, for a particular industry, the domestic or global economy) in the years to come. Additionally, identify what parts, if any, of the book were a waste of your time to read. I also want you to identify what parts of the book relate to the lectures.

Next, discuss how you would/could successfully apply the major points of the book in an organization (of your choosing but presumably in the field of your chosen profession). Discuss potential pitfalls (i. e. , areas that are especially vulnerable to “ success” and thus provide examples of how these major points have been unsuccessfully applied in the organization of your choosing). Discuss how you would (e. g. , if you were to be consulted or had

been consulted) apply some of these tools and knowledge differently to the organization in the future.

Then on a scale of 1 to 10 (ten being the best) give an overall assessment of the book. Assignment #2 Turn in a 2-3 page critique of *The Tipping Point*. In your critique of the book identify key points that you think will be valuable to you (or, in some cases, for a particular industry, the domestic or global economy) in the years to come. Additionally, identify what parts, if any, of the book were a waste of your time to read. I also want you to identify what parts of the book relate to the lectures.

Next, discuss how you would/could successfully apply the major points of the book in an organization (of your choosing but presumably in the field of your chosen profession). Discuss potential pitfalls (i. e. , areas that are especially vulnerable to “ success” and thus provide examples of how these major points have been unsuccessfully applied in the organization of your choosing). Discuss how you would (e. g. , if you were to be consulted or had been consulted) apply some of these tools and knowledge differently to the organization in the future.

Then on a scale of 1 to 10 (ten being the best) give an overall assessment of the book. Assignment #3 Turn in a 2-3 page critique of *Freakonomics*. In your critique of the book identify key points that you think will be valuable to you (or, in some cases, for a particular industry, the domestic or global economy) in the years to come. Additionally, identify what parts, if any, of the book were a waste of your time to read. I also want you to identify what parts of the book relate to the lectures. Next, discuss how you would/could successfully apply the major points of the book in an organization (of your

choosing but presumably in the field of your chosen profession). Discuss potential pitfalls (i. e. , areas that are especially vulnerable to “ success” and thus provide examples of how these major points have been unsuccessfully applied in the organization of your choosing). Discuss how you would (e. g. , if you were to be consulted or had been consulted) apply some of these tools and knowledge differently to the organization in the future.

Then on a scale of 1 to 10 (ten being the best) give an overall assessment of the book. Assignment #4 Turn in a 2-3 page critique of *Travels of a T-Shirt in the Global Economy*. In your critique of the book identify key points that you think will be valuable to you (or, in some cases, for a particular industry, the domestic or global economy) in the years to come. Additionally, identify what parts, if any, of the book were a waste of your time to read. I also want you to identify what parts of the book relate to the lectures.

Next, discuss how you would/could successfully apply the major points of the book in an organization (of your choosing but presumably in the field of your chosen profession). Discuss potential pitfalls (i. e. , areas that are especially vulnerable to “ success” and thus provide examples of how these major points have been unsuccessfully applied in the organization of your choosing). Discuss how you would (e. g. , if you were to be consulted or had been consulted) apply some of these tools and knowledge differently to the organization in the future. Then on a scale of 1 to 10 (ten being the best) give an overall assessment of the book.

In order to receive a grade of “ A” in the course the student will need to do “ A” quality work on each of the above assignments. In addition to the above assignments, students will need to do “ A” quality work on the following two

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assignments (#5-6): Assignment #5 Turn in a 2-3 page critique of the articles “ Who Supplied My Cheese? ” and “ Strengthening Globalization’s Invisible Hand,”. In your critique of the article identify key points that you think will be valuable to you (or, in some cases, for a particular industry, the domestic or global economy) in the years to come.

Additionally, identify what parts, if any, of the article were a waste of your time to read. I also want you to identify what parts of the article relate to the lectures. Next, discuss how you would/could successfully apply the major points of the article in an organization (of your choosing but presumably in the field of your chosen profession). Discuss potential pitfalls (i. e. , areas that are especially vulnerable to “ success” and thus provide examples of how these major points have been unsuccessfully applied in the organization of your choosing). Discuss how you would (e. g. if you were to be consulted or had been consulted) apply some of these tools and knowledge differently to the organization in the future. Then on a scale of 1 to 10 (ten being the best) give an overall assessment of the article. Assignment #6 – Value Creation Project The Value Creation project consists of a written report. VALUE CREATION DISTANCE LEARNING PROJECT OUTLINE: In this assignment I want you to select an existing company and then select a country (or, if doing a project related to Wind Energy, you may choose a region of the US or the offshore) to which you want the chosen company to expand.

