

Managing Enterprises in China
IFSA International Business Program in Shanghai, China

Suggested US semester credit hours: 3 credits

Contact hours: 45

IFSA-Butler course code: MGMT390

Course length: Semester

Delivery method: Face to face

Language of Instruction: English

COURSE DESCRIPTION

This course is designed to offer a general overview of the China's business environment and thus get students an in-depth and first-handed understanding—might just be a hunch—of how to run business in China. It is thus divided into two sections. The first (week 2-12) starts with characterizing the key elements of the Chinese business environment, such as the socio-cultural foundations, the politico-economic system and the Chinese economic structure in terms of ownership and sector. After that, the course turns to the “practices” and thus touches upon issues such as: How to start up an enterprise? How to negotiate deals? How to deal with Chinese customers and employees? and How to maintain relations with local governments?

After these, the course moves to the second half (week 13-14). In the stage, we encourage students to pursue their own interests and thus develop their know-how from in-depth CASE STUDY PROJECT. For the project, students thus expected to pick either (1) one major foreign company/joint-venture in China or (2) one specific locality as the target of investment (you may want to check <http://www.fdi.gov.cn/pub/FDI/wzyj/yjbg/default.jsp>) and then write a SWOT-based business plan to evaluate its strengths and weaknesses and/or offer your suggestions. And, this will be counted as the term report of the course.

STUDENT LEARNING OBJECTIVES

- Understand the key elements of the Chinese business environment.
- Identify key elements of business practice in China.
- Strengthen critical thinking skills.
- Become familiar with resources available for further research on the Chinese business environment.
- Make cognitive connections between learning in this course and other learning experiences in the IFSA International Business program in Shanghai.

Course Schedule

Session 01-14 Introduction & Overview of the Course: Why China?

Readings:

C&B Introduction; **F&U** Foreword: China: A Must-win Market; **C&B** Chapter 1: So You Want to Do Business in China; **C&B** Chapter 5: Traveling to and around China

Session 02-14 Economy and Market in China

The Chinese Economy: From Mao to Today

Readings:

C&B Chapter 2: Brushing Up on China Business Basics; **C&B** Chapter 4: Planning for Success in China; **Wu**, Selections related to China's economic transition.

Discussion Leader: TBA

Session 03-14 Political Institutions of China

The Role of the State in Chinese Economy

Environment/Political Context of Doing Business

Readings:

C&B Chapter 3: Getting Acquainted with the Powers That Be; **C&B** Chapter 8: Understanding Government Relations with Your Business; **F&U** Chapter 8: Negotiating With the Chinese Government; **Wu**, Selections with emphasis on how these enterprises survived the transition.

Discussion Leader: TBA

Session 04-14 Social Context and Business Running

Understanding the Chinese

Guanxi and Business Ethics

Readings:

C&B Chapter 11: Understanding How China Works (and Doesn't Work); **C&B** Chapter 15: Fostering Fruitful Friendships: The Art of GuanXi; **Wu**, as materials for case studies.

Discussion Leader: TBA

Assignments:

- First Quiz
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Session 05-14 The Economic Structure of China I

The Chinese Economy from a Regional Perspective: Inland-Coastal and North-South

The Chinese Economy from a Ownership Perspective: SOEs, Private, Joint-Ventures and Foreign Investments

Readings:

F&U Chapter 5: Facing Competitors

Discussion Leader: TBA

Session 06-14 The Economic Structure of China II

The Chinese Economy from a Industrial Perspective: Manufacturing and Consumption

The Chinese Economy from a Sectoral Perspective: Agriculture, Industry and Service

Readings:

C&B Chapter 13: Manufacturing in China; **C&B** Chapter 14: Selling in China; **F&U** Chapter 7: Winning Over Chinese Consumers

Discussion Leader: TBA

Assignments:

- Student Report Research Topics (with a One-Page Rationale of the Research)
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Session 07-14 Foundation of the Market

Taxation and Tariffs

Financial Markets: Commercial Banks and Stock Markets

Readings:

C&B Chapter 10: Getting Your Mind on Money; **Wu**, as materials for case studies.

Discussion Leader: TBA

Session 08-14 Foreign Trade and Investment

Foreign Trade and Foreign Investment

Foreign Exchanges and Tariffs

Readings:

C&B Chapter 7: Setting Up Shop; **Wu**, as materials for case studies.

Discussion Leader: TBA

Session 09-14 Managing Human Resources I

Readings:

F&U Chapter 2: Managing Chinese Employees; **C&B** Chapter 9: Building a Local Team in China;

C&B Chapter 6: Getting Business Going through Successful Negotiation; **Wu**, as materials for case studies.

Discussion Leader: TBA

Assignments:

- Second Quiz
 - Student Report Research Progresses
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Session 10-14 Managing Human Resources II

Readings:

F&U Chapter 2: Managing Chinese Employees; **C&B** Chapter 9: Building a Local Team in China;

C&B Chapter 6: Getting Business Going through Successful Negotiation; **Wu**, as materials for case studies.

Discussion Leader: TBA

Session 11-14 Business Strategies

Supply Chains Management

Readings:

F&U Chapter 3: Working With Business Partners; **F&U** Chapter 4: Communicating With

Headquarters; **C&B** Chapter 17: Managing Risks in China; **Wu**, as materials for case studies.

Discussion Leader: TBA

Session 12-14 How to Get Ahead in China?

Some Case Studies

Marketing Research

Readings:

F&U Chapter 1: Qualities of a Successful International Manager in China; **C&B** Chapter 18: Ten

Clauses You Want in Your Contracts; **C&B** Chapter 19: Ten Fun Ways to Spend Your Downtime in China; **C&B** Chapter 20: Ten Ways to Stay on the Path to Profitability; **Wu**, as materials for case studies.

Discussion Leader: TBA

Assignments:

- Third Quiz

Session 13-14 Presentations of Term Reports I
Presentations, Comments and Discussions

Session 14-14 Presentations of Term Reports II
Presentations, Comments and Discussions

Supplemental Course Materials

Assigned Readings

Fernandez, Juan Antonio & Laurie Underwood, *China CEO: Voices of Experiences from 20 International Business Leaders* (thereafter **F&U**), Singapore: Wiley/Asia, 2006.

Wu, Xiao-bo, *China Emerging 1978-2008* (thereafter **Wu**), Translated by Martha Avery, Singapore: Cengage Learning, 2009, available in electronic copy.

Collins, Robert & Carson Block, *Doing Business in China for Dummies* (thereafter **C&B**), Hoboken, NJ: Wiley, 2007, also available in electronic copy, and one book or 3-4 articles of the students' own choice.

Recommended Readings (if interested, you can consult the instructor for details.)

For more detailed case studies, students may refer to the following two texts,

China Daily, *World Fortune 500 CEOs Talk about China: Working and Winning in China*, Beijing: New World Press, 2008.

Zhu, Lin ed., *Growing with China: MNC Executives Talk about China*, Beijing: New World Press, 2009.

For a standard marketing and management textbook with Chinese elements, you may want to check out the following one, Kotler, Philip, Kevin Lane Keller & Taihong Lu, *Marketing Management in China*, Singapore: Prentice Hall/Pearson, 2009.

Selected References (*Recommended)

GENERAL AND BROADER

*Naughton, Barry, *The Chinese Economy: Transitions and Growth*, Cambridge & London: The MIT Press, 2007.

Garnaut, Ross & Yiping Huang eds., 2001, *Growth without Miracles: Reading on the Chinese Economy in the Era of Reform*, Oxford & New York: Oxford University Press.

Kissinger, Henry et al., *Does the 21st Century Belong to China?: The Munk Debate on China*, Toronto: House of Anansi, 2011.

*Zakaria, Fareed, *The Post-American World: Release 2.0*, New York: W. W. Norton, 2nd. ed., 2011.

Subramanian, Arvind, *Eclipse: Living in the Shadow of China's Economic Dominance*, Washington, DC: Peterson Institute for International Economics, 2011.

Fishman, Ted C., *China, Inc.: How the Rise of the Next Superpower Challenges America and the World*, New York: Scribner, 2006.

* Jacques, Martin, *When China Rules the World: The End of the Western World and the Birth of a New Global Order*, London & New York: Penguin Press, 2nd. ed., 2009.

CHINA'S RISE AND ITS CONSEQUENCES

Bongiorni, Sara, *A Year without "Made in China": One Family's True Life Adventure in the Global Economy*, Hoboken, NJ: Wiley, 2007.

*Harney, Alexandra, *The China Price: The True Cost of Chinese Competitive Advantage*, London: Penguin, 2008.

*Ross, Andrew, *Fast Boat to China Lessons from Shanghai: Corporate Flight and the Consequences of Free Trade*, New York: Pantheon, 2006.

Cann, Simon & Graham Jeal, *Made It In China*, Surrey, UK: MII Publishing, 2009.

Midler, Paul, *Poorly Made in China: An Insider's Account of the China Production Game*, Hoboken, NJ: Wiley, revised and updated ed., 2011.

*Steinfeld, Edward, *Playing Our Game: Why China's Rise Doesn't Threaten the West*, Oxford & New York: Oxford University Press, 2010.

Rein, Shaun, *The End of Cheap China: Economic and Cultural Trends that Will Disrupt the World*, Hoboken, NJ: Wiley, 2012.

Zeng, Ming & Peter J. Williamson, *Dragons at Your Door: How Chinese Cost Innovation Is Disrupting Global Competition*, Cambridge, MA: Harvard Business School Press, 2007.

Zweig, David, 2002, *Internationalizing China: Domestic Interests and Global Linkages*, Ithaca, NY: Cornell University Press.

Gupta, Anil K. & Haiyan Wang, *Getting China and India Right: Strategies for Leveraging the World's Fastest Growing Economies for Global Advantage*, San Francisco, CA: Jossey-Bass, 2009.

POLITICAL ECONOMY

*McGregor, Richard, *The Party: The Secret World of China's Communist Rulers*, New York: Harper, 2010.

Gallagher, Kelly Sims, 2006, *China Shifts Gears: Automakers, Oil, Pollution, and Development*, Cambridge, MA: MIT Press.

*Huang, Yasheng, 2008, *Capitalism with Chinese Characteristics: Entrepreneurship and the State*, Cambridge & New York: Cambridge University Press.

Kennedy, Scott, 2005, *The Business of Lobbying in China*, Cambridge, MA: Harvard University Press.

Pei, Minxin, *China's Trapped Transition: The Limits of Developmental Autocracy*, Cambridge, CA: Harvard University Press, 2008.

Yang, Dali, *Remaking the Chinese Leviathan: Market Transition and the Politics of Governance in China*, Sanford, CA: Stanford University Press, 2006.

Walter, Carl & Fraser Howie, *Red Capitalism: The Fragile Financial Foundation of China's Extraordinary Rise*, Hoboken, NJ: Wiley, revised ed., 2012.

Huang, Yasheng, *Selling China: Foreign Direct Investment during the reform Era*, Cambridge & New York: Cambridge University Press, 2003.

Lardy, Nicholas R., *Sustaining China's Economic Growth after the Global Financial Crisis*, Washington, DC: Peterson Institute for International Economics, 2012.

HISTORICAL AND PERSONAL

*Chang, Jung, *Wild Swans: Three Daughters of China*, New York: Anchor, 1992.

Liang, Heng & Judith Shapiro, *Son of the Revolution*, New York: Knopf, 1983.

*Clissold, Tim, *Mr. China: A Memoir*, New York: HarperBusiness, 2006.
 Zha, Jianying, *Tide Players: The Movers and Shakers of a Rising China*, New York: New Press, 2011.
 Perkowski, Jack, *Managing the Dragon: How I'm Building a Billion-Dollar Business in China*, New York: Crown Business, 2008.

BUSINESS SKILLS AND PRACTICS

*Yan, Rick & Kenneth Libeberthal, *Harvard Business Review on Doing Business in China*, Cambridge, MA: Harvard Business Press, 2004.
 *Fernandez, Juan Antonio & Laurie Underwood, *China Entrepreneur: Voices of Experience from 40 Business Pioneers*, Hoboken, NJ: Wiley, 2009.
 Goodman, Sam & Michelle Ree, *Where East Eats West: The Street-Smarts Guide to Business in China*, Charleston, SC: BookSurge, 2009.
 Story, Jonathan, *China Uncovered: What You Need to Know to Do Business in China*, Upper Saddle River, NJ: FT Press, 2010.
 McGregor, James, *One Billion Customers: Lessons from the Front Lines of Doing Business in China*, New York: Free Press, 2007.
 Plafker, Ted, *Doing Business in China: How to Profit in the World's Fastest Growing Market*, New York: Business Plus; Reprint ed., 2008.
 Hexter, Jimmy & Jonathan Woetzel, *Operation China: From Strategy to Execution*, Cambridge, MA: Harvard Business School Press, 2007.
 Gallo, Frank T., *Business Leadership in China: How to Blend Best Western Practices with Chinese Wisdom*, Hoboken, NJ: Wiley, rev. ed., 2011.
 Chen, Chao-Chuan & Yueh-Ting Lee eds., *Leadership and Management in China: Philosophies, Theories, and Practices*, Cambridge & New York: Cambridge University Press, 2008.
 Yuann, James K. & Jason Inch, *Super-trends of Future China: Billion Dollar Business Opportunities for China's Olympic Decade*, Singapore: World Scientific, 2008.

EVALUATION METHODS

Class Participation	20%
Class Presentation/ Discussions	40%
Term Paper with Presentations	40%

Assessment Criteria

Class Participation

Students are expected to attend all classes and take part in the discussion.

Class Presentation/ Discussions

There will be a 20 to 30 minute student presentation each meeting. These presentations should cover all the assigned readings of that week. Each presentation ideally should be supplemented with either PowerPoint slides or brief handouts for the whole class. The student in charge will be encouraged to prepare a list of three research questions that will guide the discussion.

Term Paper with Presentations

The paper should be related to one of the course topics. Students should first turn in a one-page rationale of the research on week 5 and then give a 30-minute oral presentation of their papers in week 13 to 14. Each presentation will be followed by feedback and comments from the instructor and other

students. These papers should be around 3,000 words, and include citations of selected references. We will discuss the topics and requirements in more detail in Week 4 and, again, Week 8. The final paper is due early June, 2015 (to be further arranged).

Grading

Alliance programs utilize the follow standard grading policy well accepted by most US institutions.

Excellent	A	93-100%	Good	B+	87-89%	Acceptable	C+	77-79%
				B	83-86%		C	73-76%
	A-	90-92%		B-	80-82%		C-	70-72%
						Unsatisfactory	D+	67-69%
							D	63-66%
							D-	60-62%
						Failing	F	<60%

COURSE POLICIES

Exams and Assignments

Students are required to take all regularly scheduled exams in courses for which they are registered, and to submit all assignments on time. Any compelling academic, personal, or medical reason that might justify a rescheduled exam or assignment must be brought up to the Resident Director, not program faculty. Failure to take scheduled exams or submit the requisite assignments for a course will adversely affect your grade as per the stated grading criteria for each course.

Classroom Conduct

Student punctuality is extremely important in China and India. Please do not be late for classes or other activities, as it is considered impolite to do so. It is improper to eat in class, to engage in other activities such as texting, or to slump or nap. Students are expected to be alert and engaged as a sign of respect for their professors.

Attendance

Everyone benefits by learning from each other; if students are not present, it affects everyone and negatively impacts the program. Attendance is required for all classes and mandatory field visits; attendance will be recorded. Students must notify their instructors and the Resident Director ahead of their absence from class or class-related activities. Class participation is expected and is a contributing factor to students' final course grades. Students' grades will be reduced for excessive absences.

TIMELY SUBMISSIONS

Assignments submitted after the deadline will be accepted at the discretion of the course instructor and generally only in the event of a documented illness or emergency.

ACADEMIC INTEGRITY

Any academic endeavor must be based upon a foundation of honesty and integrity. Students are expected to abide by principles of academic integrity and must be willing to bear individual responsibility for their work while studying abroad. Any academic work (written or otherwise) submitted to fulfill an academic requirement must represent a student's original work. Any act of academic

misconduct, such as cheating, fabrication, forgery, plagiarism, or facilitating academic dishonesty, will subject a student to disciplinary action.

IFSA-Butler takes academic integrity very seriously. Students must not accept outside assistance without permission from the instructor. Additionally, students must document all sources according to the instructions of the professor. Should your instructor suspect you of plagiarism, cheating, or other forms of academic dishonesty, you may receive a failing grade for the course and disciplinary action may result. The incident will be reported to the IFSA-Butler resident director as well as your home institution.