

European Business Strategy (Section A)**Spring 2017****Location:** Copenhagen**Core Class****Study Tour:** Western Denmark & Berlin/Prague**Major Disciplines:** Business, Management**Faculty member:** Niels Hald,**Program Director:** Susanne Goul Hovmand, V7.36,**Assistant Program Director:** Anne Christine Nielsen, V7.36,**Prerequisites:** A one-year sequence of courses in micro and macroeconomics.**Class:** Mondays and Thursdays, 8:30 – 9:50**Classroom:** V23.301**Course Description:**

European Business Strategy will be studied through intensive lectures and case-studies of European companies. The focus is on the complex patchwork making up the macro-environment under which European companies operate and on the business strategies implemented by some of these companies. This includes a closer look at (i) the business impact of policies and regulations at the EU level, as well as at the national level; (ii) the similarities and differences between European countries in terms of business environment; and (iii) the specific business models and strategies of local and global companies operating in these various European contexts. As part of this course, a comprehensive project for Carlsberg (fast moving consumer goods, beverages) will be developed and presented to a senior industry professional. Furthermore, the European airline industry will be analyzed as a case example.

Learning objectives:

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

- Understand the European business environment using multiple case studies as examples
- Identify key issues facing European business today, including how European business are influenced by:
 - The Single European Market and the current level of European economic integration
 - EU institutions and decision-making
 - Policies and regulations
 - Cross-cultural challenges
- Analyze business models and strategies of European companies as well as their responses to changes in Europe's evolving business environment
- Display a thorough understanding of the fast moving consumer industries and airline industry in Europe
- Apply critical thinking (pro/con) in analyzing empirical/corporate information
- Engage in group projects in a structured and efficient manner

Required Text:

Doing Business in Europe. Los Angeles: Sage Publications, 2008. Suder, Gabriele

Course overview:

- **Sponsor project:** The main case project for this course is developed in collaboration with the Carlsberg Brewery. The purpose of the project is to address some of the challenges for the beverage industry (fast moving consumer goods industry), to suggest possible strategic recommendations, and to work directly with a Danish business. You will work on this sponsor project as part of a team. The details of the project will be disclosed in the beginning of the semester.
- **Study Tour:** On our study tours in Copenhagen and to Western Denmark and to Berlin and Prague we will visit companies and trade organizations and analyze their specific business cases. On study tours, insights will also be gathered for the sponsor project. Also, we will use the study tours to collect insight into the business environment in Germany and the Czech Republic.
- **Class room sessions:** In class we will focus on establishing a common theoretical framework that we will use to analyze European industries and business cases. We will study the European business environment in details. This includes the EU integration process, institutional players and decision-making, and the development of a single European market. Furthermore we will touch upon competition and consumer policy as well as CSR in a European context. This information serves as a basis for understanding the conditions under which European businesses operate.

Instructor:**Niels Hald**

Cand.polit. (Economics, University of Copenhagen, 1979). EU-Commission's course for diplomats (1983), British Foreign Office course for diplomats (1984).

Head of section, Ministry of Agriculture, 1979; Head of section, Ministry of Foreign Affairs, 1980-83; Member of the Danish delegation to the UN General Assembly, 1981-82; First Secretary of Embassy, Permanent Representation of Denmark to the EEC, Negotiator and committee-chairman on ECC external relations, 1985-88; Coordinator of external economic and trade relations, Ministry of Foreign Affairs, 1988-89; Director EC and Government relations, Scandinavian Airlines Systems, SAS, 1989; Corporate Secretary, SAS, 1990-92; Counselor of Embassy, Deputy to the Ambassador, Permanent Representation of Denmark to the EU, 1992-96; Secretary General and CEO, The Danish Brewers Association and The Danish Soft Drink Association (from 1996), President of the Beer and Society Committees, Brewers of Europe, Brussels; Member of the board of The Greater Copenhagen Light Rail Company. Several board memberships. With DIS in 1988-92 and again from 2002.

Grade Components:

Written assignment is a 4-page (double-spaced, 300 words each) industry analysis of one of the companies/trade organizations visited on field studies during the long or study tour. Analysis should be based on company presentations and your own research. Late papers are not accepted. The assignment is to be handed in to the instructor in hard copy no later than on **Thursday, April 6. This assignment is worth 25 points toward the final grade.**

Midterm Exam is a closed-book exam held in class on **Thursday, March 16.** The exam will cover all lectures, guest lectures, and obligatory readings aiming at the European macro-environment for business. The exam will assess your understanding of the European business environment and your ability to apply this knowledge in analyzing European companies. **The midterm exam is worth 25 points toward the final grade.**

Sponsor project is a team assignment developed for Carlsberg. The projects are introduced by Carlsberg on **Friday, September 16** and worked on throughout the course. The purpose is to uncover the challenges and to propose strategic recommendations to Carlsberg. The project will be evaluated based on a milestone and a final presentation. The presentations should be in Power Point. The **presentation is worth a total of 30 points** towards the final grade. **The Semi-finale presentation** will take place on **Thursday, April 27**. One project will be selected for special and **final presentation Wednesday, May 3**. The project is a team exercise that will require good teamwork and joint research. If there is much difference in the contribution of individual team members, grades December be differentiated.

Engagement: This class requires a high level of motivation and active participation in class and during the study tour. Attendance is mandatory. To get a good engagement grade the following must be done:

- Active and voluntary participation in class discussions
- Having prepared properly for every class, i.e. doing all the required reading and research
- Being able to address the readings critically during class, thus displaying a good understanding of the subject matter
- Being analytical and concise in oral interventions, i.e. backing up arguments by facts and references rather than “feeling this or that” – Please note that monopolizing the floor with fluffy, unstructured and redundant monologues will NOT be seen as a positive contribution.
- Being able to collaborate well with your assigned team and delivering elaborate and analytical presentations (sponsor project and student presentations)

If you are unable to attend class, you must notify your instructor in advance and receive approval for an excused absence. If participation is uncomfortable for you, please discuss this problem with the faculty early in the course so that we can identify approaches to increase your class contribution and comfort.

We allow computers and I-phones in class PURELY for note-taking purposes. In case of other uses such as Facebook, e-mails or internet surfing, it will have a *negative* impact on your engagement grade. Cell phones are to be shut off during class and texting/SMS'ing etc. during class will have a *negative* impact on your engagement grade. **Engagement is worth 20 points toward the final grade.**

Academic Honesty: Plagiarism and Violating the Rules of an Assignment - DIS expects that students abide by the highest standards of intellectual honesty in all academic work. DIS assumes that all students do their own work and credit all work or thought taken from others. Academic dishonesty will result in a final course grade of “F” and can result in dismissal. The students’ home universities will be notified. DIS reserves the right to request that written student assignments be turned in electronic form for submission to plagiarism detection software. See the *Academic Handbook* for more information, or ask your instructor if you have questions.

Disability and Resource Statement: Any student who has a need for accommodation based on the impact of a disability should contact the Office of Academic Support () to coordinate this. In order to receive accommodations, students should inform the instructor of approved DIS accommodations within the first two weeks of classes.

Grading Elements:

Engagement (in class and study tours)	= 20 points
Written Study Tour Assignment	= 25 points
Midterm Exam	= 25 points
Final sponsor presentation	= 30 points
Total	= 100 points

Grading Scheme:

Points	Grade
100 – 93	A
<93 – 90	A-
<90 – 87	B+
<87 – 83	B
<83 – 80	B-
<80 – 77	C+
<77 – 73	C
<73 – 70	C-
<70 – 67	D+
<67 – 63	D
<63 – 60	D-
<60	F

Schedule: Schedule is subject to change if necessary with as much notice as possible.

Detailed Class Schedule**#1 THURSDAY, 19 JANUARY****Introduction to the course and the European Business Environment**

- Overview of the course
- Introduction to the characteristics of the European business environment
- Assignment of teams

Readings:

1. Key figures on Europe 2015 edition:

<http://ec.europa.eu/eurostat/documents/3217494/7072644/KS-EI-15-001-EN-N.pdf/318ee884-50d6-48f0-b086-4410da85d6b6>

2. The EU in the world - 2015 edition -

<http://ec.europa.eu/eurostat/documents/3217494/6975194/KS-EX-15-001-EN-N.pdf>

3. Brexit: The economic impact of Brexit

Straws in the wind

<http://www.economist.com/node/21702225/print>

4. Euro-dependency

<http://www.economist.com/blogs/graphicdetail/2016/06/daily-chart-21>

5. Brexit in general – evt. orient yourself

<http://www.economist.com/Brexit>

Prepare to answer:

1. Sum up the EU in a global context: population, fraction of world GDP, and fraction of foreign direct investment. How does this compare with the United States?
2. Compare the characteristics of businesses in the EU to the United States. From the graphs and figures, which types of businesses and industries drive the EU's economy?
3. Using the information from the previously two questions, as well as any other statistics from the reading, what is your impression of the EU business environment?

<p>#2 <u>MONDAY, 23 JANUARY</u></p> <p>European Business Environment - The Single European Market</p> <ul style="list-style-type: none"> Identify the business opportunities and challenges of a single European market <p>Understand the challenges of the reform process moving towards a single European market</p>	<p>Readings</p> <p><i>DIS Forum</i> “Steps Toward Deeper Integration”</p> <p>Twenty years of the European Single Market: http://ec.europa.eu/internal_market/publications/docs/20years/achievements-web_en.pdf</p> <p>Cases on how the Single Market affects beverage industry, car manufactories and pharmaceuticals</p>
<p>#3 <u>THURSDAY, 26 JANUARY</u></p> <p>European Business Models and Strategy</p> <p>Industry Analysis of European Industries</p> <ul style="list-style-type: none"> Provide common frameworks and terminology to understand, to analyze, and to communicate regarding European industries and business Discuss the concept of the business model and define the concept of strategy Review industry analysis and competitive strategy through European examples 	<p>Readings:</p> <p>Compendium</p> <p>Johnson et al., “Reinventing Your Business Model”</p> <p>Porter, “What Is Strategy?”</p> <p>Porter, “The Five Competitive Forces That Shape Competitive Strategy” <i>DIS Forum</i></p> <p>McKinsey: Disruptive technologies</p> <p>http://en.wikipedia.org/wiki/Value_chain, http://en.wikipedia.org/wiki/Business_model</p>
<p>#4 <u>MONDAY, 30 JANUARY</u></p> <p>SEM and the Beverage Industry</p> <p>Structure, competition, and consolidation of the beverage industry</p>	<p>Readings:</p> <p><i>DIS Forum</i></p> <p>Erik S. Madsen ao: M&A as a Driver of Global Competition in the Brewing Industry</p> <p>The Economist: Sell foam like soap & Brewed force</p>
<p>#5 <u>THURSDAY, 2 FEBRUARY</u></p> <p>Core course week Preparation</p> <ul style="list-style-type: none"> Preparation for core course week including study tour to Western Denmark Basic insight into the businesses that we will visit during core course week enabling you to ask good questions at the visits, hence retain more information from the visits, and facilitate core course week reflections 	<p>Readings</p> <p><i>Online</i></p> <p>Familiarize with each of the following businesses that we will visits during core course week. You should use online research <u>and</u> ask regular Danes about which words comes to mind when they think of the company’s and their brands</p> <ul style="list-style-type: none"> Carlsberg ECCO Mærsk

<p>ELECTION OF CLASS REPRESENTATIVES</p>	<ul style="list-style-type: none"> • LEGO • Fuglsang Maltery • Danfoss <p>For each of the businesses prepare to answer:</p> <ol style="list-style-type: none"> 1. What is the CVP? What characterizes the brand? How do they differentiate from competitors? 2. SWOT 3. Overall 5 competitive force analysis <p>Prepare 3 questions for each of the businesses to hand in as hard copy in the beginning of class.</p> <p>This exercise should help you ask good questions during business visits.</p>
<p><u>MONDAY, 6 FEBRUARY – WEDNESDAY, 8 FEBRUARY</u></p> <p>Study tour to Western Denmark</p> <ul style="list-style-type: none"> • Academic visit on short study tour to Viking Life Saving Equipment, LEGO, ECCO & Danfoss • Academic visits Thursday/Friday: Maersk & Carlsberg <ul style="list-style-type: none"> ○ Get introduced to your sponsor project and receive a tour of the brewery. Gamle Carlsbergsvej 11 	<p>CORE COURSE WEEK</p> <p>Prepare 3 questions for each of the businesses you will be visiting. Your ability to ask good questions during visits will impact your engagement grade.</p> <p>Please know that additional information can be found in your Core Course Week booklet that’s available during the week leading up to Core Course Week.</p>
<p><u>THURSDAY, 9 FEBRUARY</u></p> <p>#6 INTRODUCTION TO CARLSBERG SPONSOR PROJECT WITH NIELS HALD</p> <p>Visit to Maersk Headquarters on Esplanaden. Meet with Philip Adrian, Strategy Advisor & PA to the CEO, and Kevin Beier, Senior Strategy Advisor</p> <p>MORE DETAILS WILL BE PROVIDED IN YOUR CORE COURSE WEEK BOOKLET</p>	
<p><u>FRIDAY, 10 FEBRUARY</u></p>	<p>Sponsor Project: Kick-off at Carlsberg</p> <p><i>See Core Course Week Booklet for meeting time</i></p>
<p>#7 <u>MONDAY, 13 FEBRUARY</u></p> <p>Wrap up of core course week and the Danish</p>	<p>Prepare to answer:</p> <ol style="list-style-type: none"> 1. Reflect on your take away from the businesses

<p>Business Environment</p> <p>Individual reflections and class discussions on insights into the Danish business environment and key take away from the businesses visited during core course week</p>	<p>visited and your insight into the Danish business environment.</p> <ol style="list-style-type: none"> 2. Review your answers before the study tour on: <ol style="list-style-type: none"> a. What is the CVP? What characterizes the brand? How do they differentiate from competitors? b. SWOT c. Overall 5 competitive force analysis <p>How is the Danish business environment different from the US, and how does this impact businesses located in Denmark?</p>
<p>#8 THURSDAY, 16 FEBRUARY</p> <p>Business Models and Strategy of Carlsberg</p>	<p>Readings</p> <p>Carlsberg annual report</p> <ol style="list-style-type: none"> 1. Carlsberg annual report http://www.carlsberggroup.com/investor/downloadcentre/Pages/CarlsbergASAnnualReport2015.aspx 2. Carlsberg SAIL'22 Strategy http://www.carlsberggroup.com/investor/downloadcentre/Pages/SAIL22Strategypresentation.aspx
<p>#9 MONDAY, 20 FEBRUARY</p> <p>EU decision making and institutional players</p> <p>A basic understanding of the EU decision-making process including institutional players</p>	<p>Readings</p> <p>Textbook</p> <p>Suder. "Institutional Players: Rule and Agenda Setting." Chapter 4 in Doing Business in Europe. Prepare to answer:</p> <ol style="list-style-type: none"> 1. Who are the key institutional players in the EU and what is their role? 2. Describe the decision-making process in the EU
<p>WEDNESDAY, 22 FEBRUARY</p> <p>INTERNATIONAL CAREER NIGHT</p> <p>*MANDATORY EVENT</p>	<p>Time: 17:30-20:30</p> <p>Place: Kosmopol, Fiolstræde 44, 1171 Copenhagen K</p> <p>Dress Code: as if you were going to a job interview</p> <p>About: A panel of speakers will provide perspectives on working in intercultural environments and offer advice about how to land a job overseas and relocate. Speakers include international working professionals and resource organizations.</p>

<p>#10 THURSDAY, 23 FEBRUARY</p> <p>Berlin and Prague study tour preparation:</p> <p>Eastern European Business Environment</p> <p>Guest lecturer: Kristian Sørensen</p> <ul style="list-style-type: none"> • Introduction to the economies and business environment in Eastern Europe <p>Introduction to assignment</p> <p>Preparation for Berlin and Prague tour</p>	<p>Readings</p> <p>DIS Forum</p> <p>Please prepare by researching the answers to the following questions using the suggested readings on DIS Forum.</p> <ol style="list-style-type: none"> 1. Looking at the competitiveness data for Eastern Europe, how would you rate the attractiveness of doing business in the different Eastern European countries? And would it make sense to make a classification for clustering the countries? Suggested pre-readings: WEF Global competitiveness Report 2013-14 2. How has increased globalization and the recent economic slowdown affected the business environment in Eastern Europe? Suggested pre-readings: Ernst & Young's 2010 EAS Waking up to the new economy 3. How would you assess present gains and longer term sustainability of doing business in Eastern Europe, looking at growth patterns, trade and foreign investments, labor costs and factor endowment, entrepreneurship culture, and business regulations Suggested pre-readings: World Bank/IFC Doing Business in Eastern Europe and Central Asia, 2013. 4. Suggest what risk management strategies should be considered when doing business
<p>SUNDAY, 26 FEBRUARY-FRIDAY, 3 MARCH</p> <p>LONG STUDY TOUR TO BERLIN & PRAGUE</p> <p><i>Info on visits will follow</i></p>	
<p>#11 MONDAY, 6 MARCH</p> <p>Lobbying in the EU/The Playing Field</p> <ul style="list-style-type: none"> • Lobbying as a management tool • Case examples 	<p>Readings</p> <p>Textbook</p> <p>Suder. "Lobbying the Playing Field." Chapter 9 in Doing Business in Europe.</p> <p>DIS Forum</p> <p>"EU New Lobbying Rules"</p>
<p>#12 THURSDAY, 9 MARCH</p> <p>Europeanization of Business Culture</p>	<p>Readings</p> <p><i>Textbook</i></p>

- An understanding of the cultural differences and similarities in Europe, and how they influence the management of European businesses

Guest lecture: **Susanne Hovmand**

Suder. "The Europeanization of Business Management." Chapter 6 in Doing Business in Europe.

Online

Familiarize yourself with Geert-Hofstede's description of Danish and American culture.
<http://geert-hofstede.com/denmark.html>

Compendium

"Managing Multicultural Teams", Harvard Business Review, 2006

Prepare to answer:

- 1) Examples of cultural differences provided during ICN and through your own observations
- 2) What do you find to be some of the key differences between Danish and American culture?
- 3) How do these examples of cultural differences fit with Hofstede's categorization of Danish and American culture?
- 4) Which aspects should you consider to enhance your success doing business in Scandinavia? Examples of cultural differences provided during ICN and through your own observations
- 5) What do you find to be some of the key differences between Danish and American culture?
- 6) How do these examples of cultural differences fit with Hofstede's categorization of Danish and American culture?

Which aspects should you consider to enhance your success doing business in Scandinavia?

#13 MONDAY, 13 MARCH

Workshop for Sponsor project

FIELD STUDY: WEDNESDAY, 15 MARCH

Saved for make-up class

#14 THURSDAY, 16 MARCH

Midterm	
Closed book	
SATURDAY, 18 MARCH- SUNDAY, 26 MARCH	
Travel Break	
# MONDAY, 27 MARCH	
<i>Reserved for make-up class</i>	
#15 THURSDAY, 30 MARCH	CLASS BEGINS AT 8:00 AM!
Sponsor project presentations – Milestone	
#16 MONDAY, 3 APRIL	Readings
EU Competition Policy & Rules Applying to Private Undertakings	<i>Textbook</i>
<ul style="list-style-type: none"> • An understanding of the role of and areas covered by EU competition policy • Knowledge of EU competition rules and how they influence business 	Suder. "Competition and the main business-related common policies." Pgs. 120-126 in <u>Doing Business in Europe</u> .
	<i>DIS Forum</i>
	Read the following cases: "EU verdict against Microsoft" "GE-Honeywell Case" "GE-Honeywell Antitrust Case"
	Reflect on what they tell you about the different approaches to competition between the EU and US
#17 THURSDAY, 6 APRIL	Readings
The Single Market and the Transport Industry (Special Focus on Airlines)	<i>DIS Forum</i>
<ul style="list-style-type: none"> • The process of liberalization of the European markets • Competitive situation of the European airline industry • The new open skies between the US and Europe 	Berger strategy consultants: Aviation radar 2013
	Economist: The ineluctable middlemen "Analyses on the European Air Transport Market, 2008," European Commission – Chapters 1,2
	<u>Hand-in Study Tour assignment</u>
#18 MONDAY, 10 APRIL	
Business Models and Strategy of SAS by Director of Public Affairs Lars Andersen	<i>DIS Forum</i>
	Annual reports for SAS

<ul style="list-style-type: none"> • A case study of the business models and strategies of SAS 	http://www.sasgroup.net/annualreports/2015/en/
<p>WEDNESDAY, 12 APRIL- MONDAY, 17 APRIL TRAVEL BREAK</p> <p><i>BOTH DAYS INCLUDED</i></p>	
<p># THURSDAY, 20 APRIL</p> <p>Reserved for make up</p>	
<p>#19 MONDAY, 24 APRIL</p> <p>Business Models and Strategy of other main players in the airline market</p> <ul style="list-style-type: none"> • A case study of the business models and strategies of Lufthansa and Ryan Air <p>Semester wrap-up and last opportunity to ask question about Sponsor project</p> <p>Prepare to answer: What are your five primary key takeaways from the whole course?</p>	
<p>#20 THURSDAY, 27 APRIL</p> <p>Semi-Finale → presentations at DIS</p> <p>Location: in regular classroom</p>	
<p>MONDAY, MAY 1</p> <p>Reserved for make-up class</p>	
<p>FIELD STUDY: WEDNESDAY, 3 MAY</p> <p>Final sponsor project presentations followed by Concluding Dinner</p> <ul style="list-style-type: none"> • <u>15 MIN PRESENTATION PER TEAM PLUS 10 MIN FOR QUESTIONS</u> • <u>DRESS CODE: BUSINESS ATTIRE</u> <p><u>15:00 DEPART FOR CARLSBERG;</u> MEET IN THE COURTYARD OF VESTERGADE 23 TO DEPART FOR CARLSBERG WITH PUBLIC TRANSPORTATION</p> <p>16:00 WINNING TEAMS PRESENT FOLLOWED BY RECEPTION SOCIAL</p> <p>END APP. 20:30</p>	
<p><i>THE SYLLABUS IS SUBJECT TO CHANGE</i></p>	