Next, I want you to investigate the external environment of the country to which the firm plans to expand and compare it to the domestic environment in the firm’s home country. I then want you to discuss how good of a fit the new country’s environment is for your chosen firm. Specifically discuss: What

macro-environmental trends are relevant? What are the contending forces in the industry? What forces are changing the industry over time? Are there key competitors that present opportunities or challenges to the firm?

Define opportunities as favorable conditions in the external environment, define threats as unfavorable conditions in the external environment, and conduct an environmental scan. Additional factors about the chosen country that you may want to consider when doing the environmental and competitive analyses. Each sub-section (i. e. , A, B, C, D, E, F) should be about 2-3 pages. Thus, since there are two major parts (i. e. , I and II), the overall length should be around 24-36 pages. Additionally, a cover page and a references section are required (but do NOT count in the page length suggestions).

The absolute page limit (not including the cover sheet and references) is 40 pages. A full letter grade will be deducted on any project longer than 40 pages. No exceptions. Please follow this outline carefully. I. General Environmental Analysis A. Economic 1. Overall level of development 2. Economic growth: GDP and industry 3. Role of foreign trade in the economy 4. Currency: inflation rate, currency controls, stability of exchange rate 5. Balance of payments 6. Per capita income and distribution 7. Disposable income and spending patterns B. Social/Cultural 1.

Population size, growth, density, distribution (urban/rural) 2. Literacy rates, education levels 3. Existence of middle class 4. Similarities and differences in relation to company's home market 5. Language and other cultural considerations C. Political 1. System of government 2. Political stability and continuity 3. Ideological orientation 4. Government involvement in business

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5. Attitudes toward foreign business 6. National economic and development priorities 7. Membership in regional trade organizations D. Technological E. Physical 1. Physical distribution and communications network (e. . , supply chain) 2. Climate variations 3. Shipping distance F. Major Threats and Opportunities II. Industry/Competitive Environment A. Threat of New Entrants/Barriers to Entry 1. Limitations on trade (e. g. , high tariff levels, quotas) 2. Documentation and import regulations 3. Local standards, practices, and potential non-tariff barriers 4. Patent/trademark availability 5. Preferential treaties with a company's home country 6. Legal considerations for investment, taxation, profit repatriation, employment 7. Availability of intermediaries B. Threat from Competitors 1.

Number of international competitors and their market shares 2. Number of local competitors and their market shares 3. Advantages needed to compete effectively relative to competitors C. Threat from Substitutes D. Power of Buyers 1. Customer needs and desires (e. g. , demand behavior and estimation, price elasticity of demand, etc.) 2. Local production, imports, consumption 3. Exposure to and acceptance of product/service 4. Availability of complementary products/services 5. Industry-specific key indicators of demand 6. Attitudes towards products of foreign origin

E. Power of Suppliers 1. Number and location of suppliers 2. Market structure (e. g. , competitive, monopoly, or in-between, etc.) F. Major Threats and Opportunities ASSIGNMENT DUE DATES (Recommended) Assignments #1 & #2 are due June 22, 2009 Assignments #3 & #4 are due July 13, 2009 Assignments #5 & #6 (Value Creation Project) are due August 3, 2009 Note: The absolute Final Date to turn in all assignments is Monday, August 3rd at

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5: 00 PM CLASSROOM POLICY ISSUES WITHDRAWAL POLICY The requirements set by the university for withdrawal will be strictly followed.

You should retain all documentation of courses you have dropped.

STUDENTS WITH SPECIAL NEEDS The university is committed to the principle that in no aspect of its programs shall there be differences in the treatment of persons because of race, creed, national origin, age, sex, or disability, and that equal opportunity and access to facilities shall be available to all. Any student who because of a disability may require special arrangements in order to meet course requirement should contact the instructor as soon as possible to make any necessary accommodations.

Students should present appropriate verification from AccessTECH in the Student Counseling Center in West Hall.

ACADEMIC INTEGRITY The university catalog states the following: “ It is the aim of the faculty of Texas Tech University to foster a spirit of complete honesty and a high standard of integrity. The attempt of students to present as their own any work that they have not honestly performed is regarded by the faculty and administration as a serious offense and renders the offenders liable to serious consequences, possibly suspension. The catalog defines cheating as “ Dishonesty on examinations and quizzes or on written assignments, illegal possession of examinations, the use of unauthorized notes during an examination or quiz, obtaining information during an examination from the examination paper or otherwise from another student, assisting others to cheat, alteration of grade records, illegal entry to or unauthorized presence in an office are instances of cheating. In this class, collaboration with others on in class examinations and cases is considered within the definition of

cheating. RELIGIOUS HOLIDAYS A student who intends to observe a religious holy day should make that intention known to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence.